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**National
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Public
Policy**

**Report of Policy Lab on
Bridging Gaps in
National Security Policies and their
Implementation in Pakistan**

پاکستان میں قومی سلامتی کی پالیسیوں
کے اطلاق میں حائل رکاوٹوں کا خاتمہ

**Policy Analysis &
Recommendations- Part-3 of 11**

**Pakistan's
Social Security**

**Addressing social protection mechanisms,
inequality, and welfare policies to
promote social cohesion..**

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بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

إِنَّ اللّٰهَ لَا يُغَيِّرُ مَا بِقَوْمٍ حَتّٰی يُغَيِّرُوا مَا بِأَنْفُسِهِمْ

(سورة الرعد 13:11)

بے شک، اللہ کسی قوم کی حالت نہیں بدلتا جب تک وہ خود اپنی حالت کو نہ بدلے۔

Indeed, Allah does not change the condition of a people
until they change what is in themselves.

(Surah Ar-Ra'd 13:11)

ظَهَرَ الْفَسَادُ فِي الْبَرِّ وَالْبَحْرِ بِمَا كَسَبَتْ أَيْدِي
النَّاسِ لِيُذِيقَهُمْ بَعْضَ الَّذِي عَمِلُوا لَعَلَّهُمْ يَرْجِعُونَ

(سورة الروم 30:41)

خشکی اور تری میں فساد ظاہر ہو گیا ہے، لوگوں کے اپنے ہاتھوں کے کیے ہوئے اعمال کی وجہ

سے، تاکہ اللہ انہیں ان کے کچھ اعمال کا مزہ چکھائے، شاید کہ وہ باز آ جائیں۔

Corruption has appeared on land and sea because of
what the hands of people have earned, so that
He may let them taste part of what they have done,
that perhaps they will return (to righteousness).

(Surah Ar-Rum 30:41)

Pakistan's Social Security

**Addressing social protection mechanisms,
inequality, and welfare policies to promote
social cohesion.**

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Preface

Public policy formulation and implementation are dynamic processes that require a comprehensive understanding of national security in all its dimensions. To equip policymakers, practitioners, and scholars with the necessary analytical tools to assess and refine policy strategies, a **Policy Simulation Lab on Analyzing & Evaluating Implementation Strategies for Pakistan's National Security Dimensions** was conceptualized, designed, and mentored by **Dr. Muqem Islam Soharwardy** in **November 2023**.

This **Policy simulation Lab** was a unique initiative aimed at critically assessing the effectiveness of policy implementation strategies across multiple domains of national security. It provided a structured environment where participants engaged in high-level problem-solving, scenario planning, and decision-making to address contemporary security challenges. The exercise was framed around a holistic approach to national security, moving beyond traditional defense mechanisms to include economic, environmental, cyber, and cultural security considerations.

The report of **Policy simulation Lab** presents the findings and recommendations of **nine Task Forces**, each dedicated to evaluating implementation strategies for a specific security dimension. These include:

1. **Energy Security** – Examining sustainable and resilient energy policies to ensure national energy independence and efficiency.
2. **Economic Security** – Identifying strategies to strengthen Pakistan's economic resilience, trade policies, and financial stability.
3. **Social Security** – Addressing social protection mechanisms, inequality, and welfare policies to promote social cohesion.
4. **Environmental Security** – Evaluating environmental policies to mitigate climate risks, resource depletion, and ecological threats.
5. **Military Security** – Reviewing the strategic defense framework, modernization efforts, and geopolitical considerations.
6. **Cybersecurity** – Assessing cybersecurity threats, digital infrastructure protection, and cyber policy frameworks.
7. **Health Security** – Developing robust public health policies to counter emerging health crises and pandemics.
8. **Food Security** – Ensuring sustainable agricultural policies, food distribution, and supply chain resilience.
9. **Cultural Security** – Analyzing policies to protect national identity, cultural heritage, and counter ideological extremism.

Each task force conducted an in-depth examination of current policy frameworks, identified key challenges, and proposed actionable strategies to enhance national security implementation. The insights gained from this simulation exercise offer valuable contributions to policy discourse and serve as a strategic guide for decision-makers.

This report is a testament to the collaborative efforts of participants, researchers, and policymakers who engaged in this exercise with commitment and intellectual rigor. It is our hope that the findings herein will serve as a valuable resource for shaping Pakistan's future national security policies in an increasingly complex global landscape.

It is hoped that this document will serve as a significant milestone in the design, implementation, and facilitation of policies, paving the way for broader economic and industrial transformation in Pakistan, انشاء الله .

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Executive Summary

Social security programs play a crucial role in assisting vulnerable populations by offering financial and social support. Pakistan's social security landscape is shaped by both government and non-government initiatives designed to address various socio-economic challenges. The country's social security policies and programs are vital for mitigating the impacts of poverty, unemployment, illness, and disability on its citizens. This executive summary highlights the importance of social security, the challenges faced in implementing these programs, and the key initiatives and organizations working to provide assistance to Pakistan's marginalized communities.

Social Security in the Context of Pakistan's Socio-Economic Challenges

Pakistan faces several economic challenges that affect the well-being of its population. With a population exceeding 245 million, Pakistan is experiencing high levels of poverty, inflation, and inequality. The country is also frequently impacted by natural disasters such as floods and earthquakes, further exacerbating socio-economic disparities. According to the Human Development Report 2022, Pakistan ranks poorly on the Human Development Index (HDI), which highlights the urgent need for effective social security programs.

Pakistan's Constitution mandates that the state prioritize the welfare of its citizens, especially those from marginalized groups, by providing essential services like education, healthcare, housing, and financial relief for those unable to earn a livelihood due to sickness, disability, or unemployment. However, Pakistan's social security programs face significant limitations in terms of coverage and effectiveness, as poverty levels remain high, and the population struggles to access basic needs due to economic hardships.

Key Social Security Initiatives in Pakistan

Several government and non-government initiatives aim to address the socio-economic challenges faced by the most vulnerable populations in Pakistan. These programs are integral to providing support for economic and social development, as well as mitigating the impact of poverty. The key social security programs and organizations in Pakistan are outlined below:

1. Benazir Income Support Programme (BISP)

BISP is one of the largest cash transfer programs in Pakistan, targeting poor households, particularly women. With a budget of approximately Rs. 455 billion, the program offers unconditional cash transfers through initiatives like Benazir Kafaalat and targeted relief for flood-affected families. The program also includes conditional cash transfers such as the Benazir Taleemi Wazaif (education) and Benazir Nashonuma (nutrition and

health) programs. These initiatives are designed to reduce poverty, enhance human capital development, and empower women by providing them with financial independence. BISP's impact extends to millions of households, helping lift families out of extreme poverty.

2. Pakistan Bait-ul-Mal (PBM)

PBM plays a pivotal role in poverty alleviation by supporting the most vulnerable segments of society, including orphans, widows, and individuals with disabilities. Through various initiatives, PBM provides educational stipends, financial assistance for medical treatment, residential facilities, and vocational training. PBM also supports charitable institutions focused on education and community welfare, ensuring that marginalized groups can access essential services.

3. Microfinance Programs

The Pakistan Microfinance Network (PMN) is a key player in expanding access to formal financial services for low-income households. Microfinance institutions (MFIs) offer loans, savings, and insurance products that enable individuals to invest in small businesses and improve their economic status. PMN's efforts in micro-credit, micro-savings, and micro-insurance are integral to the financial inclusion of marginalized communities, enabling them to improve their living conditions and access better opportunities.

4. Pakistan Poverty Alleviation Fund (PPAF)

PPAF aims to improve the livelihoods of Pakistan's poorest populations by providing access to microcredit, infrastructure, and social services. The fund supports rural communities and women, helping them build resilience against economic shocks and natural disasters. Through initiatives like the Interest-Free Loan (IFL) Program, PPAF provides financial support to small enterprises, boosting income generation and community development.

5. Zakat and Workers Welfare Fund (WWF)

Zakat is a key social security tool in Pakistan, designed to provide financial assistance to the poor, orphans, and disabled individuals. The government collects and distributes Zakat funds to those in need, ensuring that the most vulnerable receive support. The WWF, on the other hand, provides financial support for workers in distress, including marriage grants, death grants, and scholarships for their children. These programs are aimed at ensuring the economic well-being of workers and their families.

6. Akhuwat Foundation

Akhuwat Foundation is a prominent non-profit organization in Pakistan that provides interest-free loans to individuals who lack access to formal financial services. The foundation has disbursed over Rs. 150 billion to more than 5 million borrowers, creating jobs and reducing poverty. With its high repayment rate of over 99%, Akhuwat's microfinance initiatives have had a significant impact on improving the socio-economic status of low-income families.

Critical Evaluation of Social Safety Programs

While Pakistan's social security programs play an essential role in alleviating poverty and empowering marginalized groups, their impact is often limited by several challenges. These include limited coverage, inefficiency in distribution, and a lack of comprehensive coordination between different programs. For instance, while BISP has a vast reach, its benefits may not be sufficient to cover the basic needs of all beneficiaries, and the programs may not fully address long-term poverty alleviation or economic mobility.

Moreover, the implementation of conditional programs like the Benazir Taleemi Wazaif has shown positive outcomes in terms of promoting education, but the results are often constrained by poor infrastructure, lack of awareness, and insufficient resources at the local level. Similarly, the impact of microfinance and poverty alleviation initiatives such as PPAF and Akhuwat has been notable, but their outreach and scale remain limited relative to the overall poverty rate in the country.

To enhance the effectiveness of these programs, the government and implementing agencies must improve the targeting mechanisms, expand the coverage of social safety nets, and ensure better integration with local communities. Additionally, addressing systemic issues such as corruption, inefficiency, and poor governance is crucial for the sustainability of social security programs.

Pakistan's social security system is facing critical challenges, with a fragmented and inefficient structure that fails to adequately support the country's vulnerable populations. Despite the existence of multiple social security programs, there is a lack of coordination and coverage, leaving a significant portion of the population—approximately 95 million people—without financial protection or access to essential services. With the government spending less than 1% of GDP on social security, significantly below the developing country average of 2.5%, the need for reform is urgent.

The inefficiency of Pakistan's social security system stems from a disjointed approach, with different programs overlapping and failing to reach all those in need. The absence of a cohesive framework for these programs has led to unnecessary duplication of efforts, administrative challenges, and an ineffective allocation of resources. This inadequate safety net is compounded by rising inflation, a lack of targeted support for vulnerable groups, and growing social inequalities.

Key Challenges Identified:

- **Fragmentation and Inefficiency:** Multiple uncoordinated programs result in administrative hurdles and insufficient coverage for vulnerable groups.
- **Inadequate Funding:** The government allocates less than 1% of GDP to social security, falling behind the average for developing countries.
- **Lack of Access to Basic Services:** A large segment of the population, especially those most vulnerable, remains excluded from critical healthcare, education, and income support programs.

To address these challenges, a comprehensive, integrated approach is needed to ensure that social security programs are well-coordinated, effectively funded, and accessible to all citizens. The following recommendations outline a strategic framework for reforming Pakistan's social security system.

Strategic Recommendations for Reform:

- **Strengthen Healthcare Access:**
 - Improve healthcare infrastructure, particularly in underserved areas.
 - Expand telemedicine services to reach rural and remote communities.
 - Ensure access to essential medicines and vaccines for all, especially vulnerable groups.
- **Enhance Income Support Programs:**
 - Review and update income support mechanisms to keep pace with inflation and rising living costs.
 - Ensure that programs are effective in providing a safety net to vulnerable populations.
- **Social Welfare for Vulnerable Populations:**
 - Develop targeted social welfare programs that focus on women, children, the elderly, and individuals with disabilities.
 - Ensure these groups receive adequate support in the form of financial assistance, healthcare, and social services.
- **Ensure Food Security:**
 - Implement food security programs to protect low-income households.
 - Offer subsidized food items and food assistance programs to address malnutrition and hunger.
- **Tackle Housing and Homelessness:**
 - Address the growing housing crisis by providing affordable housing options and shelters for those in need.
 - Focus on urban planning and development to meet the needs of displaced and low-income populations.
- **Expand Education Access:**
 - Increase investment in education, with a focus on building more need-based schools in underserved areas.
 - Provide scholarships and incentives for underprivileged students to attend school and access quality education.
- **Build Climate Change Resilience:**
 - Develop policies and programs to address the adverse effects of climate change, such as droughts, floods, and other natural disasters.
 - Support communities in areas most affected by environmental changes and displacement.
- **Labor Market Reforms:**
 - Implement labor market reforms to protect workers' rights and ensure fair wages.
 - Enhance job security and improve labor standards, particularly for low-income workers and those in the informal economy.
- **Encourage Stakeholder Collaboration:**
 - Foster collaboration between government agencies, non-governmental organizations (NGOs), and the private sector.

- Create a coordinated social security system that combines resources and expertise to better address the needs of vulnerable populations.
- **Monitor and Evaluate Social Security Programs:**
 - Establish a robust system to monitor and evaluate the effectiveness of social security programs.
 - Regularly assess the performance of these programs and make adjustments as necessary to ensure they meet their objectives and improve outcomes.

Conclusion

Social security programs in Pakistan are critical to addressing the country's socio-economic challenges, including poverty, unemployment, and inequality. Despite the progress made through initiatives like BISP, PBM, and microfinance programs, the overall impact remains constrained by a range of issues, including resource limitations, governance challenges, and insufficient outreach. To enhance the effectiveness and reach of social security programs, comprehensive policy reforms, better targeting, and greater collaboration between government, private sector, and civil society are essential. Only through these efforts can Pakistan ensure that its most vulnerable populations have access to the resources and opportunities needed for sustainable development.

Introduction

Social security is a collection of programs and initiatives designed to provide financial and other assistance to people who need it, especially marginalized and vulnerable segments of society. These programs can help people with a variety of needs, such as healthcare, housing, education, and food assistance. Social security programs can be run by the government, private organizations, or individuals.

The Constitution of the Islamic Republic of Pakistan outlines the social responsibilities of the state by prioritizing the educational and economic interests of backward classes or areas, free and compulsory secondary education, and providing basic necessities such as food, clothing, housing, education, and medical relief for citizens who are unable to earn their livelihood due to infirmity, sickness, or unemployment.

Statement of the Problem

Pakistan's economy faces many complex challenges, including political instability, economic hardships, and natural disasters (floods and earthquakes). These challenges are compounded by a decline in foreign exchange reserves, higher commodity prices, and higher tariffs on essential public services such as electricity and gas. This makes it harder for poor people to afford basic necessities, which hampers economic growth. Pakistan's high levels of poverty, inequality, and vulnerability make social security essential for promoting inclusive and sustainable development.

Scope of the Study

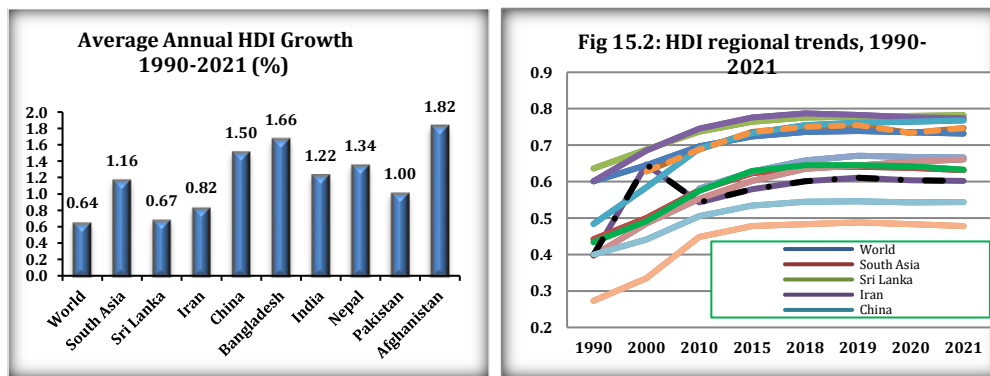
The study aims to analyze the social security situation in Pakistan in the context of the ongoing socio-economic crisis, using various analytical techniques. It also compares Pakistan's situation with that of developing and developed countries, while suggesting core measures to enhance the future security scenario. The study has a limited scope, focusing solely on social security in Pakistan and excluding other multiple challenges.

Research Methodology

For this study, qualitative research methods were used, relying on both primary and secondary data. Primary data was collected through personal interviews with government officials. Secondary data was gathered from online books, journals, and other documents available on the internet.

Socio-Economic Indicators

Pakistan is the 5th most populous country, with a population of over 245 million, confronted with numerous internal and external challenges. These include low human development, low growth, and high inflation, while natural disasters exacerbate the problems faced by the most vulnerable. The Human Development Report (HDR) 2022 revealed that Pakistan has dropped seven places in the Human Development Index (HDI), ranking 161st out of 192 countries, placing the country in the 'Low Human Development' category. Switzerland ranks first, with Norway and Iceland in second and third positions, respectively, while India has dropped one spot to 132 in the HDI. Equitable distribution of income for the most impoverished and vulnerable individuals and households remains a major challenge.



Situation Analysis of Social Safety Programs

Social safety net programs are a vital component of our poverty reduction strategy, although they provide minimal support to the impoverished and vulnerable population. These initiatives include budgeted programs such as the Benazir Income Support Program (BISP) and Pakistan Bait-ul-Mal (PBM). Additionally, there are non-budgetary components like Zakat, the Employees Old-age Benefit Institution (EOBI), the Workers Welfare Fund (WWF), and the Pakistan Poverty Alleviation Fund (PPAF). Furthermore, microfinance services are extended to the needy poor through specialized financial institutions.



A. Benazir Income Support Programme (BISP)

BISP is a targeted cash transfer program for impoverished women, aimed at achieving Sustainable Development Goals (SDGs). It operates nationwide, with its headquarters in Islamabad and numerous regional offices. BISP manages a vast database, the National Socio-Economic Registry (NSER), covering approximately 35 million households. With a budget of approximately Rs. 455 billion, it follows international auditing standards to enhance internal controls, risk management, and governance. BISP offers assistance and guidance to beneficiaries at the Tehsil level. It has a dedicated Call Center in Islamabad (0800-26477) for information and complaints, available from 8:00 am to 4:00 pm. Additionally, it has an automated 'Payment Complaint Management System' (PCMS) at its offices for efficient handling and resolution of payment-related complaints from beneficiaries.

Following are the major programs of BISP:

a. Un-Conditional Cash Transfer (UCT) Programme

i. **Benazir Kafaalat:** Benazir Kafaalat, a key BISP program since 2008, identifies beneficiaries using the PMT score, with a cut-off of 32 for most and 37 for differently-abled individuals. Currently, around 9.3 million beneficiaries are enrolled and receive Rs. 8,500 per quarter.

ii. **Flood Relief Programme:** The government provided immediate cash relief of Rs. 25,000 per family in flood-affected regions across the country and disbursed approximately Rs. 70 billion to 3.0 million beneficiaries during FY2023.

iii. **Subsidy for Wheat Seed Rabi:** BISP is implementing a Wheat Seed Subsidy program for eligible farmers. The target was 185,928 farmers with Rs. 5,000 per acre. As of March 31, 2023, Rs. 2.94 billion has been disbursed to 122,687 farmers, out of the total target.

iv. **Transgender Policy:** BISP has approved the inclusion of transgender persons in UCT programs. To be eligible, they need a CNIC from NADRA specifying their gender as transgender. As of June 2023, 80 transgender individuals have received Rs. 7,000 under the program.

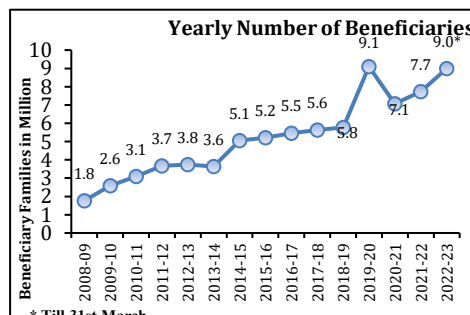
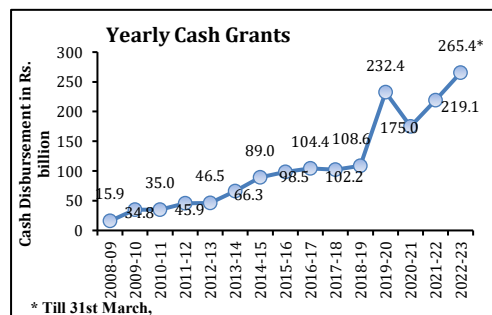
b. Conditional Cash Transfer (CCT) Programme

Benazir Taleemi Wazaif (Education Programme): Pakistan is committed to Universal Primary Education, and in 2012, it initiated a Co-Responsibility Cash Transfer to encourage school attendance among BISP beneficiary families. During FY 2021, the program expanded to cover Secondary and Higher Secondary education nationwide. Enrollment criteria for the Benazir Taleemi Wazaif Program are as follows:

- 4-12 years for Primary Education
- 8-18 years for Secondary Education
- 13-22 years for Higher Secondary Education

Benazir Nashonuma (Health & Nutrition Programme): The Benazir Nashonuma Programme addresses Pakistan's high malnutrition rates through cash incentives for BISP beneficiary families. The programme aims to address stunting among 'Pregnant and Lactating Women' (PLW) and their children under 2 years old by providing an additional cash of Rs. 2,000 per quarter for PLW or boy child and Rs. 2,500 per quarter for a girl child from BISP beneficiary families. In return, mothers must commit to attending regular antenatal health checks and awareness sessions during pregnancy, consuming Specialized Nutritious Food (SNF), and taking their children for immunization and regular health checks. The program operates in 156 districts with 442 Facilitation Centers.

Benazir Undergraduate Scholarship Project: The Benazir Undergraduate Scholarship Project provides merit- and need-based scholarships for undergraduate students from low-income families in HEC-recognized public sector Higher Education Institutions. The project, running from FY 2019-2020 to 2026-2027, has a total budget of Rs. 38.015 billion, offering 102,000 scholarships. Eligibility is based on a family income of Rs. 45,000 per month or less. Special considerations include 50% reserved for females and 2% for students with disabilities. It covers actual tuition fees and provides a living allowance of Rs. 40,000 per annum. By FY2022, 92,000 students had received scholarships, with Rs. 6.4 billion released. During FY2023, Rs. 2.241 billion were allocated for an additional 10,000 students.



Pakistan Bait ul Mal

Pakistan Bait-ul-Mal (PBM) plays a crucial role in poverty alleviation by assisting the most vulnerable segments of society, including widows, orphans, invalids, and the destitute. Their services encompass educational support for needy orphans, stipends for financially challenged students pursuing higher education, residential accommodations for deserving individuals, free medical treatment, the establishment of free hospitals and rehabilitation centers, and financial aid to charitable institutions, particularly those focused on education and vocational training.

C. Microfinance Network

The Pakistan Microfinance Network (PMN) represents 46 Microfinance Providers (MFPs), comprising Microfinance Banks regulated by the State Bank of Pakistan (SBP) and Non-Bank Microfinance companies regulated by the Securities and Exchange Commission of Pakistan (SECP). PMN's vision is to expand formal financial services to all, while its mission is to support retail financial service providers in enhancing their scale, quality, diversity, and sustainability to achieve inclusive financial services. The microfinance industry in Pakistan primarily offers micro-credit, micro-savings, and micro-insurance services. Micro-credit loans of Rs. 491 billion were extended to 9.1 million beneficiaries during FY2023, while Micro-Insurance covered a sum-insured of Rs. 317 billion for 8.3 million policyholders (FY23). Services are bundled and delivered through a range of providers, including MFBs, MFIs, RSPs, and other entities like CFIs and NGOs.

D. Pakistan Poverty Alleviation Fund (PPAF)

PPAF continues to support communities by providing access to improved infrastructure, energy, health, education, livelihoods, and finance, while also helping communities develop resilience to disasters. It has outreach in 149 districts across all four provinces and regions of the country. A total of 8.4 million microcredit loans have been disbursed, with 60 percent of loans going to women and 80 percent of financing extended to rural areas.

Interest-Free Loan (IFL) Programme under PPAF: Since July 2019, PPAF has been implementing phase-II of the Government of Pakistan's Interest-Free Loan (IFL) Programme to support productive microenterprise activities of poor, vulnerable, and marginalized households. Around 2.8 million IFLs (50,000 loans per month) will be provided over four years to 1.7 million households for income diversification and business expansion.

Since the inception of the interest-free loan component in 2019, by June 2023, a total of 2,402,497 interest-free loans amounting to Rs. 89.51 billion have been disbursed to borrowers.

E. Zakat

Zakat funds are utilized for assistance to the needy, indigent, poor, orphans, widows, handicapped, and disabled individuals for their subsistence or rehabilitation. The federal government is responsible for the collection of Zakat and its distribution to the provinces/federal areas according to the Zakat distribution formula approved by the Council of Common Interests (CCI). A total amount of Rs. 10,817 million was distributed during FY2023.

F. Workers Welfare Fund (WWF)

WWF also provides services in health, education, and low-cost housing sectors, which include the provision of Marriage Grants, Death Grants, Talent Scholarships, etc.

G. Akhuwat Foundation

Akhuwat Foundation is a non-profit organization based in Pakistan that provides interest-free loans to individuals who are unable to access formal financial services, along with vocational training and other social services to empower individuals and families. Its focus is particularly in the areas of microfinance, education, and healthcare to improve the socio-economic status and well-being of people.

Akhuwat Foundation uses a group lending methodology, where borrowers are grouped together and are jointly responsible for repaying the loan. This approach has been highly successful, with a repayment rate of over 99%. Akhuwat Foundation has disbursed over Rs. 150 billion in loans to over 5 million borrowers since its inception. The organization has helped to create over 1.5 million jobs and lifted over 5 million people out of poverty.

Here is a short brief of the key features of Akhuwat Foundation:

Interest-Free Microfinance: Akhuwat Foundation provides interest-free loans to individuals who are unable to access formal financial services.

Unique Lending Methodology: Akhuwat Foundation uses a group lending methodology, where borrowers are grouped together and are jointly responsible for repaying the loan.

High Repayment Rate: Akhuwat Foundation has a repayment rate of over 99%.

Significant Impact: Akhuwat Foundation has disbursed over Rs. 150 billion in loans to over 5 million borrowers since its inception. The organization has helped create over 1.5 million jobs and has lifted over 5 million people out of poverty.

- **Award-Winning Organization:** Akhuwat Foundation is highly respected in Pakistan and has won numerous awards for its work.

Critical Analysis of Social Safety Programmes

Benazir Income Support Programme:

Being a social safety net program in Pakistan that provides unconditional cash transfers to poor families, BISP is one of the largest social safety net programs, covering over 9 million families.

Key Areas of Focus

Key areas of focus of the BISP program are:

- **Poverty Reduction:** The program is designed to reduce poverty by providing direct cash transfers to poor families, which helps increase their incomes and improve their

living standards.

- **Human Capital Development:** The program aims to promote human capital development by encouraging school attendance and vaccination. It provides cash transfers to families who send their children to school and also vaccinate them.
- **Women's Empowerment:** The program also aims to empower women by making cash transfers directly to women. This helps give women more control over their finances and makes them less dependent on men.

Challenges

The BISP program faces numerous challenges, including:

- **Targeting:** The BISP program uses a variety of criteria to target poor families, including household income, land ownership, and access to basic services. However, these criteria are not always effective in identifying the poorest families.
- **Adequacy:** Though this program reaches a large number of families, the amount of cash transfers is relatively small and may not be enough to lift families out of poverty on its own.
- **Efficiency:** BISP is a complex and expensive program to administer. The program has been criticized for its high administrative costs and vulnerability to lack of transparency and corruption.
- **Impact:** There is mixed evidence on the impact of this program. Some studies have shown that it has had a positive impact on poverty reduction and human capital development, while other studies have not found any significant impact.

Way Forward

To address the challenges faced by the BISP program, the Government of Pakistan may take the following steps:

- **Improve Targeting Mechanism:** The government can improve the targeting of the BISP program by using more sophisticated targeting mechanisms, such as proxy means testing.
- **Increase Amount of Cash Transfers:** The government can increase the amount of cash transfers provided by the BISP program to help families lift themselves out of poverty.
- **Improve Efficiency:** The government can improve the efficiency of the BISP program by streamlining administrative procedures and reducing fraud and corruption.
- **Rigorous Impact Evaluations:** The government can conduct more rigorous impact evaluations of the BISP program to better understand its impact on poverty reduction and human capital development.

Pakistan Bait ul Mal:

A social analysis of the Pakistan Bait-ul-Mal (PBM) program involves an in-depth examination of the program's impact and effectiveness in addressing social issues, as well as the key areas of focus, challenges faced, and potential strategies for improvement.

Key Areas of Focus:

1. **Target Beneficiaries:** Analyze the effectiveness of PBM in reaching its intended beneficiaries, which may include the poor, vulnerable, or specific demographic groups.
2. **Support and Services:** Evaluate the range and quality of support and services provided by PBM, such as financial assistance, healthcare, and educational support.
3. **Poverty Alleviation:** Assess the program's impact on poverty reduction and economic empowerment among beneficiaries.
4. **Healthcare:** Examine the accessibility and quality of healthcare services offered by PBM, with a focus on the well-being of marginalized groups.
5. **Education:** Analyze the role of PBM in promoting education, literacy, and skills development, particularly among disadvantaged communities.

Challenges:

Inequitable fund distribution, its funding and sustainability, maintaining the program's integrity, and bureaucratic hurdles in the implementation of this program are the main challenges that need to be addressed.

Way Forward:

1. **Refined Targeting:** Improve the targeting system to ensure that needy communities are receiving assistance.
2. **Enhanced Service Delivery:** Streamline administrative processes and adopt technology to enhance the efficiency and transparency of program operations.
3. **Strengthen Collaboration:** Collaborate with other government and non-government organizations to maximize the impact of social programs.
4. **Monitoring and Evaluation:** Implement robust monitoring and evaluation mechanisms to measure the impact and make data-driven decisions.
5. **Social Awareness:** Invest in public awareness campaigns to inform potential beneficiaries about available services and support.
6. **Sustainability Planning:** Develop strategies for long-term program sustainability, including exploring diversified funding sources and cost-effective approaches.
7. **Policy Reforms:** Continuously review and update policies to adapt to changing social dynamics and challenges.

Microfinance

A social analysis of microfinance involves an examination of the impact, challenges, and future directions of microfinance programs and institutions.

Key Areas of Focus:

1. **Financial Inclusion:** Assess the role of microfinance in expanding access to financial services, especially among marginalized and low-income populations.
2. **Poverty Alleviation:** Examine the effectiveness of microfinance in reducing poverty and enhancing economic opportunities for clients.
3. **Women's Empowerment:** Analyze the contribution of microfinance to women's economic empowerment, including their access to credit, income generation, and decision-making.
4. **Entrepreneurship and Job Creation:** Evaluate the role of microfinance in fostering entrepreneurship, small business development, and job creation.
5. **Social Impact:** Explore the broader social impact of microfinance, including improved living conditions, healthcare, and education.

Challenges:

Assess the risks of clients becoming over-indebted due to multiple loans or high interest rates, retaining the quality of services, efforts for client protection, and addressing risk management of the program as the main challenges to confront.

Way Forward:

1. **Client-Centered Approach:** Place clients at the center of microfinance programs, ensuring their needs, protection, and empowerment are prioritized.
2. **Diversification of Services:** Expand the range of financial products and services to meet diverse client needs, including savings, insurance, and remittances.
3. **Responsible Finance:** Promote responsible lending and transparency in pricing and terms, while actively monitoring over-indebtedness.
4. **Social Performance Measurement:** Implement social performance indicators to track the impact of microfinance on clients' well-being.
5. **Financial Education:** Integrate financial literacy and entrepreneurship training to enhance clients' capacity to manage their finances and businesses.
6. **Technology and Innovation:** Leverage digital financial services and innovative technologies to improve outreach, reduce costs, and enhance service delivery.
7. **Strengthening Regulation:** Collaborate with regulatory authorities to establish and enforce regulations that ensure fair and ethical practices within the microfinance sector.
8. **Research and Evaluation:** Invest in research and impact assessments to continuously improve program design and address emerging challenges.

Cash Transfer VS Skilled Transfer

Cash Transfer	Skilled Transfer
Direct Financial Assistance: Cash transfers are a simple and effective way to reduce poverty through provision of direct money to meet the requirements	Targeted Skill Development: Skilled transfers are a way to teach the people new skills or improve their existing ones. This can help them get better jobs, earn higher wages as well as start their own businesses.
Flexibility: Cash transfers are flexible, so recipients can use the money to meet	Long-Term Capacity Building: Skilled transfers teach people skills that help them

their most pressing needs or invest in their future.	become self-reliant and contribute to sustainable development.
Administrative Simplicity: Cash transfer programs are easier to implement and deliver than skilled transfer programs, which can lead to significant cost savings.	Human Capital Investment: Skilled transfers invest in people's skills, which can lead to increased productivity, innovation, and a better quality of life for everyone.
Reduced Discrimination: Cash transfers empower recipients to make their own choices, which can reduce the stigma associated with receiving aid.	Customization: Skilled transfers can be personalized to the needs of the recipients, leading to more effective and sustainable outcomes.
Potential for Market Stimulus: Cash transfers can stimulate local economies by increasing demand for goods and services, which can create jobs and boost economic growth.	Challenges of Implementation: Skilled transfer programs are more complex and time-consuming to implement than cash transfer programs. They require careful planning and expertise in skill development.

Policy Framework for Poverty Alleviation and Social Protection

A number of social protection initiatives are in operation, including vertical federal programs as well as provincial initiatives. However, the overall social protection and poverty alleviation policies and programs are facing many challenges. Therefore, a guiding framework is critical for synchronizing social protection and poverty alleviation initiatives across different tiers of the government.

The policy framework provides the agreed goals, objectives, principles, key components, and actions for harmonizing poverty alleviation and social protection policies with national priorities, as laid down in the Constitution and Pakistan's commitments under various international agreements and covenants.

Policy Context

Pakistan, the fifth most populous and predominantly young country, is characterized by low human development and labor productivity, wide gender and spatial gaps, and a high incidence of poverty and vulnerability. In the absence of an efficient social protection system and targeted poverty alleviation programs, social, climatic, and economic shocks may reverse the poverty gains of the last decade. The following are the main components of the National Policy Framework for Poverty Alleviation and Social Protection:

A. Vision

The Government of Pakistan envisages a society that guarantees a good quality of life for all, where each able-bodied individual is fully empowered and self-sufficient.

B. Mission

The mission of instituting poverty alleviation and social protection is to ensure that all Pakistanis have a livelihood that enables them to enjoy a quality of life free from insecurity and vulnerability. Where needed, suitable social protection interventions will protect them from falling below a socially acceptable living standard.

C. Goal

The goal of the National Policy Framework for Poverty Alleviation and Social Protection is to alleviate extreme poverty, reduce poverty and vulnerability in all its forms in a sustainable manner, equitably across all parts of the country and in all

segments of society.

D. Objectives

In line with national and provincial priorities, this policy framework aims at:

- a. Specifying the roles of different tiers of government (Federal, Provincial, Federal Areas, District) and creating partnerships with non-government stakeholders.
- b. Integrating poverty alleviation and social protection initiatives to reduce fragmentation, avoid duplication, build synergies, and minimize gaps.
- c. Prioritizing target groups through legislation, policy, and financing.
- d. Establishing institutions where required and specifying roles and responsibilities.
- e. Updating the national unified socio-economic registry with mechanisms for validation, re-certification, and augmentation, etc.
- f. Establishing a monitoring and reporting system to ensure transparency and effective implementation.

E. Time-Frame of the Framework

This framework is a living document and will be updated as and when needed, based on new evidence and experience in implementing poverty alleviation and social protection programs in the country.

F. Principles for Policy Development

The following principles will be followed while developing poverty alleviation and social protection policy:

Legality:

All poverty alleviation and social protection efforts are based on laws, rules, and the entitlements and obligations arising from these. Legislation will be updated and adapted according to the needs of the evolving poverty alleviation and social protection systems.

Universal Coverage:

Poverty alleviation and social protection will be accessible to all individuals in all segments of society, in all geographical locations, and at all times, particularly in view of global risks.

Inclusiveness:

The most vulnerable and poor will be given priority in policies, systems, and services. Coverage gaps will be monitored and minimized.

Equity:

Poverty alleviation and social protection initiatives will be provided to all who need it, without discrimination, irrespective of ethnicity, religion, age, sector of employment, gender, or any other form of discrimination.

Empowerment:

Poverty alleviation and social protection can be sustainable only by empowering the poor and vulnerable. The choice and mix of poverty alleviation and social protection initiatives will be designed in such a way that the poor and vulnerable graduate out of specific needs and poverty and become self-reliant.

Gender Transformative:

Poverty alleviation and social protection policies will focus on empowering women in order to address gender disparities that make women vulnerable.

Human Capital Development:

Poverty alleviation and social protection policies and programs will focus on the future of the poor and vulnerable, while social service delivery is improved to develop capacities and build resilience to shocks. There is a need to strike a balance between investments in human capital development and the need for consumption smoothing.

Multi-Sector Poverty Alleviation and Social Protection:

Social and economic policies (agriculture, industrial, labor, education, health and nutrition, rural/urban development) will be aligned. Government systems (financial institutions, education and health institutions, insurance, etc.) will be made to support the goal of poverty alleviation and social protection.

Unified Governance:

The federal structure of the country and the devolved poverty alleviation and social protection mandate require closer coordination through a unified governance structure flexible enough to allow policy and program implementation according to diverse circumstances at the provincial level. The governance structure will need to ensure accountability and transparency at various levels.

Adaptiveness:

The poverty alleviation and social protection system will be adaptive to the changing environment, particularly in the wake of climate change, global risks, and emerging technologies to achieve the policy objectives.

Vulnerabilities:

Individuals, households, or communities not currently in poverty can become vulnerable to falling into poverty if they lack protective mechanisms. These mechanisms include social insurance, safety nets, and labor market policies, which address various types of vulnerabilities, such as economic, health, or environmental risks.

The identified vulnerable groups by federating units are as follows:

- Poor individuals lacking basic necessities and access to essential services.
- Children and orphans under 14 years from poor households.
- Homeless individuals, particularly homeless children.
- Working children under 14 years of age.
- Persons with disabilities (as defined in the policy).
- Unemployed individuals, especially those from poor households seeking employment.
- Chronically vulnerable individuals.

Targeting and Registration

The NSER carries a large database of households, which enables asset-based targeting using PMT scores assigned to households. The data and methodology for estimating household PMT will be shared with provincial SP nodal agencies for verification and updating. Based on a set of agreed SOPs, NSER would be used to register new eligible households.

Enrolment

After a careful assessment, a potential beneficiary will be enrolled in a specific program through a unified electronic platform. A few sophisticated products have already been developed by BISP, PEEF, etc. NSER will filter each new entry for duplication. A waiting list will also be prepared in case of limited funds; those on the waiting list will be automatically included once funds become available.

Payments

Biometric and electronic payment systems will be developed using bank/branchless bank accounts for each beneficiary. Ensuring that payments are made according to the agreement, on a timely basis, and reach the beneficiary will be the responsibility of the social protection service provider.

Poverty Graduation

Graduation from social protection is the ultimate objective of major poverty alleviation and social protection initiatives. Every social protection initiative, on its own or in collaboration with another initiative, will be required to devise a graduation strategy for its beneficiaries. The proposed system approach to social protection will enable the nodal agencies to enroll a beneficiary in a second program based on his/her specific needs once they have graduated from one program.

Grievance Arrangements

A system to address grievances at the program level will be developed for all poverty alleviation and social protection initiatives. Technology-based solutions will benefit the large number of programs and beneficiaries and will help in tracking the cause of a grievance and reporting the issue to the concerned parties for redressal.

Financing and Resource Allocation

Financial Arrangements

Adequate provision of funds is necessary for achieving the policy objectives. With the agreement to update the dynamic registry by the provinces, joint program design, and implementation, it will become easier to co-finance jointly designed programs. Public funds allocation, as well as contributions from the corporate/NGO sector, will be part of the overall spending.

Public-Public and Public-Private Partnership

While the federal and provincial governments will collaborate in co-financing poverty alleviation and social protection initiatives, an important additional source of financing for targeted poverty alleviation and social protection initiatives will come from redirecting resources freed from untargeted subsidies (such as wheat subsidies).

Instruments of Social Protection and Poverty Alleviation

I. Poverty Alleviation:**a. Quality of and Access to Social Service Delivery**

The need to expand public services such as employable skills-based education, basic health information with a focus on preventive health, clean drinking water and sanitation, with better governance of such programs, is a prerequisite for poverty alleviation.

b. Skill-based Education

There is a need to overhaul the education system to materialize the expected gains from education. PESC will need to devise appropriate interventions in collaboration with the federal and provincial education departments as well as NAVTTC/provincial TEVTAs.

d. Focus on Preventive Health

The governance system will need to be revamped so that, instead of investing more in establishing new hospitals, the focus shifts towards preventive health and improving governance in the health sector. This will free up resources for investing in nutrition and expanding health coverage. In particular, CCT should be used to educate recipients on basic health issues, healthy eating, and lifestyle.

e. Contributory Health Insurance for Non-poor

An important initiative of the government is to move towards contributory health insurance, which needs to be better governed to make it cost-effective. Multiple options need to be developed by private sector health insurance companies to attract more beneficiaries who can finance their own expenses.

f. Awareness on Better Nutrition, Healthy Living, and Habits

Information dissemination is the most effective and cost-effective way to transform the better use of resources for healthy eating and living habits.

g. Public Works for Demand-Driven Development and Livelihood

The role of local-level public representatives is key in identifying small development needs of the people. Such programs also help create ownership of development, fulfill demand-driven development needs, and create temporary livelihood avenues.

h. Social Insurance for Non-poor Informal Sector Workers

Contributory pension schemes have become possible with the amendment of the EOBI law. A similar initiative from the ESSIs will help increase the coverage of health and work-related risks faced by non-poor workers in the informal sector.

i. Labour Market Research

The recommendations of the Labour Expert Group need to be implemented, particularly those relating to exploring new job markets globally and studying their needs for skilled manpower.

I. Improved Governance and Rule of Law

Improving legislation and governance of laws is necessary to ensure that the rights of women, girls, transgender individuals, and persons with disabilities are not transgressed.

II. Social Protection

- Provision of basic social services such as education and health to the poorest who are otherwise unable to afford these services.
- Infrastructure development, especially targeted at assisting the poorest and most vulnerable, such as drinking water supply, sanitation, etc.
- Low-cost housing.
- Measures to protect the extremely vulnerable from harm, such as bonded labor, child labor, and informal labor.
- Protection for people in war and conflict areas and the provision of basic support.

Social Assistance

- Safety nets for the vulnerable and those at risk of food insecurity and basic needs.
- Targeted subsidies provided to the poor and vulnerable.
- Provision of facilities for the poor and vulnerable, such as crisis centers, dar-ul-amans (shelter homes for women), orphanages, shelter homes for temporarily homeless workers, and free cooked food for the poor and vulnerable.
- Conditional Cash Transfer (CCT): To protect household consumption along with conditions in terms of steps taken by households to improve their well-being.
- Unconditional Cash Transfer (UCT): To protect households' basic consumption needs without any conditions. The target group for this instrument will be those in extreme poverty.

Social Insurance

- Pensions and retirement funds for poor self-employed workers in the informal sector, where employers' contributions to EOBI/ESSI can be financed out of BISP tahaffuz.
- Adopting a life cycle approach for the provision of support services and facilities for health, education, growth monitoring, skill development, healthcare, and other necessary support for the vulnerable.
- Co-financed contributory insurance schemes for the vulnerable to cope with unemployment risks.
- Co-financed contributory insurance schemes for the poor and farmers.
- Leave benefits for pregnant mothers, fathers, and medical leave.

Poverty Graduation

- Asset transfer for livelihood.
- Technical and vocational skills, including digital skills.
- Access to financial services, including subsidized loans for enterprise development.
- Development of pro-poor and inclusive value chains.
- Hand-holding support for start-ups for the poor and vulnerable.

Labour Market Programs

- Promote employability through the provision of skills, vocational training, job placement, counseling, etc.
- Productive asset transfers for the poor, such as livestock, land, equipment, and toolkits for small enterprises.
- Graduation programs aimed at assisting the poor in transitioning out of poverty.
- Targeted access to subsidized finance.
- Public works programs for employment generation in less developed areas.

Adaptive Social Protection

Adaptive social protection builds resilience for the poor and vulnerable by investing in their capacity to prepare for, cope with, and adapt to shocks, ensuring they do not fall deeper into poverty.

- Support for mitigating the impact of events such as natural disasters, disease outbreaks, floods, earthquakes, droughts, etc.
- Support for those who are internally displaced due to security and other issues.
- Assistance provided to poor households to build resilience to climate change and mitigate environmental risks.
- Support for those who are internally displaced as a result of security and other issues.
- Assistance provided to poor households to build resilience to climate change and mitigate environmental risks.

Recent Developments

The National Economic Council approved the "5E's Framework to Turnaround

Pakistan" on June 3, 2023. This framework focuses on promoting equity and empowerment to address various challenges, including socio-economic disparities, population growth, and more. It suggests a mix of universal policies, affirmative actions, and targeted interventions, including improving access to healthcare, quality education, and social protection for everyone. In education, it aims to enroll all out-of-school children in virtual and distance learning programs, revamp the curriculum and assessments, and provide special support to youth, women, differently-abled individuals, and vulnerable groups through skill development, internships, scholarships, and financial access. It also seeks to uplift the 20 poorest districts to reduce regional disparities.

Additionally, there is an agreement to enhance coordination between federal and provincial governments in social protection programs, data sharing, and disaster management. Once the National Socio-Economic Registry (NSER) is updated and integrated, it will become a live registry. These recent developments are expected to pave the way for a unified poverty alleviation and social protection system based on this framework.

STAKEHOLDER ANALYSIS OF SOCIAL SECURITY IN PAKISTAN

Government of Pakistan

- Aims to reduce poverty, provide a safety net for vulnerable populations, and maintain social stability.
- Holds the highest level of influence, as it designs and funds social security programs, sets policies, and regulates implementation.
- Acts as the primary policymaker, regulator, and funder. Various government departments, such as the Ministry of Social Welfare and Special Education, oversee social security programs.

General Public

- Citizens expect reliable social security services to protect their families from financial hardships.
- Play a role in expressing their needs and concerns through voting, public opinion, and advocacy campaigns, which influence policy changes through political channels.

Business Community

- Interested in maintaining a stable labor force, with some concern regarding the costs associated with social security contributions.
- Influence labor and social security policies through industry associations and lobbying efforts.
- Contribute to social security programs by deducting employee contributions and may contribute themselves as well.

International Organizations and Donors

- Interested in poverty reduction and development in Pakistan, often supporting social security programs as part of these efforts.

- Can influence policy through financial support, technical assistance, and policy recommendations by providing funding, technical expertise, and best practices to help Pakistan enhance its social security programs.

Trade Unions and Labor Organizations

- Focused on safeguarding workers' rights, including fair wages, safe working conditions, and social security benefits.
- Influence labor and social security policies through collective bargaining and strikes.
- Represent the interests of workers, negotiate for better social security benefits, and monitor the implementation of labor and social security laws.

SWOT ANALYSIS OF SOCIAL SAFETY PROGRAMMES

I. SWOT Analysis of BISP	
STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Direct Cash Transfer: The program has the capacity to directly transfer the cash to 9.3 million beneficiaries • Improved Monitoring System: An effective monitoring mechanism not only to filter the livelihood of applicants but also having a check on cash distribution among the recipients in form of direct cash flow. • Targeted Approach: Aimed at targeting the most vulnerable and marginalized community so as to assist the impoverished individuals and families to uphold their living standards • Government Ownership: Being operated by the GoP, it is having strength of sustainability and reliability, thereby providing resources in a continued pattern. 	<ul style="list-style-type: none"> • Meager Assistance: Rs 3000/month may not be sufficient for beneficiaries to uplift their living standards • Over Dependence: Risk of over dependence of beneficiaries as they can be parasitic depending on such assistance, leaving all skills and other self-reliance activities • Limited Scope: May not cover all segments of poor and marginalized community leaving them as unsupported • Administrative Challenges: The selection process of beneficiaries and leakages of fund are the main concerns to be considered as administrative challenges
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Expanding Coverage: Its network can be further extended to support more families in marginalized community. • Skill Development: The programme can be widened to include skill development and vocational training programmes • Promoting 'Public Private Partnership' and collaborations with International Donors may help generate more resources. • Enhanced Monitoring: The Program is using digital and data analytic techniques which may further strengthen the monitoring mechanism for transparency 	<ul style="list-style-type: none"> • Financial crisis or economic downturns in the country may affect its future operation by Government • High Inflation in country may erode the very purpose of operation of this programme as it with such a meager assistance, it may diminish the purchasing power of poor class families • Sustainability: The long term sustainability of this program may be curtailed on eve of changing political situation and priorities • Security Concerns: The insecurity in some regions may make it difficult to reach the beneficiaries or conduct monitoring effectively

II. SWOT Analysis of Pakistan Bait Ul Mal	
STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Government Backing: Strong financial support and credibility. • Social Welfare Programs: Provides financial assistance, scholarships, and support for vulnerable populations. • Nationwide Presence: Extensive network of offices and centers throughout Pakistan. • Experienced Staff: Employ highly skilled professionals in social welfare. • Community Engagement: Collaborates with local communities, fostering involvement and support. 	<ul style="list-style-type: none"> • Bureaucracy: May suffer from bureaucratic inefficiencies and red tape. • Funding Constraints: Limited funding hampers the ability to meet growing demand. • Lack of Transparency: Concerns about allocation and distribution of funds and benefits. • Inadequate Infrastructure: Some centers lack necessary resources. • Dependency on Government: Overreliance on government funding can hinder autonomy.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Public-Private Partnerships: Collaborate with private organizations and donors for additional funding. • Technological Advancements: Embrace technology for efficiency and transparency. • Diversification of Services: Expand services to include vocational training and employment support. • Public Awareness and Education: Raise awareness about services and social welfare's importance. • International Aid: Seek international aid and partnerships for resources and expertise. 	<ul style="list-style-type: none"> • Economic Instability: Economic downturns can strain government budgets. • Political Changes: Shifts in government policies and leadership can impact funding. Competition from NGOs may offer similar services, competing with Bait ul Maal. • Societal Challenges: Ongoing challenges like poverty and health crises increase demands. • Public Trust: Address concerns about transparency and accountability to maintain support.

III. SWOT Analysis of Pakistan Microfinance Sector	
STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Huge potential market of borrowers • Hardworking people • Favorable geographical and climate conditions for agriculture, business and livestock 	<ul style="list-style-type: none"> • Choice of microfinance model • Skill training not focused • Cultural constraints for women inclusion in the financial cycle • Lack of digitalization in rural areas • No vocational training based on the needs of each unique community • E commerce, not popular in rural areas.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Local industrialists and rich expatriates may be attracted for investing in micro finance • International cooperation partners may be convinced for microfinance projects' investment • Community, now recognizing the importance of microfinance 	<ul style="list-style-type: none"> • Paucity of international funding • Fear of Economic meltdown due to foreign debts • Sustainability issues • Crypto currency and Tiktok inspiration for youth as easy income. • Chinese products' invasion in market may cause uncertainty in small entrepreneurs for repayment of loans.

IV. SWOT ANALYSIS OF ZAKAT IN PAKISTAN	
STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Religious Obligation: It is a stable source of assistance for poor class as it is one of the pillars of Islam which encourages a high level of compliance • Established Infrastructure: A well-established infrastructure of Zakat including government bodies like Zakat and Usher departments and charitable organizations, facilitating the collection and distribution of Zakat • Long time Perspective: As it is a continuous practice, hence it is a long term commitment and a sustained effort to reduce poverty in a Muslim society • Systematic Wealth Redistribution: Zakat provides a systematic and mechanism for wealth redistribution in a society. It is the way to reduce wealth inequality in a Muslim community. 	<ul style="list-style-type: none"> • Misallocation in fund: With less use of digital technology, there may be a risk of mismanagement in offices of administrators and sub ordinate committees • As a mechanism for poverty alleviation, Zakat is effective only in Muslim communities, not for diversified community • Variation in Collection: Zakat collection depends on economic conditions of a community; hence, it may get variations in collection in different communities. Further, due to different religious interpretations of Zakat by different segments, it varies. • Reliance on Voluntary Giving: Zakat fund may fluctuate on year to year basis due to 'Nisaab' which is defined by a 'Giver' himself. Further, no thorough knowledge of Nisaab, noncompliance and no boundaries for its distribution amongst the deserved ones result in variations in fund.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Assistance of upper class to lower class result in community cohesion and solidarity among Muslims. • Innovate Programs: Through deduction of Zakat by Banks or other authorities including Government bodies, innovative programs can be introduced by Government for poverty reduction. • Use of digital technology can enhance zakat collection and distribution amongst the most deserved beneficiaries; hence an opportunity to directly focus those direly in need of it. 	<ul style="list-style-type: none"> • Security Concerns: The regions with insecure situation, the distribution of zakat fund may be diverted to fund extremist groups for anti-state activities. • Political Manipulation: Due to low check and balance in distribution, zakat fund may be used for political manipulation where it may be used for political gain or for other political agenda; which may defame the very concept of zakat collection in a community. • Misrepresentation in Collection: In absence no defined zakat collector in a community, it may be collected in the name of religion while raising sympathies of Givers for some charitable purposes and that collection may be misused as fraud and scam as individuals or organizations may misrepresent themselves to be the legitimate zakat collector, diverting that fund away from real beneficiaries.

TECHNOLOGICAL CHALLENGES RELATED TO IMPLEMENTATION OF ZAKAT AND BISP PROGRAMS

a. **Identification and Eligibility Verification of Beneficiaries:** Technology can help establish robust identity verification systems and databases to confirm the financial

need of recipients.

b. **Zakat Collection and Disbursement Unit:** A digitized and transparent platform should be developed to collect Zakat, especially from donors and other charitable organizations.

c. **Online Payment Mechanism:** It should be developed for distribution to minimize corruption and bad practices. Additionally, a proper tracking system should be introduced to avoid duplication and fake recipients of Zakat. The mobile payment system will be effective only if the marginalized community can afford such technology; otherwise, the Easypaisa system is a convenient way for disbursement.

d. **Cybersecurity and Data Privacy:** Strong cybersecurity measures should be adopted to ensure privacy and protect against data breaches of the personal and financial data of donors and fund recipients.

e. **Real-Time Reporting & Auditing through Digital Technology:** Zakat collection and distribution platforms being digitized may build trust in the wealthier segment of society.

f. **Awareness and Education:** Proper literature and guidelines should be communicated through digital technology to propagate awareness regarding the calculation mechanism of Zakat.

g. **Integration with Other Systems:** A proper integration system of BISP with other government systems is needed to avoid duplication and further enhance the transparency of the program.

h. **Ensuring Inclusivity:** It should be ensured that where there is limited access to technology, the marginalized community still has access to the program.

i. **Easy to Scale Up:** Technological systems should be scalable enough to accommodate the increasing demands and volume of data.

j. **Accessibility:** Ensuring accessibility for all beneficiaries, including persons with disabilities and those living in remote areas, will be a significant challenge. However, developing user-friendly interfaces and accommodating various communication needs may address this issue to a greater extent.

ADMINISTRATIVE ISSUES IN IMPLEMENTATION OF ZAKAT AND BISP

- a. Identification of Beneficiaries
- b. Effective Data Management and Record Keeping
- c. Low Transparency in the System
- d. Budget Constraints/Fund Uncertainty
- e. Delivery/Distribution Mechanism
- f. Absence of Effective Auditing System
- g. Absence of an Effective 'Collection and Disbursement Unit'

How to Address

- Introducing digital technology for efficient data management and monitoring
- Implementing a transparent mechanism for the identification of beneficiaries and fund distribution
- Conducting regular audits to identify and rectify issues

HUMAN RESOURCES ISSUES IN IMPLEMENTATION OF ZAKAT AND BISP

- Staffing & Capacity
 - i) Inadequate staff
 - ii) Lack of technical skills
- Capacity Development and Training
- Limited Resources at offices, such as digital items, etc.
- Beneficiary Outreach

How to Address

This requires a combination of training, oversight, audits, effective management skills, transparency, and accountability.

ECONOMIC ANALYSIS OF SOCIAL SECURITY PROGRAMS

Social security programs in Pakistan are vital for poverty reduction and income redistribution. Their economic impact and sustainability depend on factors like funding sources, efficiency, and governance. Evaluating these programs and considering reforms is crucial for their long-term viability and effectiveness in addressing economic challenges for vulnerable populations. These programs aim to provide financial support and protection to groups like the elderly, disabled, and low-income individuals.

1. Objectives:

Social security programs in Pakistan aim to achieve various economic and social objectives:

- Poverty reduction by providing financial assistance to marginalized and poor communities.
- Ensuring economic stability by preventing destitution and fostering economic security.
- Promoting social cohesion by enhancing the overall well-being of the population.
- Reducing income inequality by redistributing wealth to vulnerable groups.

2. Economic Impact

a) **Redistribution of Income:** Social security programs help reduce income inequality and economic instability by providing financial assistance to the most vulnerable segments of society.

b) **Poverty Alleviation:** Social security programs assist in uplifting the living standards of needy people, helping them escape poverty and enabling them to contribute more to the economy.

c) **Consumer Spending:** Bringing the marginalized community into alignment

with the basic sphere of life may stimulate local economies and positively impact businesses.

d) **Healthcare Access:** Programs that include health insurance components can improve healthcare access and reduce the financial burden on individuals, potentially improving productivity.

e) **Economic Growth:** As social security programs reduce poverty and provide financial stability, they may also contribute to long-term economic growth by enabling more individuals to participate in the workforce and invest in their education and skills.

3. Challenges

a. **Sustainability:** The long-term sustainability of social security programs is a significant challenge in the context of an aging population and an increasing dependency ratio.

b. **Administrative Efficiency:** To maximize the economic benefits of these programs, it is imperative to ensure that benefits reach the intended recipients and are effectively distributed among beneficiaries.

c. **Informal Sector:** A large part of Pakistan's workforce operates in the informal sector, making it challenging to include them in social security programs.

d. **Fiscal Pressure:** The rising cost of social security programs can strain the government's fiscal resources, potentially leading to budget deficits and increased government debt.

Need for More Reforms

- **Targeting:** Refining the targeting of beneficiaries can make social security programs more cost-effective.
- **Expanding Coverage:** Including informal sector workers can be beneficial in the long run.
- **Improving Governance:** Enhancing transparency and reducing corruption in program administration can lead to better economic outcomes.

S	Area	Sub Areas	Pakistan	China	United States of America
1	Education	Literacy Rate	60%	97%	On average, 79% of U.S. adults nationwide are literate in 2023. 21% of adults in the US are illiterate in 2023. 54% of adults have a literacy below 6th grade level.
		Access to Education	Faces challenges such as gender disparities, geographic differences, economic barriers, and quality issues	Considerable progress in improving access to education, particularly in primary and secondary levels through compulsory education policies. However,	Each state and local school district in the U.S. determines its own budget for K-12 education, and higher education funding is determined by state legislatures and university governing bodies.

				disparities persist between urban and rural areas, due to economic barriers	
		Quality Education	Issues with curriculum and teacher quality	More rigorous education system	The large majority of the world's top universities, as listed by various ranking organizations, are in the United States, including 19 of the top 25. In 2014, the Economist Intelligence Unit rated U.S. education as 14th best in the world
2	Social Development	Gender Parity Index in Education	0.86	1.01	1.006
		Human Development Index	0.544	0.768	0.921
3	Healthcare	Life Expectancy	66 Years	77 Years	77.28
		Health Infrastructure	A mix of public and private healthcare facilities, with overcrowding, underfunding and shortage of healthcare professionals in public hospitals	A robust infrastructure as invested heavily	A wide network of hospitals and healthcare facilities, but accessibility varies by location.
		Public Health Programs	Faces challenges in health care delivery especially in rural areas	Numerous health care programs leading to better service delivery	A wide array of initiatives with programs continually adapting to emerging health threats and societal needs.
4	Poverty Alleviation	Poverty Rate	Official Poverty Rate of 24.3% based on national poverty line	Rural poverty rate has dropped to 1.4%	Official poverty rate is 11.5 %, with 37.9 million people in poverty
		Social Safety Nets	Working over strengthening social safety nets	Well established social safety nets	Key programs include Social Security, Medicare, Medicaid, food assistance (SNAP), cash assistance (TANF), unemployment insurance, and healthcare coverage through the Affordable Care Act. These programs help address poverty, healthcare access, and

					support for veterans and housing assistance
5	Infrastructure		Working to improve infrastructure, with projects like the China-Pakistan Economic Corridor (CPEC) aimed at enhancing connectivity	Invested heavily in infrastructure development, including high-speed rail, roads, and telecommunications	The World Economic Forum now ranks the United States 13th when it comes to the overall quality of infrastructure. More than 45,000 U.S. bridges and 1 in 5 miles of roads are in poor condition, per the American Society of Civil Engineers.
6	Economic Disparities		Income inequality, with a large urban-rural divide	Rapid economic growth has resulted in substantial reductions in income inequality in urban areas, though rural-urban disparities still exist	Characterized by growing income and wealth inequality, educational disparities, racial and ethnic inequalities, a persistent gender wage gap, occupational segregation, uneven access to healthcare, and regional variations in economic opportunities.
7	Social Welfare		Less comprehensive, and social safety nets often do not cover a significant portion of the population	Extensive social welfare system that provides benefits such as pensions, healthcare coverage, and unemployment support to a large portion of its population.	A multifaceted system of government programs and services aimed at providing support in various aspects of individuals' lives, including income, healthcare, housing, and nutrition

S	Area	Sub Areas	Bangladesh	Sri Lanka
1	Education	Literacy Rate	74.70%	92.63%
		Access to Education	Many challenges remain, especially in rural and remote areas, where infrastructure, teacher shortages, and socioeconomic factors can limit access to quality education	Well-established education system with high literacy rates, reflecting the country's commitment to providing access to education; also striving for a more inclusive and equitable system
		Quality Education	A significant progress in improving quality of education, however, challenges persist, including issues related to teacher quality, curriculum and pedagogy, access disparities, infrastructure and resource limitations, and	Achieved significant progress in delivering quality education, with a strong emphasis on literacy and educational standards.

			overcrowded classrooms in urban areas.	
2	Social Development	Gender Parity Index in Education	0.9	1.0
		Human Development Index	0.632	0.782
3	Healthcare	Life Expectancy	72.4	76.39
		Health Infrastructure	Large deficiencies of doctors, nurses and medical staff members along-with inaccessible basic health services hospitals	Relatively high health status, with comparatively high-quality provision of basic health services. More than 95% of births are occurred in a government health care setting.
		Public Health Programs	Initiatives encompass various areas, including maternal and child health, immunization, infectious disease control, and efforts to combat malnutrition. The country has made significant strides in reducing maternal and child mortality rates, expanding access to immunization services, and implementing strategies to control diseases such as tuberculosis and diarrheal diseases	A well-established system of public health programs with wide range of services, like immunization, maternal and child health, communicable disease control, and health education and free healthcare system, known as "DinaySara"
4	Poverty Alleviation	Poverty Rate	21.4%	14.3%
		Social Safety Nets	Started programs like Vulnerable Group Development (VGD) program, the Employment Generation Program for the Poorest (EGPP), and the Old Age Allowance which play a crucial role in reducing poverty and enhancing the well-being of the most vulnerable in country	Initiatives like Samurdhi program, Elder's Pension Scheme and public assistance scheme provide assistance to poor individuals and families
5	Infrastructure		A substantial investments in infrastructure, particularly in transportation and energy sectors. Projects like Padma Bridge and Dhaka Metro Rail aim to improve transportation networks	A significant progress in developing its road network, ports, and telecommunications infrastructure. The Southern Expressway and the Colombo Port expansion were noteworthy projects that enhanced connectivity and trade.
6	Economic Disparities		A significant portion of the population living in poverty, while a small elite enjoys considerable wealth. The country faces challenges such as income inequality, unequal access to education and healthcare, and regional	Economic disparities are notable, marked by regional, ethnic and income inequalities. The country has witnessed impressive economic growth but certain regions, such as the Northern and Eastern provinces, continue to face economic challenges,

			disparities in economic development	partially due to the decades-long civil conflict.
7	Social Welfare		As mix of progress and challenges, the country has made significant efforts in improving access to education, healthcare, and basic social services, resulting in notable gains in literacy rates and life expectancy; however, it still faces significant obstacles, including high levels of poverty, income inequality, and limited access to quality social services in remote and underserved areas.	A significant progress in social welfare, providing its citizens with free education and healthcare services, leading to relatively high literacy rates and improved health outcomes.

GAP ANALYSIS OF SOCIAL SECURITY OF PAKISTAN

Present Status	Action Plan	Desired Status
A large portion of population is uncovered	<ul style="list-style-type: none"> Conduct comprehensive outreach campaigns Introduce simplified registration procedures for easier enrollment 	Expand coverage by including informal workers and unregistered businesses within the social security system.
Existing benefits may not be sufficient to provide a decent standard of living	<ul style="list-style-type: none"> Regularly review benefit levels and adjust them in accordance with inflation and living costs Consider CCT programs to supplement income for vulnerable groups 	Regularly review and adjust benefit levels to ensure that they meet the basic needs of beneficiaries, considering inflation and living costs
Inefficiencies and corruption can lead to delays and exclusions	<ul style="list-style-type: none"> Implement digital systems for program administration and implementation Strengthen oversight and accountability mechanisms 	Streamline administrative processes, introduce digital systems and enhance transparency
Financial sustainability issues due to inadequate funding sources or mismanagement	<ul style="list-style-type: none"> Explore diversified funding sources especially donors support Establish a dedicated social security fund 	Establish a sustainable source of funding for social security programs. Implement strict financial management and accountability measures.
Gender disparities in access to social security benefits and labor market	<ul style="list-style-type: none"> Develop gender-sensitive programs to address specific needs and disparities Promote women's participation in labor market and social security systems through targeted incentives 	Implement special provisions to promote gender equality in social security, such as targeted programs for women
The informal sector poses challenges in extending social security coverage	<ul style="list-style-type: none"> Create incentives for informal workers to voluntarily participate in social security programs Conduct public awareness campaigns for benefits of participation in social security programs 	Develop strategies to include informal workers, potentially through voluntary participation and awareness campaigns

Lack of accurate and up-to-date data hinders program design and evaluation	<ul style="list-style-type: none"> • Establish a centralized database to facilitate program targeting and monitoring • Regularly update and maintain the database for accuracy 	Develop a reliable database for targeting and monitoring while regularly updating it
Lack of coordination between various government agencies involved in social security programs	<ul style="list-style-type: none"> • Create a dedicated coordinating body to facilitate inter-agency coordination. • Define clear responsibilities for each agency in execution of social security programs 	Establish a centralized coordinating body to ensure better collaboration and information sharing
Political changes and instability can disrupt long-term social security planning	<ul style="list-style-type: none"> • Encourage cross-party consensus on importance of social security as a non-partisan issue • Develop sustainable policies making them less susceptible to political shifts 	Sustained policies of social security not affected on political shifts

Identification of Crucial Issues and Challenges

- Lack of a broad-based social system
- Limited access to vulnerable populations
- Inequitable distribution of benefits
- Inefficient delivery mechanism
- Long-term economic sustainability
- Administrative inefficiencies and bureaucratic hurdles
- Gender disparities
- Lack of education, particularly in rural areas
- Defective monitoring and evaluation system
- Natural calamities
- Climate change
- Growing population
- Lack of public awareness of social security programs
- Political interference
- Rapidly growing urbanization (rural-urban disparities)
- Duplication of social security programs
- Complexity of social security programs
- Healthcare accessibility
- Coordination and integration among social security programs
- Legal and policy framework

Conclusion

Social security in Pakistan is fragmented and inadequate. Many different social security programs are running in Pakistan, but they are not well-coordinated and do not cover all vulnerable groups in society. The government spends less than 1% of its GDP on social security, which is much lower than the average for developing countries (2.5%).

Pakistan's current social security programs do not adequately protect the country's

vulnerable population of 95 million people, leaving a significant portion of the population without social coverage or financial support.

The lack of coordination between different social security programs leads to inefficiency, duplication of efforts, and administrative challenges. A more coordinated approach is needed to make the best use of resources.

Recommendations

Healthcare Access: Strengthen the healthcare system by improving infrastructure, expanding telemedicine services, and ensuring access to vaccines and essential medicines.

- **Income Support:** Review and update income support programs to address inflation and rising living costs, ensuring they remain effective in providing a safety net for vulnerable populations.

- **Social Welfare for Vulnerable Populations:** Develop targeted programs for vulnerable groups such as women, children, the elderly, and disabled individuals, ensuring they receive adequate support.

- **Food Security:** Implement programs to ensure food security, especially for low-income households, by offering subsidized food items or food assistance programs.

- **Housing and Homelessness:** Address the housing crisis and homelessness by providing affordable housing options and shelters for those in need.

- **Education Access:** Improve access to quality education by investing in digitization, constructing more need-based schools, and providing scholarships for underprivileged students.

- **Climate Change Resilience:** Develop policies and programs to address the impacts of climate change, including support for communities affected by natural disasters and environmental changes.

- **Labor Market Reforms:** Implement labor market reforms to protect workers' rights, improve job security, and enhance labor standards.

- **Stakeholder Collaboration:** Encourage collaboration between the government, non-governmental organizations, and the private sector to create a coordinated and effective social security system.

- **Monitoring and Evaluation:** Establish a robust system for monitoring and evaluating the effectiveness of social security programs to ensure that they are achieving their intended goals and making necessary adjustments.

Comprehensive Implementation Design of Recommendations Using a Logical Framework Matrix

	Project	Indicator	Means of Verification	Risks Assumption
Goal	Effective utilization of allocated fund for different programs	Increased rate of satisfaction by vulnerable segment of society	Survey for assessing the satisfaction amongst beneficiaries of the scheme	Institutional Will, lacking due To multiple reasons
Outcome	Effective resource utilization of allocated fund by enhanced reach to the marginalized sector of society	<ul style="list-style-type: none"> • Increase in Number of beneficiaries • Increased HDI value • Number trained staff of line departments • Amount transferred through subsidies • Availability of AI based set up 		Sustainability of the programs
Outputs	An AI base tracking system to disburse funds Trained staff to execute the system Improved monitoring			Ban on Recruitment
Activities	<ol style="list-style-type: none"> 1. Engagement of resources of Fed, Prov, district government and NGOs 2. Projects of training of Staff 3. Execution of Pilot Projects regarding introduction of IT based enrolment, verification and evaluation 4. Installation of modern setups/softwares for motorizing 5. Project of stakeholder engagement in the improved process 6. Training of administration to increase acceptability of the change. 			<ul style="list-style-type: none"> • Law & Order • Difference of opinion amongst stakeholders • Fund leakages • Shortage of Skilled Human resources

Logical Framework				
Name Of Intervention:				
Enhancement in Health sector effectiveness of social programs				
	Project	Indicator	Means of Verification	Risk assumption
Goal	Increase in the allocated fund for subsidized health care programs and clubbing of different programs	The increased budget for Health social sector programs	An analysis of amount disbursed amongst beneficiaries as compared with previous years-A survey	Resistance from administration and Provinces
Outcome	Increase in the scope of health care sector to address the marginalized segment of society	<ul style="list-style-type: none"> • More funding in health sector • Increased access to different health facilities • More satisfied beneficiaries • Amount transferred through subsidies • Availability of AI based set up 	Initiation of Project	
Output	<ul style="list-style-type: none"> • Increased no of beneficiaries • More budget available • Clubbing of different government programs • Single display mechanism 		Financial Crises country is passing through	
Activities	<ol style="list-style-type: none"> 1. Formulation of strategy for clubbing different health programs of social welfare 2. To devise a plan to effectively utilize human resources allocated in different programs in a single initiative 3. To monitor the progress both in center and in provinces 4. Installation of modern setups/software for motorizing 5. Projection of advantages attached for having single program to enhance stakeholder engagement 		<ul style="list-style-type: none"> • Difficulties in Synchronization of HR with a single program • Difference of opinion amongst stakeholders • Fund leakages 	

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