



# PIDE

## COVID-19 BULLETIN

No. 15

### Consolidating the Efforts of Various Social Safety Nets for the COVID-19 Relief

The coronavirus (COVID 19) pandemic in Pakistan has entered a critical stage with varying degrees of lockdowns being observed in all provinces. The federal government recently announced another 2-week country-wide lockdown that will continue till the 15th of April, 2020. The economic and social effects of these lockdowns particularly on the segment of the population that comprises daily-waged workers have started to materialize and are being hotly debated in the public and policy domains. As the state bears the responsibility to provide the necessary social and economic protection to its citizens, the Pakistani state is under a great test to showcase its commitment to the poor and needy.

Researchers at PIDE estimate that the country has entered into a critical secondary phase of economic shocks and within a few weeks approximately 19 million individuals are at risk of losing their sources of income including daily-waged workers, short-term production dependent employees and street vendors. In the worst-case scenario, the unemployment of 18.53 million workers is a great concern and shall prove to be gravely consequential. The estimates are summarized in detail in *PIDE COVID 19 Bulletin No.4* available on the PIDE website<sup>1</sup>.

This loss in employment will push millions of vulnerable segments of population in poverty to join the those already below the poverty line. These segments of population need both short-term and medium-term relief in the coming weeks and months. For this purpose, the government *can* mobilize already existing national safety net programs and their regional branches to reach those who are most vulnerable.

The safety nets are the salient features of social protection, and by virtue of article 38 (d) of Pakistani constitution, the state is obliged to ensure social protection by providing '*basic necessities of life including food, clothing ... and medical relief.*' Steps in this direction have already been taken by the government in the shape of the relief packages and Ehsaas Emergency Cash Program. This is part of the general Ehsaas program that has been in the planning for the past year in Pakistan, a program that intends to bring together various existing social safety nets programs in Pakistan.

To create a more systematic scheme of both short-term and long-term social protection in the wake of the Coronavirus crisis, the government can align both existing government social safety net programs and non-profit civil society ventures (NGOs) under the purview of National Command & Operation Centre (NCOC).

#### Poverty: Current National Situation

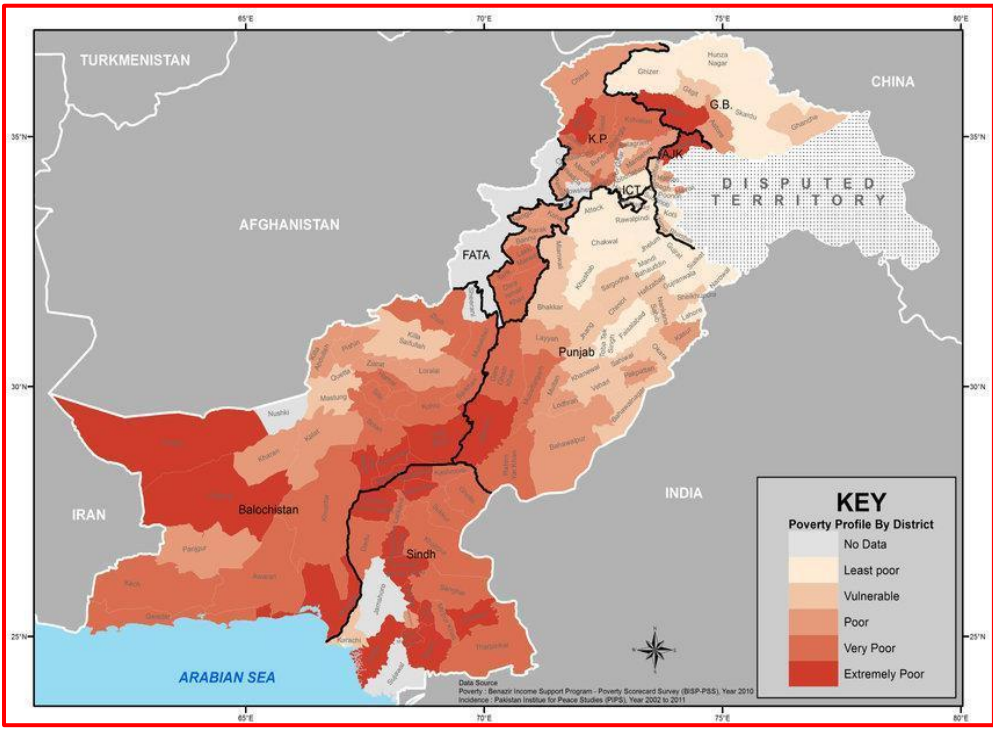
The majority population in the peripheral areas of the country are poor, or prone to be poor. Pakistan has more than 25% of the population living below the poverty line. As per estimates, the poverty shall rise from 75 million to around 130 million in case of prolonged lockdown. The poverty heat map in the figure below<sup>2</sup> suggests the poor population in peripheral areas; however, even greater concern is the volatile population residing in the cities. The businesses have started laying off the employees, and in the current scenario of restricted lock-down, there is an expectation of 12.55

<sup>1</sup> Under the three scenarios the estimates range from 1.39 million to 18.53 million people facing unemployment. <https://pide.org.pk/pdf/PIDE-COVID-Bulletin.pdf>

<sup>2</sup> Heat Map from the works of Hannan Mahmood

million people getting unemployed with fears of more employees getting slashed.<sup>3</sup> The already poor population coupled with the new numbers of unemployed and out-of-work daily-waged workers put up an alarming picture of the country's labour force. Therefore, it is essential to survey the state capacity of reaching out to these poor and needful; and assist them through these hard times of the COVID-19 crisis.

**Poverty Heat Map 2017-18**



The poor are at the receiving end of suffering and grave economic consequences because of high probability of low working opportunities, high lay-offs and inability to financially protect themselves in times of crisis.

The politics of devolution has a great deal to play in this disaster. The provinces have the authority to establish the lockdown, curfews with particulars; however, in wake of these contingent circumstances, a uniform concerted effort is required to manage the disaster efficiently. The poor vertical communication between the federal and provincial lets the looming threat of poor factions getting hurt further. It is welcoming that provinces have authority, and in case of poor federal decision making they can decide on their own, but more coherent policy is needed for reliance. The efforts of both, provinces and federal, must resonate and sync to provide efficient mechanisms to deal with crises.

**State of Social Protection Plans**

To understand the current state of the social protection system in Pakistan, we ran a study. The authors reached out to following organisations working within the larger paradigm of social protection. The aim of this study was to evaluate the preparedness of these agencies and organisations. After the consultations and detailed interviews based on initial survey design, the following was concluded:

<sup>3</sup> See the sectoral analysis of COVID impact on unemployment PIDE Bulletin at [pide.org.pk](http://pide.org.pk)

	Authority	Initiative	Direct Beneficiaries	Target Population	Amount	Instruments	Database	Pipeline Program
1	NDMA	Yes	Disaster based— Increasing	Affected Population, Regular Ops.	200 Billion and Donations	Assistance Activities, Situation Report	As per disaster/ Arbitrary	Yes Relief Activities
2	Punjab Soc. Protection Authority	No	Ehsaas Program Based	Poor	ADP	OAB, Khidmat Card, Insurance	Yes/ Don't know	Wheat, Subsidies, Insurance
3	PDMA Baluchistan	No					Contingent	Yes
4	PDMA Punjab	Yes	Disaster Man. and usual activities	Affected Population	Govt, Donors, Federal.	Awareness, NDMA Efforts, Coordination	As per disaster	Yes, Budget Redirection
5	PDMA Sindh	Yes	Affected Areas, Poor	Affected Areas and Poor, BISP Registered	Relief Package by Sind Govt and NDMA	Relief Activities	As per disaster	Yes. Volunteer Registration
6	PDMA KP	Yes.	Affected Families, Poor	Disaster Stricken		Quarantine Helpline, Relief Activities	As per disaster/ Contingent	Yes
7	NRSP	Yes	Poor Population in Rural Areas Largely	Poor Population, PPAF Partner	No exact amount	Cash Grant, Equipment, Investment Fund	BISP, PPAF	Own, Waiting for Funds
8	PESSI	Yes	HR of Punjab Government, Families	Employees	Requested for health facilities	Health Services, Educational Services	Yes. Division, Months	HR 3 Increased Budget, Jobs for affected families.
9	PPAF	Yes.	.551 Interest free loans 8.4 micro credit loans	Poor, NPGI	Ehsaas directed	Micro-Credit Interest free loans	Yes	Not Yet
10	RSPN	Awareness, Rations Coordination	Daily Poor Wagers,	Poor Pop. 53.5 m outreach	Collaborations	Cash Transfer Mobile Wallets,	Last Year- Again To be verified	Subject to fund (Waiting)

1. There is a lack of central and coordinated approach to cater the marginalised, poor, and most affected population.
2. The NDMA has been tasked with running the relief activities, but by the times of interviews, the provincial and district management authorities were not clearly aware of the line of action.
3. The social protection authorities including NRSP, RSPN, PSPA have further slowed down their operations.
4. The organisations are awaiting the approval from donors and government to allow redirecting of funds from current projects to the corona relief packages.
5. The social protection authorities are at best involved in putting up posters of awareness on websites and sending mass awareness messages to masses.
6. Pakistan has too many safety nets, failing to culminate into a single-stranded chain of institutions working for the same vision; or with the same mechanism.

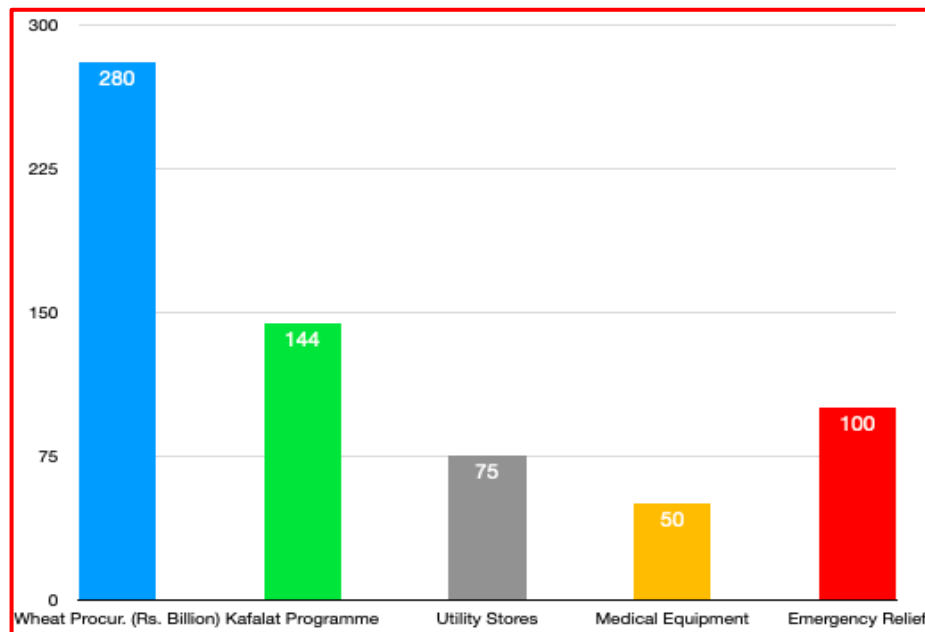
<sup>4</sup> Table prepared in light of our initial survey design. All above organisations were reached out by the first author, and were asked as per template questionnaire to come up with the answers fed in table cells as per responses.

***The real test of governance is how does government cater to the needs of the lowest and marginalised faction of society. That is where the need of safety nets arises.***

## Relief Packages

More than 70 countries have resorted to the social protection plans including cash transfers, subsidies and immediate relief programs. The Prime Minister of Pakistan has announced a 1.3 trillion Rs. package for the COVID-19 affected economy. The 10 percent of this is specified for social protection, and rest includes the subsidies and other incentives. The politics of subsidy has been long debated, and is likely to act vile with businesses already laying-off their employees.

### Prime Minister's Relief Package



The Punjab government also announced the relief package including 10 billion rupees as part of safety nets that shall be disbursed through BISP, District governments and Ehsaas program.

Sindh government was first to announce the lockdown and subsequently a relief package including funds for safety nets. This varying range of commitment adds to the need, as suggested by PIDE in its earlier bulletins, of having one situation room aimed at coordinating efforts of various stakeholders in relieving the sufferings of affected and poor.

### **Ehsaas Emergency Cash Program- Opportunity to Learn for Immediate Future Interventions**

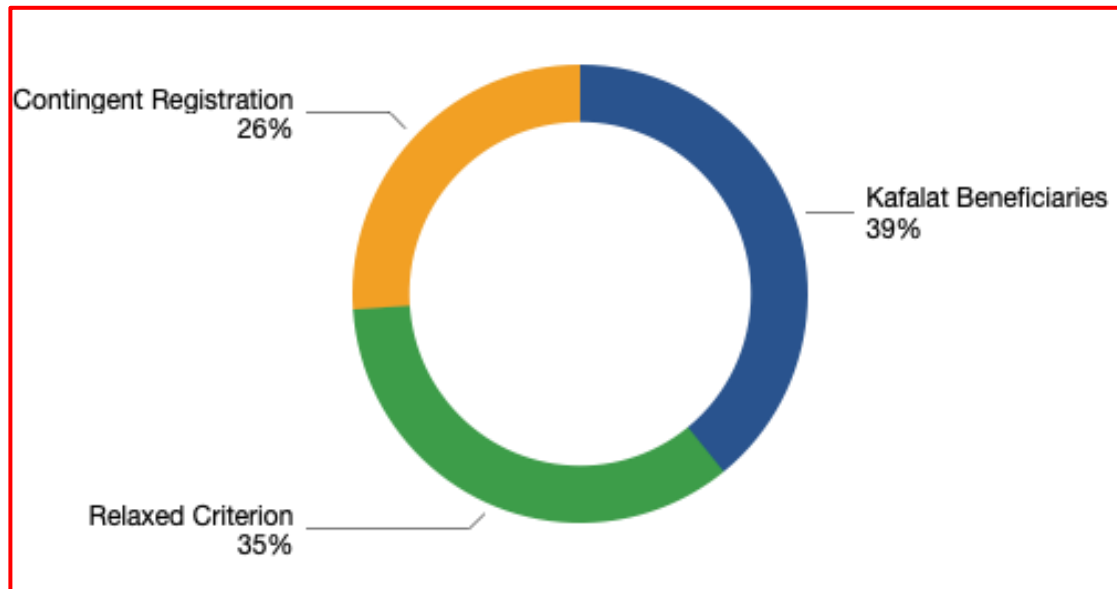
Ehsaas's Kafalat program caters to 4.5 million households, and in wake of this emergency, the suggested paradigm further includes 7.5 million further households merited to receive a one-time amount of 12,000 Rs. This adds up to a total of 12 million household recipients. The announced relief package of 1.2 trillion by the government of Pakistan is aimed at providing the safety net for the people, and assist in case the longer lockdown is needed--which seems imminent.

Amounting to approximate 10% of the total relief package, this EEC program has been allocated 144 billion rupees to cater to a total 12 million households in the country at the verge of hunger.

Kafalat is a newly launched program under the banner of Ehsaas—social protection program for the poor and needy. However, without having a strong record of monitoring and evaluation the program is vulnerable to exploitation and without having evaluated its outreach and effectiveness, it's difficult to predict the success of the program. Furthermore, it has been overloaded with extra

burdens of relief disbursement even when the regular disbursement of money has yet to take place. It's good that the data analytics and digital technologies are being used to ensure transparency, but in wake of the crisis it shall be difficult to gather the poor, teach them the procedure to withdraw the money and gather their biometric imprints. The district governments with increased responsibilities will also have to identify the further 3.5 million and scrutinize their needs adding to their work.

### New Composition of Ehsaas Kafalat Relief Recipients



Therefore, the research identifies the need that organisations must collaborate together to form the uniform strategy; to reach out to deserving and merited. For now, many of these organisations are awaiting the funds to be redirected and the lower staff is as clueless as to point of indifference. Some of these organisations have put-off their normal operations in wake of lockdown situations. Thus, government can, in this time of awakening, benefit from the human resources of these organisations to reach far and wide, and deserving.

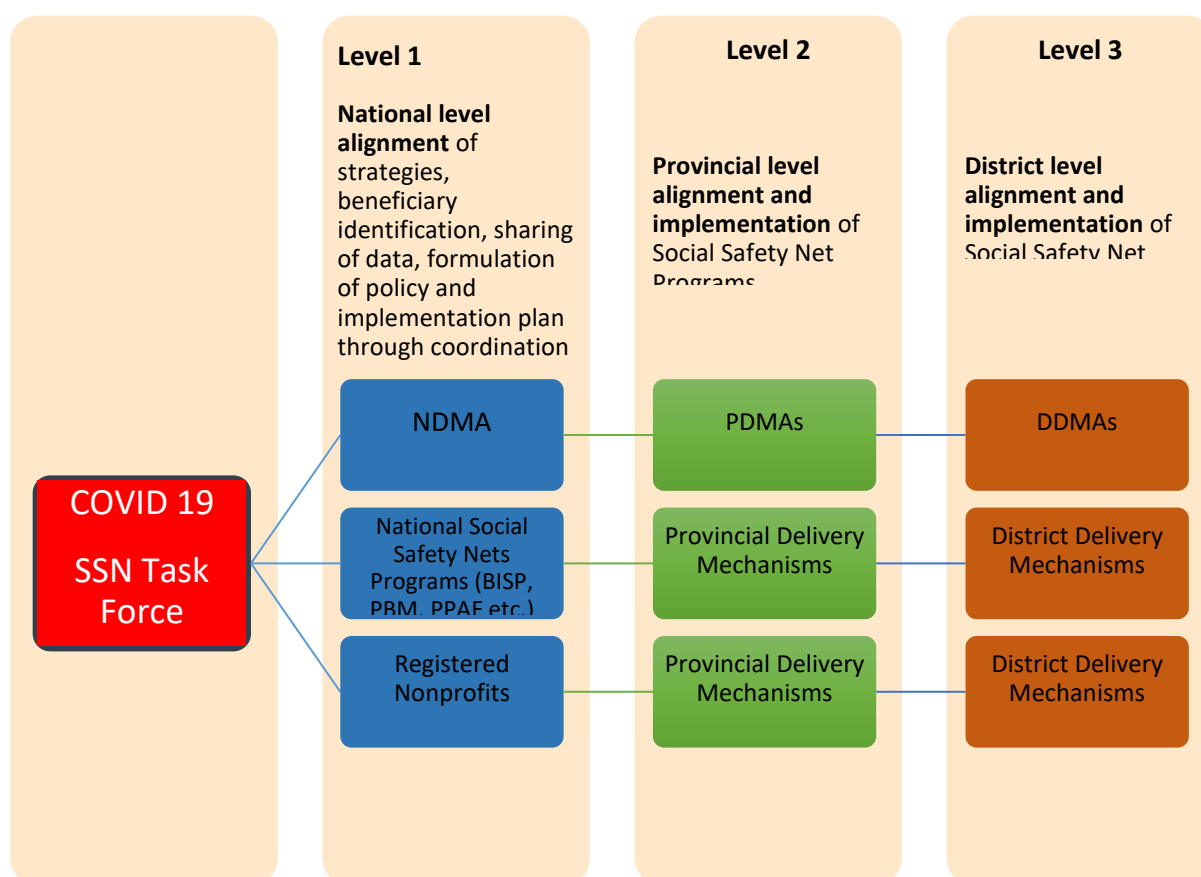
### Proposed Coherent Delivery Strategy

A policy and implementation plan at three levels to address short-term and medium-term social safety issues in the wake of coronavirus pandemic:

1. *National* (Level 1)
2. *Provincial* (Level 2)
3. *District* (Level 3)

The figure below presents the mechanism we suggest for a consolidated effort to provide relief to those needing it. We believe it would improve efficiency, cutting on duplication of efforts resulting in wastages/leakages.

**Figure 4: Coherent Delivery Strategy in Wake of COVID-19**



### Policy Recommendations

- The idea put forward by the PIDE team in its earlier bulletins to have a *Situation Room* can be extended to include effective and sustained implementation of the social safety net programmes. The setting up of the National Coordination & Operation Committee (NCOC) is a welcome step forward in this direction, and can take up what we suggest here.
- Logistical services need to be declared 'essential services' during lockdowns to ensure the smooth mobility of perishable goods and other value-chain goods.
- Need for possible governmental collaboration with non-governmental organizations like Akhuwat, Chipa and Edhi through the NCOC can avoid duplication and increase operational capacities.
- Nonprofit & charitable organizations are restricted by their donors and cannot easily divert funds on an emergency basis. The NCOC can play the role of a mediator between charitable organizations and their major donors.
- The medium-term process of unemployment to re-employment must be smooth, and needs good health of businesses in the next 3-4 months. Microfinance Institutions in the country can be used in addition to traditional cash transfers to spur economy activity.

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PIDE COVID-19 Bulletin is an initiative by the Institute in response to the current pandemic, which is bound to have serious consequences for the country, specifically for its economy. The Bulletin would carry research that would aid in an informed policymaking to tackle the issue.

PIDE COVID-19 Bulletin Series Editors: Nadeem ul Haque and Durre Nayab

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