Pakistan’s Social Policy Response to Covid-19: Expansion of the Ehsaas Program

Syeda Mahnaz Hassan
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Pakistan’s Social Policy Response to Covid-19: Expansion of the Ehsaas Program

Syeda Mahnaz Hassan*

Abstract

Pakistan, a developing country with the fifth largest population in the world, was already developing the Ehsaas program, an umbrella initiative of 134 policies and programs focused on the inclusion and uplift of marginalized people, before the advent of Covid-19. Being a neighbor of China and Iran and having high frequencies of trade and travel with these two countries, Pakistan was badly affected by the contagion. For combating the pandemic, the key programs under the Ehsaas umbrella included emergency cash transfers, rashan (food packages) distribution programs for vulnerable families, disbursement from the Prime Minister’s Covid-19 Fund for those who lost their jobs or livelihoods, the langar (meal centers) program, wage subsidies for laid-off formal and informal sector workers, subsidized loans for firms and self-employed workers and utility bill waivers. This report offers an overview of Pakistan’s social policy response measures taken up until September 2020. It focuses on the social policy measures specifically taken under the umbrella of the Ehsaas program to protect vulnerable people and segments of the population who were pushed below the poverty line by this global crisis. Overall, Pakistan’s social policy response involved multiple measures aimed at mitigating the socioeconomic impact of Covid-19.

Introduction

Pakistan, with a population of 211.17 million and a population growth rate of 2.4%, is the fifth most populous country in the world, with high population density in the country’s big cities (Ministry of Finance / Government of Pakistan, 2020). Pakistan’s population demographics and dynamics enhanced the global pandemic’s risk of spread. Due to cultural and social norms, social interaction between people is much higher compared to other advanced countries of the world. The extended (joint) family system is quite prevalent in Pakistan, which favored the spread of the coronavirus. The spread of Covid-19 in Pakistan was the result of larger than average social circles and high population density in the country’s big cities. On 26 February 2020, the first case of Covid-19 was reported from Karachi, the capital city of Sindh province, with a population of 14.91 million and the highest number of confirmed Covid-19 cases were reported from this city (The PakistanToday, n.d.). Subsequently, the coronavirus spread nationwide and became an epidemic. Evidence suggested that, in Pakistan, all cases of coronavirus carriers were returnees from Iran through the Taftan border crossing, and from Saudi Arabia after pilgrimage. The pilgrims were directed back to their home towns without proper testing at the borders and without screening, which resulted in the introduction of Covid-19 into the country (Khan, 2020).

Pakistan was at a high risk of viral transmission, being a neighbor of China and Iran and having high frequencies of trade and travel with these two countries. The high influx of travelers via land, sea and air facilitated the spread of the deadly virus. On 30 September 2020, the number of confirmed cases nationwide was 312,263; after Sindh, Punjab province reported the second highest number of cases. Initially, Sindh province was badly

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affected by the viral outbreak and remained the epicenter with 136,795 confirmed cases (covid.gov.pk, n.d.). Due to the increase in the number of daily cases at an exponential pace, the situation was very alarming. The actual number of cases in the country was much higher than the reported cases due to limited testing capacities (Goraya, 2020). On 17 March 2020, the first substantial single day spike of coronavirus infections of 134 confirmed cases was recorded in Pakistan (The BusinessToday, 2020). This raised questions about futile and worthless quarantine procedures, because all of these cases were from quarantine camps established at the Iran border (Gillani, 2020). The highest number of Covid-19 positive cases in a single day was 6,825, reported on 13 June 2020 in Pakistan and 29,546 Covid-19 tests were conducted on that specific day across Pakistan (covid.gov.pk, n.d.). The continuous rapid increase in the numbers of cases over succeeding days drove the decision-makers to impose a strict complete lockdown in various big cities of the country. In Pakistan, it was very hard to implement a lockdown similar to that in China. Pakistan, as a developing country on the brink of an explosion in case numbers along the coronavirus trajectory, required instant eloquent and bold steps to protect its economy and the nation (Bhatti, 2020).

**POLITICIAL AND SOCIOECONOMIC CONTEXT**

The State of Pakistan was created under the Independence Act of 1947, an Act of the UK Parliament, which partitioned British India into the two independent territories of Pakistan and India (Indian Independence Act, 1947). Pakistan has been governed by multiple constitutions since its founding (National Assembly of Pakistan, 2020) and has been under military rule for a significant portion of its turbulent political history (Asia Society’s Center for Global Education, 2017). Pakistan, being an Islamic federal republic, has a multiparty parliamentary system of government pursuant to article 50 of the 1973 Constitution of Pakistan. The country’s federal legislative branch Majlis-e-Shoora (parliament) consists of the President, the Senate as the upper house and the National Assembly as the lower house. The Senate and the National Assembly constitute the country’s bipartite parliament. The current ruling party is Tekreek-e-Insaf and Imran Khan is the Prime Minister who was able to defeat two traditionally strong political parties of the country: Pakistan Muslim League (PML-N) and the People’s Party of Pakistan (PPP). These two political parties have ruled for more than 30 years, but their governments were marked by corruption, money laundering, nepotism and deterioration of major national organizations like Pakistan railways, Pakistan International Airline, steel mills, etc. The current government inherited multiple issues and problems to start with.

When Prime Minister Iman Khan took power in 2018, Pakistan’s economy was facing a dual deficit problem, i.e. in both the fiscal and current accounts. In July 2019, Pakistan was forced to seek an Extended Fund Facility (EFF) program from the International Monetary Fund (IMF) months before the pandemic to tackle its current account deficit (CAD) problem. In the first seven months of financial year (FY) 2019–20, with an aggressive reduction in imports and devaluation, the country managed to reduce the current account deficit by over 70%. However, the economic growth rate also fell from 5.6% in FY 2018–19 to 3.3% in 2019–20 before the start of the pandemic. The prime minister claimed on 2 January 2020 that the government had stabilized the economy, declaring 2020 to be the year of wealth creation, development and growth (Zaafir, 2020). The Finance Ministry declared in a press release that the country’s economy was progressing and economic recovery was expected towards the end of FY 2020. The CAD dropped by nearly 73% in the first five months of FY 2020; the country’s rank in the Ease of Doing Business Index had improved from 136 to 108; its credit rating had improved from negative to stable; the fiscal deficit was at 1.6% of GDP and the “primary balance” was positive, at 0.3% of GDP (Ministry of Finance, Government of Pakistan, 2020). Approximately 53 million people in Pakistan were living below the poverty line in March 2020 (Ministry of Finance / Government of Pakistan, n.d.; Bench, 2020). The economy was only just recovering from the economic crisis when the pandemic struck. Covid-19 worsened the economic problems due to the fall in the growth rate coupled with rising unemployment and high food prices, causing almost 10 percent of the population to slip below the poverty line (Elmer, 2020).

The Ehsaas program was initiated in 2020 but formerly the government was already providing social protection and social safety net services through the Benazir Income Support Program, Zakat, Bait ul Maal, Employees’ Old-Age Benefits Institution (EOBII), shelter homes, etc. Ehsaas is the most comprehensive social safety net program covering all marginalized segments of society and involving all stakeholders from all levels. When the complete lockdown was implemented due to Covid-19, laborers and the day laborers were the most vulnerable populations. However, during the Covid-19 pandemic, social protection programs, such as, Ehsaas, social
security, Langar Khanna, Bait ul Maal, Zakat, and shelter homes were supporting vulnerable people in society. Many countries that imposed strict lockdowns had a higher per capita income than Pakistan. The government was trying to keep the country’s economy afloat while also saving the people from the pandemic. The government announced comprehensive relief packages for the vulnerable poor and economic plans for industries offering incentives and protection, in order to minimize the economic impact of the viral outbreak. The government even relaxed the payment of utility bills (NCOC, 2020).

**Pakistan’s Social Policy Response**

Covid-19 was declared a Public Health Emergency of International Concern (PHEIC) by the WHO (WHO, 2020b). Under the Global Health Security Agenda (GHSA), the Government of Pakistan immediately developed and issued a National Preparedness & Response Plan for the pandemic. A National Coordination Committee (NCC) on coronavirus was created on 13 March 2020 and on 27 March 2020, a National Command and Operations Centre (NCOC) was established to review the Covid-19 outbreak under the chairmanship of Dr. Zafar Mirza, Special Advisor to Prime Minster (SAPM). Imran Khan, the Prime Minister (PM) of Pakistan, was personally monitoring this emergency on a daily basis (NCOC, 2020).

NCOC was established to implement the NCC’s decisions regarding Covid-19 and to serve as a nerve center to articulate and synergize the integrated national struggle against Covid-19 (Dawn.com, 2020). The Center was a centralized hub for gathering, processing and analyzing data collected from all corners of the country through dedicated centers and representatives. Recommendations based on the processed information were then put before the NCC, headed by the prime minister, for timely interventions based on real time projections. The PM instructed the NCOC to concentrate on food security, financial impact, healthcare management, socioeconomic impact of Covid-19, awareness campaigns and strategic communication while making recommendations to the NCC (NCOC, 2020). The prime minister stressed that there must be no compromise on sustainability of medical and other supply lines and provision of vital food items across the country. He warned that an example should be made of smugglers and hoarders in these crucial times. For the said purpose, two ordinances were immediately promulgated to provide for the prevention of hoarding and smuggling of scheduled articles, in the wake of an emergency situation resulting from the outbreak of the coronavirus pandemic: Covid-19 (Prevention of Hoarding) Ordinance, 2020 (Ordinance No. II of 2020) and Covid-19 (Prevention of Smuggling) Ordinance, 2020 (Ordinance No. III of 2020) (National Assembly of Pakistan, 2020).

Concurrently, the government of Pakistan announced Ehsaas, which was already in the pipeline, as the boldest and biggest program to uplift impoverished people in Pakistan. The uniqueness of this program lies in the fact that it is an umbrella initiative of 134 programs and policies, 34 agencies from federal government and provincial governments are involved in implementing the Ehsaas program, addressing human capital development, social protection, state capture, and livelihoods; 359 experts were formally consulted for developing this program, both public and private sectors contribute to the implementation of this program and despite financial constraints, the government doubled the funding for social protection in the wake of Covid-19 (EHSAAS, 2020).

The Ehsaas program, working under the Poverty Alleviation & Social Safety Division (PASSD), was launched by the Prime Minister of Pakistan on 27 March 2020 (EHSAAS Official, 2020). Ehsaas’ poverty reduction strategy is based on four pillars and currently includes 134 policy actions. The four pillars are creating equality; safety nets for disadvantaged segments of the population; jobs and livelihoods; and human capital development. Ehsaas aims to create a ‘welfare state’ by using big data analytics; improving access to digital services and promoting financial inclusion; empowering women; focusing on human capital development, economic growth and sustainable development. The program’s premise is grounded in transparency, good governance and the importance of strengthening institutions. The program targets the extreme poor, widows, the homeless, orphans, the disabled, the jobless, poor farmers, laborers, the sick and the malnourished, poor women and elderly citizens. This program is also focused on uplift of high poverty areas that are lagging behind.
Cash Transfers

In Pakistan, Covid-19 annihilated livelihoods on an unprecedented scale and negatively impacted around 160 million people (Nishtar, 2020). Due to the Covid-19 crisis, the Ehsaas Emergency Cash program was planned to alleviate the economic hardships being experienced by the vulnerable and marginalized segments of society. The halting of economic activity mostly affected piece-rate workers and day laborers. Furthermore, downsizing in the formal economy pushed many people below the poverty line. In Pakistan, the lockdown impacted the livelihoods of 24.89 million workers (13.52 million self-employed workers in the informal economy and 11.37 million piece-rate / day laborers in the formal and informal sectors) (Pakistan Bureau of Statistics, 2020). With this contextual background and to address the subsequent risks of hunger and economic hardship, the Ehsaas Emergency Cash initiative was designed for easy and simple rollout, utilizing the already existing digital payment set-up of the Government of Pakistan, which was indigenously developed within the Poverty Alleviation and Social Safety Division (EHSAAS Official, 2020). The Government of Pakistan allocated PKR 203 billion (USD 1.23 billion) to deliver one-time emergency cash assistance to 16.9 million families to mitigate this impact, who were at the risk of extreme poverty and hunger (Nishtar 2020a). This was perhaps the most extensive and largest social protection intervention in the history of the country, covering half the country’s population, around 109 million people. PKR 12,000 (USD 75) were given to each family for immediate sustenance. The Government of Pakistan also earmarked additional resources to cater for the higher demand of the Ehsaas Emergency Cash program (EHSAAS Official, 2020a).

The Ehsaas SMS campaign was launched to identify the beneficiaries. Citizens were informed to check their eligibility status through this widespread communication campaign. If found eligible, the procedure to collect the money was shared via SMS communication. If their credentials were not identified in the database, they were advised to contact their respective district administration.

The previously enrolled 4.5 million beneficiary families in the Ehsaas KAFALAT program were given a special cash assistance of PKR 1,000 (USD 6.25) per month in addition to their regular cash assistance of PKR 2,000 (USD 12.50) per month. They were given a lump sum of PKR 12,000 (USD 75) to cover a period of four months (Nishtar, 2020).

A one-time cash assistance sum of PKR 12,000 (USD 75) was given to 7.5 million new beneficiaries who were identified through the National Socioeconomic Database (National Socio-Economic Registry (NSER)) using higher eligibility/poverty thresholds. Lists of those who were not eligible or not in the database were sent to the respective district administration for verification. Then the district administration entered the requisite data of the eligible individuals identified for special assistance using a secure web portal (EHSAAS Official, 2020).

Appropriate measures were taken to minimize inclusion and exclusion errors using special data analytics on defined parameters, and wealth proxies such as billing, taxes, travel, assets ownership data and government employment status, etc., to ascertain the eligibility of potential beneficiaries through the National Database & Registration Authority (NADRA). The beneficiaries were able to collect cash from biometrically enabled ATMs and through biometrically enabled branchless banking operations at specific points of sale (POS) specified throughout the country. After biometric verification of each beneficiary by NADRA, cash transfers were made. The system was rule-based, transparent, fully automated, end-to-end data driven and politically neutral. In addition to identifying additional beneficiaries, the provincial governments were instructed to provide open public spaces for setting up cash disbursement points, ensuring their security and providing preventive measures such as handwashing facilities, (EHSAAS Official, 2020a).

In the communication campaign, the government underlined that this one-time cash assistance was for those whose income had been severely affected by the Covid-19 crisis. This cash assistance should be used to buy foods / rations to avoid hunger. The government emphasized that this one-time cash assistance should not be bartered and people with even meager means of sustenance should not apply so as to ensure that those who risked going hungry would benefit.

Food Packages

The Ehsaas Roshan Portal was used as a donor-beneficiary connecting system for distributing food packages. In the wake of the Covid-19 lockdown, this portal was designed to enable civil society organizations and the pri-
The government facilitated the match-making between donors and beneficiaries through this portal, by linking eligible beneficiaries and donors and by providing data on the vulnerable to the donors on a geographic basis. By using Ehsaas data, the eligibility of beneficiaries was determined and the information provided was validated as part of the portal protocols (EHSAAS Official, 2020). Similarly, donors were assessed against a specific aptness criterion to consider only tax compliant, trustworthy and large-scale organizations for becoming partners in this program.

The beneficiary information was shared with donors, after signing data privacy agreements, to warrant distribution of food packages or cash amount to beneficiaries. The government ensured that one person from each family received the benefit and monitored delivery on a random sampling basis. The private sector was made responsible for developing a mechanism for purchasing and distributing food packages or cash equivalent to beneficiaries. Benefactors were provided a list of strictures to identify and select which segment of the beneficiaries they wanted to support. The parameters were gender, residential area, tehsil/district of the beneficiary, etc. Based on the defined factors, a set of beneficiaries was ascertained from a larger pool that was then provided with food packages or cash, based on a first-come first-served basis (Nishtar, 2020).

Initially, the government was looking for two types of donors in the Ehsaas Rashan Program, i.e. private organizations and NPOs (non-profit private organizations). Their eligibility criteria were posted on the website. The large corporate donors and NGOs approved by the Economic Affairs Division and Ministry of Interior were invited to participate in this program (Nishtar, 2020a).

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**Ehsaas Langar (Meal Centers)**

The Ehsaas Langars (meal centers) were developed to serve meals to the most vulnerable and poorest segments of society, specifically day laborers / laborers. The Saylani Welfare International Trust opened Langars under the public-private partnership agreement. The government extended strategic support for Ehsaas Langars in terms of logistics support, safety and quality standards and disseminated information to the population, all at zero cost to the government. Ehsaas Langars were established on bus stands, industrial areas, railway stations, and places where laborers tend to assemble. The prime minister’s vision is that no one goes to bed hungry in Pakistan and this arrangement is the practical manifestation of this vision. During the Covid-19 outbreak, the innovative idea of mobile Langars was used to deliver food to the poor at their homes to save them from hunger.

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**PM’s Covid-19 Fund Portal**

On 2 May 2020, the prime minister launched a web portal, the Ehsaas Labor Portal, for those who lost their job or livelihood due to the Covid-19 pandemic and diverted resources from the PM’s Covid-19 Relief Fund to those who qualified for support (EHSAAS Official, 2020a).

Through the Ehsaas Emergency Cash program, a cash handout of PKR 12,000 (USD 75) was given to eligible individuals.

Up to 18 May 2020, more than 3.4 million applications from people who lost their job or livelihood due to the Covid-19 pandemic were received through this portal. On the same date, the process of cash disbursement to the eligible individuals was initiated. The prime minister was also present at the camp where the first beneficiaries received the Ehsaas Emergency Cash. More than PKR 3 billion (USD 18.75 million) had been donated to the PM’s Covid-19 Fund by that date and the further mobilization of funds was continuing. The prime minister committed that for each rupee given by the donors, four rupees would be given by the government (EHSAAS Official, 2020a).

The donations to the Prime Minister’s Covid-19 Fund were disbursed using the same rule-based controls, processes and principles that were utilized for the Ehsaas Emergency Cash program. The beneficiaries were selected through data analytics. The beneficiary identification system was fully automated and apolitical. Payments were made after biometric verification. Transparency was ensured in the deployment of funds (Nishtar, 2020a).

Like the Ehsaas Emergency Cash program, tehsil-level bank payments and withdrawal details were made public and also posted on the website. The accounts credited, bank disbursement details, tehsil-wise number of beneficiaries and money withdrawn was updated on a real time basis on the Poverty Alleviation & Social Safety Division’s website (Nishtar, 2020a).
Utility Bills Waiver

In March 2020, the government unveiled an economic relief package to protect low-income groups and vital sectors of the economy (Nishtar, 2020a). The prime minister announced a relief package of PKR 100 billion (USD 625 million) for small and medium-sized industries, farmers and households including the utility bills waiver. In order to cope with the economic slump caused by Covid-19, the government decided to waive small traders' electricity and gas bills for six months. Mr. Hammad Azhar, Minister for Industries & Production said, “Almost 95% of small businesses use commercial meters and their electricity and gas bills will be paid by the government during the lockdown.” (The Express Tribune, n.d.)

In the same way, the provincial governments of Sindh and Punjab also announced utility bills exemptions and established Ramadan markets during the Covid-19 lockdown, where people were able to purchase vegetable and groceries on subsidized rates. The Punjab government gave exemptions to power consumers on their utility bills of up to PKR 3,000 in the province during the Covid-19 lockdown. Data was collected from electricity distribution companies across Punjab and relief was provided to the consumers in the form of installment or payment waivers up to a certain amount on submission of their utility bills (The News International, n.d.). The government also designated certain commodity shops from where the population was able to receive relief during the holy month of Ramadan.

Conclusion

Pakistan’s government was already facing a severe economic crisis when Covid-19 entered across the borders of the country. Despite being a resource-deficient country, the government tried hard to contain the spread of the contagion and proactively made efforts to deliver social safety net provisions like cash transfers, food packages, langars (meal centers) and utility bill waivers to hard-hit vulnerable households, day laborers and informal sector volatile income groups.

Covid-19 hit Pakistan in an adverse socioeconomic context. The instantaneous implementation of lockdowns and social isolation measures restricted its spread in the first few months, but thereafter the number of positive cases started to increase rapidly. Enforced lockdowns resulted in drastic income cuts and, ultimately, hunger for the susceptible population and pushed a major portion of the population below the poverty line. Fortunately, the development of the Ehsaas program played a major role in combatting this challenge and also enhanced the country’s overall structural and technical capacity to support the impoverished. Most of the social policy measures were aimed at supporting the economy and ensuring the subsistence of the severely hit poor sections of the country. Still, there is a long way to go as predictions of a second and third wave of this pandemic can be heard in the international media.


## APPENDIX 1: SOCIAL POLICY DEVELOPMENTS IN RESPONSE TO COVID-19 BY POLICY AREA
(Pakistan, January–September 2020)

<table>
<thead>
<tr>
<th>Policy Area</th>
<th>Pensions</th>
<th>Healthcare</th>
<th>Long-term care and disability</th>
<th>Labor market</th>
<th>Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Have there been any significant legislative reforms in the indicated policy area during the indicated time period?</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>(2) If (1) yes, have any of these reforms been explicit responses to the COVID-19 pandemic?</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>(3) If (2) yes, has there been significant regional variation in the implementation of these reforms?</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>(4) Have subnational governments enacted any significant legislative reforms in the indicated policy area during the indicated time period?</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Policy Area</th>
<th>Family benefits</th>
<th>Housing</th>
<th>Social assistance</th>
<th>Other*</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Have there been any significant legislative reforms in the indicated policy area during the indicated time period?</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>(2) If (1) yes, have any of these reforms been explicit responses to the COVID-19 pandemic?</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
<td>Yes</td>
</tr>
<tr>
<td>(3) If (2) yes, has there been significant regional variation in the implementation of these reforms?</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>No</td>
</tr>
<tr>
<td>(4) Have subnational governments enacted any significant legislative reforms in the indicated policy area during the indicated time period?</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>Yes</td>
</tr>
</tbody>
</table>

* Legislative reforms in other policy areas explicitly aimed at social protection, e.g. food subsidies or tax cuts aimed at social protection.

Note: “Other”: The Federal and Provincial Governments allowed the payment of utility bills (electricity, gas, water, telephone) by installments to reduce the economic burden on users, but no formal legislation was passed in this regard. Furthermore, property owners were instructed to give relief to their tenants in rental payments.