



## PRIME MINISTER'S POLICY STATEMENT



Government of Pakistan

# EHSAAS

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On March 27, I launched the “Ehsaas” program, the objective of which is to reduce inequality, invest in people, and lift lagging districts.

Ehsaas is about the creation of a ‘welfare state’ by countering elite capture and leveraging 21<sup>st</sup> century tools—such as using data and technology to create precision safety nets; promoting financial inclusion and access to digital services; supporting the economic empowerment of women; focusing on the central role of human capital formation for poverty eradication, economic growth and sustainable development; and overcoming financial barriers to accessing health and post-secondary education.

The program’s principles and approaches also center on tapping whole-of-government multi-sectoral collaboration for solutions; ensuring joint federal-provincial leadership; and mainstreaming the role of the private sector through an approach which will provide a level playing field on the one hand and foster locally-relevant innovation on the other, to create jobs and promote livelihood in quick-win areas. The program’s premise is grounded in the importance of strengthening institutions, transparency and good governance.

The program is for the extreme poor, orphans, widows, the homeless, the disabled, those who risk medical impoverishment, for the jobless, for poor farmers, for laborers, for the sick and undernourished; for students from low-income backgrounds and for poor women and elderly citizens. This plan is also about lifting lagging areas where poverty is higher.

Ehsaas’ poverty reduction strategy is articulated in four pillars and it currently embodies 115 policy actions, which may be expanded as the process of consultations on the program, further widens. The four pillars include: addressing elite capture and making the government system work to create equality; safety nets for disadvantaged segments of the population; jobs and livelihoods; and human capital development.

# I. ADDRESSING ELITE CAPTURE AND MAKING THE GOVERNMENT SYSTEM WORK FOR EQUALITY

It is the prime duty of the government to cater for those that are left behind, and to build safeguards against elite capture, which is evident in the taxation system, in water management, in crop choices, in land use priorities, labor laws and in much else.

In this respect, the first pillar encompasses the following policies

1. A **new constitutional amendment** to move article 38(d) from the “Principles of Policy” section into the “Fundamental Rights” section. This change will make provision of food, clothing, housing, education and medical relief for citizens who cannot earn a livelihood due to infirmity, sickness or unemployment, a state responsibility
2. Increase in **social protection** spending. Additional PKR 80 billion will be added to social protection spending in the forthcoming budget (2019-20) and in the next budget (2020-21) there will be a further increase; hence total incremental increase will be PKR 120 billion. At this level, social protection spending will be 1% of the GDP with federal and provincial contribution
3. Creation of the **Ministry of Social Protection and Poverty Alleviation Coordination** to address current fragmentation. Benazir Income Support Program, Pakistan Bait-ul-Mal, *Zakaat*, Pakistan Poverty Alleviation Fund, Trust for Voluntary Organizations, the SUN Network, Center for Social Entrepreneurship, and secretariats of the Poverty Alleviation Coordination Council and planned Labor Expert group will be under this ministry
4. Creation of a **one-window social protection** operation to assist beneficiaries of social protection and to reduce duplication and abuse
5. **Pro-poor goals** and measurable indicators for every ministry
6. Priority earmarking of **resources for pro-poor sectors** to prevent channeling of resources to other sectors through *ad hoc* decision-making
7. A need-based system in the framework of the **new National Finance Commission Award**. Promoting poverty reduction and addressing inequalities, requires improving mechanisms that regulate allocation of financial resources and creating the right incentives to deliver on services for citizens. To this end, members of the Council of Common Interests will be

encouraged to improve the allocation formula to achieve our common goal of making opportunities equal for all Pakistani citizens, irrespective of where they live

8. All **Provincial Finance Commissions** will be encouraged to base their future awards on need-based systems to remove intra-provincial disparities
9. A policy to maximize the pro-poor impact of the **Public Sector Development Program** (PSDP) resources. For every project, efforts will be made to raise private capital so that PSDP resources are only spent on projects that serve as an equalizer. For this purpose, a policy will be developed to set the order of priority of the projects at the Planning Commission
10. A **Committee on Innovative Financing** and **deployment of innovative financing mechanisms** to mobilize additional resources and create fiscal space for pro-poor investments
11. **Guidelines on Corporate Social Responsibility** in areas related to voluntary expenditure, its alignment, tax rebates and reporting
12. A new **mandatory section in the PC1 Performa** (Planning Commission approval document) to screen every PC 1 for its impact on poverty and equality
13. A committee to review the bottlenecks in the **justice system** for the vulnerable
14. New policy to guide the use of **development expenditure by parliamentarians** to promote transparency, independent oversight and accountability
15. **Guidelines on conflict-of-interest** for state and government functionaries
16. Earmarking a share for those below a certain poverty line while allocating **Khokhas (cafés), tea shops, newspaper stands, shoe polishing booths** on government-owned land or in government-owned hospitals, parks, and railway stations
17. Earmarking a share for those below a certain poverty line while auctioning shops in **Town and Tehsil committees**
18. Earmarking a share for those below a certain poverty line in **Market Committees**
19. **Registration of slum and Katchi Abadis residents** to facilitate their transparent inclusion in the event of subsequent commercialization of the area

20. A **policy of community co-ownership where land development follows freeing** up of land from land grabbers
21. A policy of community co-ownership where government gives **hunting permits**
22. For pro-poverty planning, the government is committed to fixing the local government system, to facilitate **need-based community decision making**
23. Enhanced free electronic media air time policy to promote **information as public good** related to the Ehsaas program
24. **National Strategy for the Development of Statistics**, for strengthening quality and availability of statistics and to ensure the independence of statistics from political and other undue external influence, so that the government can have access to accurate, reliable, and timely statistics and a solid and credible base of evidence, which is critical to support the design and evaluation of policies
25. Data accessibility and transparency policy. Free accessibility of data will be ensured through the **District Development Portal** in which poverty and other socio-economic indicators across Pakistan’s district will be available to policy makers and the public. The Portal will allow tracking differences in performance and will be an important accountability tool in the implementation of Ehsaas

## II. SAFETY NETS

38.8% of people in Pakistan suffer from poverty in one or other form, and 24.4% do not have enough money to satisfy their basic food and non-food needs. The government needs to identify the poor precisely to make government subsidies, targeted. In this regard the following initiatives have been undertaken/are in the planning pipeline

26. Development of the new **2019 National Socioeconomic Registry**
27. **Multiple validations** of the National Socioeconomic Registry through follow-up review surveys and use of big data analytics to correctly and precisely identify the real poor
28. Conversion of the National Socioeconomic Registry into a **live registry**

Two new social protection programs are being introduced—*Kifalat* and *Tahafuz*. These will be executed through the agency, BISP

## **Kifalat:**

29. The program *Kifalat*, will ensure financial and digital inclusion of around 6 million women through the **one woman one bank account policy**
30. **Inflation-adjustment in the size of the cash transfer** to 6 million women under *Kifalat*
31. Establishment of 500 **digital hubs** at the *Tehsil* level under *Kifalat* where government's digital resources will be made accessible as a public good (information systems, online curricula, one window social protection interfaces) to create opportunities for poor families to graduate out of poverty
32. **Programs for graduation of BISP beneficiaries** in lagging districts through the Pakistan Poverty Alleviation Fund's National Poverty Graduation Program, using the outreach of rural support programs and community organizations

## **Tahafuz:**

33. Launch of the shock-oriented **precision safety net, Tahafaz** for the vulnerable to protect them against shocks. This will be involve one-time financial assistance to protect against catastrophic events
34. **Assistance to poor widows** who don't have any earning children through *Tahafaz*
35. **Legal aid** through *Tahafaz*
36. **Partnership with NGOs** to upscale successful programs for orphans, street children, seasonal migrants, transgender, victims of child and bonded labor and daily wage workers

## **Housing for the poor:**

37. **Ehsaas homes** for 10,000 orphans
38. **Panah-gahs** in several major cities
39. **Housing scheme for the poor** (including landless farmers) through interest free loans

## **Protection against catastrophic health expenditures:**

40. **Insaf Insurance card** in 38 districts for 3.3 million people

41. Ensuring financial access to treatment in defined categories and protecting the poor against **catastrophic health expenditures** through *Tahafaz*

### **Welfare programs for the disabled:**

42. Ensuring **universal access to assistive devices** (e.g., cranes, wheelchairs, tripod/quadripod sticks, crutches and other assistive devices)
43. **20 centers for the physically challenged** in under-privileged districts in the public-private partnership mode

### **Welfare of the elderly poor:**

44. **Labor pension increased** from PKR 5,250 to 6,500 through the Employees Old Age Benefit Institute
45. **Biometric payments of pensions** through Employees Old Age Benefit Institute
46. **Five great Ehsaas homes (old people's homes)** through Pakistan Bait-ul-Mal

### **Labor welfare:**

47. Creation of a time- and outcomes-based **Labor expert group** to develop recommendations to address the following issues: loopholes in existing laws as a result of which a large number of workers remain outside the formal network (e.g., agriculture and livestock sector, artisans, construction workers in informal settings, domestic workers and women whose work is seen as an extension of domestic responsibilities in rural area); fragmentation of labor social safety nets; rampant corruption and institutional failures which result in exploitation of labor; and enforcement issues with regard to minimum wage, and health and safety regulations
48. Launch of a **welfare and pension scheme for the informal sector** as a result of the recommendations of the Labor expert group

### **Welfare of workers abroad:**

49. A policy to increase the role and number of **Community Welfare Attaches** and to involve well reputed expatriate Pakistanis in that role
50. Increase in the number of **Protector of Emigration Offices**

51. Initiative to improve quality of **pre-departure briefing** for intended migrants, and ensuring attendance biometrically so that workers can be made aware about their rights and entitlements (for example insurance), which will ensure that they are not exploited by human resource exporters and employers
52. **Protector of Emigration Offices** to create one-window for all types of requirements to facilitate migrant workers
53. Negotiations with foreign governments to extend the **duration of the first contract agreement** for workers to a minimum of 3 years because unskilled workers hardly recover their cost of migration before that time
54. A policy of **subsidy on air tickets** for low paid workers abroad who have not returned home in seven years

### III. HUMAN CAPITAL DEVELOPMENT

Human capital development is a significant contributor to the wealth of a nation. In this digital age, accelerations in technology require countries to urgently invest in their people if they hope to compete in the economy of the future. Human capital development necessitates prioritizing investments in early years—tackling malnutrition, preschool or early education, protecting children from harm; ensuring access to quality education, skills and jobs; long-term commitment to Universal Health Coverage, and measures for empowering women and girls.

Pakistan is facing a crisis in terms of malnutrition that is among the worst in the world; our country is losing 3 percent of its GDP to stunting every year—a situation in which children cannot grow in height, their brains don't grow, and cognitive abilities don't develop, a major setback in today's knowledge economy. Stunting is the result of malnutrition and recurrent infections, in early childhood and/or malnutrition before birth brought on by a malnourished mother. Under-nutrition in young children and over-nutrition later in life lead to higher risk of costly diseases, like hypertension and diabetes. These are impoverishing through healthcare costs and by negatively impacting economic development by incurring productivity losses. Therefore, malnutrition has long lasting consequences for families and countries. Several initiatives address malnutrition in this framework.

#### **Malnutrition:**

55. A new **community and health and nutrition initiative** to address stunting in children

56. Provision of **de-worming drugs, iron, folic acid, micro nutrient supplements** through government hospitals
57. Awareness regarding **breast feeding** and complimentary feeding
58. **Multi-sectoral Nutrition Coordinating** Body under the Prime Minister's oversight
59. Establishment of the first-ever university-hosted **National Centre for Human Nutrition**
60. 5+1 model of **desi chicken asset transfer** for poverty alleviation and nutrition
61. **Asset transfer of goats** to the rural poor along with veterinary cover as part of the graduation initiative's asset transfer programs
62. A **Kitchen Gardening initiative** to promote subsidized certified seed and seedlings through the entrepreneurial model as well as CSR to promote fruit and vegetable intake
63. **Oil cans to accompany seed packets policy**
64. Promotion of seed distribution through the **Utility Stores Corporation**
65. **Specialized nutrition food** made available for stunted and wasted children in a cost-effective manner
66. Initiative to address **spurious, and adulterated milk**

#### **Pro-poor education initiatives:**

67. **Awareness drive aimed at article 25-A** so that the disadvantaged become aware of their right
68. Access to education for poor through **vouchers** where public schools do not exist, but private schools exist; or
69. **Contracting out** primary and secondary education to private sector in geographic areas where there are no public schools
70. Increase in the budget of the **National Education Foundation** to enable implementation of contracting out and voucher schemes, mentioned above

71. Freely available **e-learning content** as a public good
72. **Use of chatbots in local languages** to overcome constraints faced by dispersed populations in accessing education
73. **Conditional cash transfer program for education** in lagging districts
74. A **second chance program for girls** in schools, colleges and universities
75. **Need-based undergraduate scholarships** by the Higher Education Commission for students from low-income families and lagging districts to ensure that all qualified students have access to undergraduate education regardless of income, gender, or location. This policy will be applicable to public sector and participating non-profit private sector colleges and universities
76. **Transparency placard placement policy** for all schools funded by government. Outside each school a placard will be placed with details about the budget and number of teachers. Consolidated information will be digitally available through a mobile app

## **Health:**

77. **Universal health coverage** policy to be adopted at federal and provincial levels with innovative technology tools to increase geographic and financial access to healthcare for communicable and non-communicable diseases and for maternal and child health and mental health services. Priority will be given to conditions where the poor bear higher burden of disease
78. Transparency and integrity measures to **address regulatory capture in health-related** regulatory agencies
79. **Transparency placard placement policy** for health facilities funded by government. Outside each BHU and hospital, a placard will be placed with details about the budget and number of staff. Information will also be available through a mobile app
80. Policy to **accelerate reform of public hospitals** with increase in budgets

(A number of other policies in this framework will also impact health outcomes: the garbage collector challenge, *Insaf* Insurance Card, *Tahafuz* policy to ensure financial access to healthcare, and all policies to address malnutrition).

## IV. JOBS AND LIVELIHOODS

Employment generation is a major objective of the broader economic reform agenda. Notwithstanding, a certain set of employment opportunities are included in the Ehsaas framework to promote jobs and livelihoods, despite current limitations

81. The new policy of **Solutions Innovation Challenge, Prize Funding, and venture capital funding** to develop value chains and solutions for poverty at scale by identifying private sector partners. Two categories of solutions challenges will be developed; one with public good like effect and others that are specific to Geographic Opportunity Clusters in lagging areas. This approach will help to develop agriculture and industrial value chains and address the drivers of poverty in a local context.

Examples include the Solution Innovation Challenge:

- to reinvent the traditional '**Thela**' to enhance its income generating capacity.
- to develop **micro credit facility for daily wage** earners so that they can afford monthly groceries, which they would not be able to afford otherwise
- to identify **online platforms, which can help daily wagers**, especially women earn a living wage with dignity
- for **online content development** which can be made available as public good for all
- to develop cost effective **new models of incubators**, less reliant on physical infrastructure to promote startups, more broadly
- to develop a **rickshaw garbage collector** which can create livelihoods and improve water and sanitation outcomes, at the same time
- will be designed **for clean drinking water and irrigation**
- to link **crafts persons with fashion houses** to increase employment and promote culture
- for the Union Councils of the **western CPEC corridor** aimed at developing productive infrastructure for local communities

- to develop **formal institutions for workers in the informal sector** who have not qualified through TVET institutions
- for **clean cooking stoves** to address indoor air pollution, which is a major risk for diseases which disproportionately affect poor women
- to create **digital interfaces for the less literate**

82. Policy by the higher education Commission to support research and evidence-gathering on the **drivers of poverty in local settings**, as these will assist with the development of locally-relevant solutions challenges

83. Promotion of **microfinance banking services** through a policy aimed at increasing liquidity and digitization of phone banking services

84. The government's **Interest Free Loaning policy and graduation tools** (asset transfer and skills development) will be developed around the Solutions Innovation Challenge and Prize Funding policy

85. Promotion of **agriculture credit** to support the Solutions Innovation Challenge and Prize Funding policy

86. Promotion of **off grid solutions to electricity** to support the Solutions Innovation Challenge and Prize Funding policy

87. Deployment of a certain percentage of loans under the **Prime Minister's Youth Program** to support the Solutions Innovation Challenge and Prize Funding policy

In addition to Solutions challenges, government has identified three areas where there is opportunity to create jobs

### **Relevant to the IT sector:**

88. The policy of **architecture-based approach to digitize government**, coupled with a level playing field for the private sector can help drive jobs at scale

89. The policy to promote **free lancing** by facilitating electronic payments

90. The **policy to promote startups** through the innovation challenge approach

91. The policy to enhance **broadband internet services** and basic telephony in lagging districts through the Universal Service Fund

### **The TVET sector:**

92. Introduction of **skills training in school curricula and 2-year college programs**

93. Rationalizing requirements of **8th class as conditionality for enrollment in TVETAs**

94. Decrease in the **age of enrollment from 18 to 15** in TVET institutions so that after matriculation, skills training can be started immediately

95. Review of legislation relating to **apprenticeship in the informal sector**. A system will be designed to formalize arrangements, recognize and certify skills

96. Change **in NAVTCC's law** to introduce the mandate to check the mushrooming of substandard and unregulated Trade Testing Centers being run by manpower exporters, which is one of the causes in compromising quality and subsequent exploitation of labor

97. **Increase in NAVTCC's budget**

98. NAVTEC to take immediate steps to get **international recognition of our TEVT courses**

99. A consolidated **labor market information system for overseas employment** so that intended migrant workers can be empowered, and are not exploited by middlemen

### **Manpower export:**

100. Accelerated foreign policy drive to **review opportunities in neighboring countries**, and other emerging opportunities in countries like Japan and Germany that have ageing populations and need human resources

101. Introduction of a **slab for remitters of up to US\$ 100** with half of the existing fee and incentives for the remittances to be socially invested

102. **Products to make remittances agile** and cost effective

### **For poor farmers:**

103. Labor Expert group to study application of labor laws to **tenant farmers** and to make recommendations for formalizing tenancy farming system
104. A policy to help farmers with **fragmented and small land holdings**
105. **Crop diversification Policy** as a counter to elite capture in this area
106. Incentivize **local manufacturing of farm equipment**, drip irrigation materials and solar equipment
107. A policy to promote **effective husbandry and hay and silage making**
108. Publication of biannual **Agriculture Terms of Trade Report** to improve pricing mechanism
109. Policy to catalyze development of warehouses and **warehouse receipt financing**
110. Policy to **reduce cost of agriculture inputs** by minimizing import duties and taxes
111. Policy to provide market stimulus for **livestock and fisheries in arid zones**

### **About poor women:**

This entire agenda is heavily skewed towards the uplift of poor women—from the 6 million women who will benefit from the *Kafalat* to preferential support for women through *Tahafaz*. More than 50% of the education vouchers and scholarships will be for women. *Insaf Card* covers health conditions for women, preferentially.

Not just health and education, but jobs and economic empowerment are crucial for poor women. In this regard, the graduation initiative solely serves women. Through the Labor study group the government will explore ways to recognize the work of rural women, pave the way for equal wage and cover domestic work under legislation. In addition:

112. A policy will be developed to ensure that women have **joint ownership of houses** in each of the new housing schemes the government is supporting

The success of this wide-ranging plan with transformational potential will hinge on two factors—the effectiveness of population control measures on the one hand, and the quality and

speed of implementation, on the other. The latter is deeply interlinked with governance effectiveness. To this effect, the following measures assume overarching significance:

113. Housing the **Population Task Force** under the direct supervision of the Prime Ministers Secretariat and ensuring universal access to family planning predicated on the understanding that population is the denominator of poverty alleviation

114. **Institutionalizing integrity and efficiency frameworks in safety net institutions.** Maintenance of Risk Register, error fraud and corruption frameworks, risk assurance and management mechanisms, performance metrics, detailed operational work plans, are to be used as frameworks of accountability in all safety net institutions.

These measures are urgently needed to make government institutions transparent, accountable and responsive, which is a necessary pre-requisite for successful implementation of this program.

Ehsaas is the biggest and the boldest program for the poor, ever launched in Pakistan. The government looks forward to working with all stakeholders—public, private, civil society, philanthropists, and expatriate Pakistanis—to ensure that we deliver on our promise of lifting millions of people out of poverty and build a strong foundation together for a stronger, safer, and successful Pakistan.

*The Ehsaas program was developed by the Poverty Alleviation Coordination Council after extensive consultations. The Council is chaired by Dr. Sania Nishtar*