

STATE OF SOCIAL PROTECTION IN BALOCHISTAN VIS A VIS EHSAAAS PROGRAM

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Abstract

Ehsaas program was launched in 2019. Its initiation primarily aims at addressing the most alarming problems in Pakistan such as, poverty and inequality. To curb down the further prevalence of poverty in the country, which is expected to exacerbate considering the economic hardships that may arise as a result of the current fiscal austerity measures, Ehsaas's biggest priority is to promote and strengthen Safety Nets. Balochistan Council for Peace and Policy (BCPP) organized a couple of Webinars to ascertain how the program can be designed more efficiently to address the needs of Balochistan while expanding the program vertically and horizontally. The following policy brief is result of discussion of experts and secondary research by the research team of BCPP. This brief will start with the debate on social safety nets, followed by the discussion of experts and finally a set of recommendations focusing Balochistan are given contemplating on the discussion.

Background

Currently Pakistan is faced with multidimensional poverty of 38.4% which is a significant factor in limiting individuals from participating in economic activity and improving their well-being; thus, keeping them locked in the poverty trap. Considering such multi-faceted development issues in the country, Ehsaas program was launched in 2019. Its initiation primarily aims at addressing the most alarming problems in Pakistan such as, poverty and inequality. To curb down the further prevalence of poverty in the country, which is expected to exacerbate considering the economic hardships that may arise as a result of the current fiscal austerity measures, Ehsaas's biggest

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priority is to promote and strengthen Safety Nets. Ehsaas is a whole-of-government multi-sectoral and multi stakeholder coordinated initiative—the biggest pro-poor intervention ever launched in the country.

To successfully attain its vision, Ehsaas program plans to work on the following objectives:

- Address elite capture and make the government system work for equality of opportunity
- Provide effective and comprehensive safety nets for the marginalized and the vulnerable
- Create livelihoods and jobs for the poor
- Invest in people for human capital formation; and
- Lift lagging areas

The first four objectives constitute the 4 pillars of Ehsaas, under which its 134 policies and program areas are aligned. The 5th objective is cross-cutting.

By working on the aforementioned objectives, Ehsaas program plans to achieve the following goals:

- Safety net for at least 10 million families.
- Livelihood opportunities for 3.8 million individuals.
- Financial access to healthcare for 10 million families.
- Scholarships and education incentives for 5 million students (50% girls)
- Financial and digital inclusion for 7 million individuals (90% women)
- Enabling environment for poverty reduction
- Equality promoting multi-sectoral partnerships and innovations

Balochistan Council for Peace and Policy (BCPP) organized a couple of Webinars on Social Protection Policy in Pakistan: An analysis of Ehsaas Program and Social Protection Challenge and Response in Balochistan: An analysis of Ehsaas Program. To ascertain how the program can be designed more efficiently to address the needs of Balochistan while expanding the program vertically and horizontally. The following policy brief is result of discussion of experts and secondary research by the research team of BCPP.

This brief will start with the debate on social safety nets, followed by the discussion of experts and finally a set of recommendations focusing Balochistan will be given contemplating on the discussion.

Social Safety Nets

Social safety nets aim to prevent poor and other vulnerable groups from falling into poverty or being caught in a poverty trap when affected by temporary shocks, such as a natural disaster or economic downturn (Bundy, et al., 2009). Whereas, according to (Beegle, Coudouel, & Monslave, 2018) social safety nets provide temporary help so that households are able to effectively cope during periods of stress. Social safety nets are part of a larger group of social protection mechanisms and policies. Whereas in Pakistan this phenomenon is implemented ongoing basis for more than a decade. The Asian Development Bank (ADB) defines social protection as policies and programs that are designed to reduce poverty and vulnerability by improving the efficiency of labor markets, diminishing people's exposure to risks, and enhancing people's capacity to protect themselves against hazards and the interruption or loss of income. Negative shocks faced by households can include: natural hazards such as floods, cyclones, and drought; health risks such as sickness, disability, or disease; life-cycle risks such as childbirth and old age; economic risks such as unemployment or high inflation; social risks such as civil unrest. Poorer groups generally have a lower capacity to cope with risks. This is because unlike better-off groups, they generally do not have assets such as savings or access to insurance or credit that can be used to cope with negative shocks (bank, 2010). As a result, when affected by adverse events, poorer households may be forced to resort to poverty-entrenching risk-coping mechanisms such as reducing their calorie intake or taking their children out of school to earn income for the family, which can also keep the next generation in poverty. Moreover, Households may also reduce their exposure to risks by engaging in low-risk activities with lower returns such as more resilient, low value crops, but this has the consequence of trapping households in poverty. Social safety nets (SSNs) are critical to reducing poverty because they support inclusive growth and provide resources to the most vulnerable in society as perceived by Ehsaas program (Coady, 2004). In contrary, the World Bank traditionally viewed them as mechanisms for redistributing income and improving the welfare of those

unable to participate in productive activities. For Ehsaas program this aspect is hard to achieve due to the fact that the program was designed as one size fit all while ignoring the ground reality in Balochistan.

Ehsaas have effectively touched upon the 5 major objectives of social safety nets;

- 1: Reduce chronic poverty and inequality.
- 2: Encourage more and better human capital investments among the poor to provide the opportunity to exit poverty.
- 3: Enable the poor to manage risk from individual shocks.
- 4: Enable the poor to manage risk from systemic shocks.
- 5: Protect the poor if necessary, during broader economic reforms.

However, they have overlooked the fact that in addition to poverty objectives, SSNs also serve important political, social, and security purposes. In fragile states like Balochistan that are in conflict or emerging from conflict, SSNs are often used to demonstrate state power and the ability to provide basic programs to citizens and thus maintain some level of authority and popularity (Gentilini & Omamo, 2009). On other hand, in Latin America and the Caribbean, the political agenda has involved tackling the high level of inequality through SSNs. In the Middle East and Africa, and some other countries, such as Jamaica, SSNs have sometimes aimed to keep young people employed to minimize political and security concerns (Beegle, Coudouel, & Monslave, 2018). Furthermore, in Bosnia and Herzegovina, Nepal, and several fragile states in Africa, SSN transfers have also been targeted at ex-combatants to help reintegrate them into society. Over the past decade or so, many developing countries around the world have introduced these types of programs (Devereux, 2002). In fact, following Asian financial crisis of 1997/1998, which imposed significant hardship on region's poor, many Asian countries took steps to implement social safety net programs to protect vulnerable groups during future crises. As a result, countries such as Indonesia and the Philippines were able to quickly scale up existing programs in response to rising poverty during the recent global economic crisis (Sumarto, Suryahadi, & Widyanti, 2005).

If we further exam social safety nets we can broadly define them as those instruments aimed at mitigating possible adverse effects of reform measures on the poor. These instruments include temporary arrangements, as well as existing social protection measures reformed and adapted for this purpose,

such as limited food subsidies, social security arrangements for dealing with various life cycle and other contingencies (e.g., old age, disability, unemployment, sickness, and drought), and targeted public works (Bundy, et al., 2009). However, if we look at Ehsaas program such instruments are hardly addressed.

Research suggests that such reform programs should, where possible, be designed to minimize unnecessary adverse effects on poor or vulnerable groups. To this end, it is important that the mix and sequencing of reform measures be designed appropriately based on the ground reality of Balochistan. For example, simple, broad-based, and equitable taxes with low rates, efficient public expenditure programs, and policies aimed at promoting appropriate relative prices constitute the major elements (Gentilini & Omamo, 2009). In order to achieve a given fiscal deficit reduction target, it is important to explore alternative tax and expenditure policy mixes and to assess their implications for poverty reduction as well as social protection efficiency in Balochistan. The policy makers have to keep in mind that appropriate mix and sequencing of reform measures, however, cannot ensure that the adverse effects will be removed entirely, since the reform itself requires changes in relative income positions of various groups. Therefore, social safety nets are needed to mitigate possible short-run adverse effects on the poor by providing universal access to cash or other services (Devereux, 2002).

There is a growing body of evidence that such programs help families plan for and invest in the future, manage risk, and avoid negative coping strategies like taking children out of school or selling assets, help governments foster more inclusive growth, and generally promote economic growth provided that they are tailored on the ground realities of the population (Bundy, et al., 2009). Due to current global economic crisis countries are focused more on the role of social protection and social safety nets.

Discussion

Based on the secondary research BCPP conducted two webinars to know the ground realities on the emerging issues.

Theme 1: Sustainability of Ehsaas Program

We need to make it a sustainable program rather than a political program. The main aim of social protection is how to link the delivery system between the federation and the provinces. experts claimed that BISP was only one component picked from the social protection plan that was designed during Musharaf era. There is a lack of synergy among the government organizations working for social protection. We need to align all the economic, social and development policy with the social protection. Partnerships are required at different levels: federal, provincial and district. The government need to Maintain the dignity of beneficiaries at all costs and for this purpose we need to adopt transformational approach is required not incremental approach. In case of Balochistan the province is suffering more due to connectivity issues while implementing Ehsaas Program. Money should not an issue for an underpopulated province like Balochistan. The sustainability of Ehsaas program is very important and it is only possible if all the stakeholders work in synergy while following the principles of responsibility and accountability. Despite years of social protection in Pakistan the tangible change in lives of poor is not visible as our focus have been political. Now is the time that we must work towards the suitability of social protection in Pakistan and particularly in Balochistan.

Theme 2: Ehsaas Program in Balochistan is a misfit

Ehsaas Program need to think out of the box in Balochistan as they are least mindful about the social protection needs in Balochistan. The case of Balochistan is different from rest of Pakistan based on following major factors.

The province suffers the worst kind of market fragmentations, the largest province with the least market integration within the province and with rest of the country and that creates very serious challenges.

The people of Balochistan are unable to capture values for their goods and services due to market fragmentations.

Technology is limited in Balochistan, hence reaching out vulnerable groups in Balochistan is very hard due to limited/no data.

The 20-socio economic indicator of vulnerability when test in Balochistan highlighted that majority of people living there are vulnerable otherwise.

Why bother, why we cannot go for public distribution which is universal in nature.

The livelihood pillar of Ehsaas will not do much in Balochistan because of demand contraction which is perennial, in case of Balochistan demand is extremely low. So, you cannot have that kind of stimulus that you can have in other part of the country.

The work based social security and the institutional social security doesn't work in Balochistan because of tiny size of the sector.

Ehsaas program in Balochistan too small, too patchy and cannot reach the majority of the people. In Balochistan's case no need to count the number of vulnerable people as Balochistan fails very badly on account of all socio-economic indicators. The approach has to be different in here.

Financing is always a concern but, in our view, if the provincial share is considered Ehsaas is bringing very little, if Balochistan government can put more on the table then they can take the lead in designing a social protection policy for the people. There should be a unity of purpose and focus by government of Balochistan. The government need their own social protection unit as well.

The principle is very simple if 70 to 80% of the population is in need of some support then there is no need for targeting at all, you have to go universal otherwise it is very wasteful.

The lead of provincial government in social protection is very important, we need to understand that one size fit all will not work here. Balochistan has different objective reality and we must plan according to that.

In the case of Balochistan, collection of data and evidence is important but it doesn't hold that much significance since it is already evident that more 50% of the population lives below the poverty line.

The biggest issue is the handling of the funds allocated for social protection.

There is a dire need to disrupt and make some big changes in the current development projects in Balochistan because it is evident that the old traditions and methods are not effective.

The issue of water is discussed and agrees that in the case of Balochistan, this issue alone needs separate and especial attention while working on social protection strategies.

Theme 3: Develop Balochistan on the footings of rich district of Pakistan

The state has to take care of venerable group, whereas, the invisible hand theory suggests against it but we have to find a balance between the state and market. The sort of IMF programs that the government is following the role of state will be pushed in background in coming times. There is a huge time differential between the rich and poor districts of Pakistan and it is the state's responsibility to overcome this gap. The question arises how the state can play its role more effectively in social protection. The formulas that we are using in national finance commission will not work for Balochistan, if we are serious about uplifting poor districts of Pakistan then we have to develop a different kind of consensus among the masses that it is not an economic question it is a political question to uplift Balochistan. It is imperative for our democracy to develop Balochistan on the footings of rich district of Pakistan. Instead of adopting Reverse Population Density formula for the distribution of funds, it is better to take survey of different regions and then formulate an average of different social indicators. Districts that fall below the average, should receive more funds.

Theme 4: Poor data and non-availability of internet services

In last two decades we have witnessed a revolution in information communication that has transformed the world socially, politically and economically. We have witnessed that Asian and South Asian countries have invested heavily in social protection over the years. The most important tool used for implementation of such programs is Information and Communication Technology (ICT). With the help of ICT governments can take more informed decisions and transparency in the process. Due to security concerns the data acquired in Balochistan is very poor and non-availability of internet services complicates things further. Successful roll out of this program is very important for Balochistan as it will increase people's confidence in the government which is at threshold at the moment. The main hurdle for implementation of this program is working in isolation, everyone in Balochistan is trying to reinvent the wheel. The government need to focus more on ICT policies for improvement of Ehsaas program.

Theme 5: Utilization of resources

In Balochistan there is no data on informal sector and data on formal sector is very limited. Workers in the informal sectors (especially laborer) are denied of social security and women who are artisans are greatly exploited. Apart from negligence of informal sector there is also an issue of governance in the province that is causing a lot of inefficiencies. Resource allocation is not the bigger issue in the case of Balochistan, it is the utilization of the resources. If we consider the last NFC award for Balochistan it is not financially starved rather it is institutionally handicap as the administration could not benefit fully from this award. This tells us that resource allocation is not the problem but resource utilization is. We don't have sustainability in your policies. Our policies are more opinion based than evidence.

Theme 6: Governance Issues

In Balochistan to improve the governance issues, following steps need to be taken:

Defined lines of Accountability: Who is responsible for what. Check and balance. This would also reduce the chances of corruption.

Capacity Building: Government need to train the people involved in provision of the services. These trainings must include how to report, monitor and evaluate.

Depoliticize the administration: The government needs to ensure that the administrative work and job assignment must be free of any political influence. The rule and regulations must be followed in true sense.

Outreach campaigns: For people who don't know how to use electronic devices and how to claim social protection services, especially elderly people must be acquaint.

Public-Private Partnerships: We must encourage private organization in provision of services by incentivizing them to work for the public welfare. In return government can provide them with flexible tax strategies in return for their inexpensive public services. These partnerships can focus on provision of electricity, water (the theme of water is an important one as throughout this webinar many experts suggested that Ehsaas needs to devise programs for the provision of clean water in areas where it is inaccessible), and internet.

Vocational Trainings for the people. This would lead to the economic empowerment.

Women Inclusion: Government need to implement strategies where financial assistance is handed over directly to the women.

Radical and Rapid investment in infrastructures: These include improving the quality of water, internet, technology and electricity.

People's health would get affected more if basic needs not addressed properly. Community involvement while designing interventions is equally important. We must know what they need in reality.

Theme 7: Unmet Needs of social protection in Balochistan

Pakistan needs to redefine Social Protection in accordance with the ground realities of our country. Similarly, for Balochistan we need an approach that address the ground realities for better responses of social protection. Transformative Social Protection which ensures sustainable economic growth is the way forward for Balochistan. For this purpose, Balochistan Employees Social Security Institution (BESSI) needs to be strengthened for transformative change in Balochistan. Multidimensional Poverty in Balochistan stands at 71%. However, BISP beneficiaries in Balochistan are only 3% leaving a huge population unattended. Balochistan lacks reliable data on the people with disabilities who also need to be included in such programs. We have 2 million labour force out of which 34% is in agriculture and 1.34 million works in non-agriculture sector. Those working in non-agriculture sector 0.5 million are working in formal sector. Hence, any social protection in Balochistan only covers 25% of the labour force in theory. In reality that number is much lower. Despite making 86% of the total work force in Balochistan, employees in private sector are deprived of social insurance. Only 1% gets old age pension and 2% gets medical support. Unavailability of reliable data for Balochistan undermines its need of social protection programs. This calls for data collection in Balochistan to capture the ground realities so that better interventions can be designed.

Pakistan needs to focus on social security and social insurance rather than just relying on social assistance. Working on BESSI can generate better results since it has the potential to provide social security and insurance. Labor laws exist, they just need to be enforced so that more progress can be seen in the informal sectors. BESSI has the potential, it just needs to be

empowered. Social protection needs in Pakistan are not uniform across the country, so, social protection as system needs to be de-centralized with enhanced role of provincial institutions.

Theme 8. Environmental Poverty

First of all, we need to understand there is distinct differences between the provinces of Pakistan and when we talk about provision of services such as health, education or any social protection intervention at district level there is a huge gap. Education, health, and environmental poverty are important components of social protection delivery in Pakistan. Environmental Poverty includes unavailability of proper sanitation systems, clean water etc. We need to address environmental poverty on priority basis in Balochistan for sustainability of social protection intervention. More than 60% of the population in Balochistan is suffering from environmental poverty. Before designing any intervention in Balochistan we need to understand their needs, if they are monetary poor or they are multidimensional poor, do they need health and education services first or environmental poverty eradication. Sadly, in Balochistan research showed that people are affected by all these aspects. Maternal health in Balochistan is far worse than those in African countries. Needs of different geographical locations should be surveyed and funds should be distributed based on the local needs and demographics. All the main stakeholders should be included while designing such programs. Without a proper research and analysis any intervention will not be effective.

Policy Recommendations for Social Protection in Balochistan

Contemplating on discussion of experts following policy recommendation are presented to the government of Balochistan:

There is a lack of synergy among the government organizations working for social protection. We need to align all the economic, social and development policy with the social protection.

The sustainability of Ehsaas program is very important and it is only possible if all the stakeholders work in synergy while following the principles of responsibility and accountability.

In Balochistan's case no need to count the number of vulnerable people as Balochistan fails very badly on account of all socio-economic indicators. The approach has to be different in here.

Financing is always a concern but, in our view, if the provincial share is considered Ehsaas is bringing very little, if Balochistan government can put more on the table then they can take the lead in designing a social protection policy for the people.

The principle is very simple if 70 to 80% of the population is in need of some support then there is no need for targeting at all, you have to go universal otherwise it is very wasteful.

The lead of provincial government in social protection is very important, we need to understand that one size fit all will not work here. Balochistan has different objective reality and we must plan according to that.

There is a dire need to disrupt and make some big changes in the current development projects in Balochistan because it is evident that the old traditions and methods are not effective.

It is imperative for our democracy to develop Balochistan on the footings of rich district of Pakistan.

Instead of adopting Reverse Population Density formula for the distribution of funds, it is better to take survey of different regions and then formulate an average of different social indicators. Districts that fall below the average, should receive more funds.

The main hurdle for implementation of this program is working in isolation, everyone in Balochistan is trying to reinvent the wheel. The government need to focus more on ICT policies for improvement of Ehsaas program.

Resource allocation is not the bigger issue in the case of Balochistan, it is the utilization of the resources so the government need to focus more on this.

Government must encourage private organization in provision of services and create more public private partnerships.

Government of Balochistan need to address the governance issues by defining lines of accountability and responsibility.

The government needs to ensure that the administrative work and job assignment must be free of any political influence. The rule and regulations must be followed in true sense.

Radical and Rapid investment in infrastructures: These include improving the quality of water, internet, technology and electricity.

Community involvement while designing interventions is equally important.

Transformative Social Protection which ensures sustainable economic growth is the way forward for Balochistan. For this purpose, Balochistan Employees

Social Security Institution (BESSI) needs to be strengthened for transformative change in Balochistan.

Social protection needs in Pakistan are not uniform across the country, so, social protection as system needs to be de-centralized with enhanced role of provincial institutions.

We need to address environmental poverty on priority basis in Balochistan for sustainability of social protection intervention.

The government of Balochistan need their own social protection unit.

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