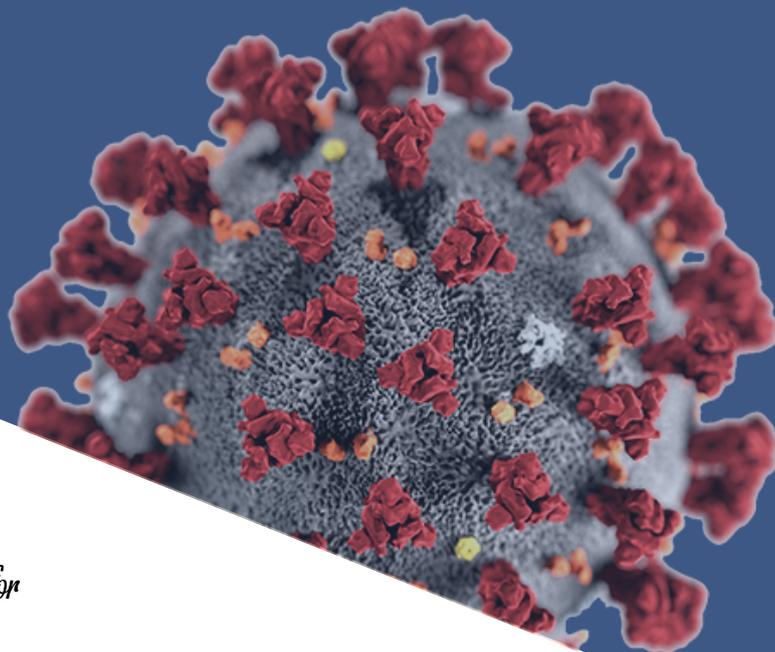


SOCIAL PROTECTION FOR THE UNPROTECTED ECONOMY

IFTIKHAR AHMAD



Centre *for*
Labour
Research

Social Protection for the Unprotected Economy

Iftikhar Ahmad¹

Introduction

Pakistan has a population of around 206.67 million persons. The estimated labour force is 65.50 million which makes it the ninth largest workforce in the world. While majority of the labour force comes from the rural areas (65.51% or 42.91 million), women constitute mere 22.53% (14.76 million) of the overall labour force.

The employed labour force is 61.71 million. The employed (61.71 million) are further distributed in agriculture (38.5%) and non-agriculture (61.5%) sectors or activities. The non-agriculture sector is categorized as formal and informal sector engaging 28% (10.63 million) and 72% (27.32 million) respectively. The agricultural sector continues to be the dominant employer by employing 38.49% (24 million) of the workforce.²

What is informal sector? Pakistan Bureau of Statistics defines informal sector as all those enterprises employing less than 10 workers and are not registered under the law.³

Interestingly, a country has the option to set a specific threshold under a specific legislation. While Factories Act is applicable where 10 or more workers are employed, shops and establishments legislation is applicable even where a single worker is working. Similar is the case of Employees Old Age Benefits Act which is applicable only on those enterprises wherein 5 or more workers are engaged while Employees Social Security legislation is applicable even when a single person is working.

Taking into account the threshold of 5 person as set under the EOBI law, we recalculated informal sector. The formal sector increased from 10.63 million (28%) to 12.45 million (32.8%). However, this also shows that a large part (67% or 25.5 million) of the non-agricultural labour force are still engaged in the informal sector where social protection legislation is usually not applicable.

Now consider these facts:

1. There are nearly 4.47 million public sector workers in Pakistan who have access to various social protection benefits.⁴ Even if the threshold of 10 workers is taken, it means there are 6.16 million formal private sector workers;
2. The unprotected sector (a mix of agriculture and informal sector) is composed of 51 million workers
3. Only 1.8 million workers are registered with the social security institutions;⁵
4. Employees Old Age Benefits Institution (EOBI) had only 2.65 million active contributors in 2020. EOBI has registered more than 8 million workers since its inception;⁶
5. Informal sector is an enterprise-based concept (whether certain enterprises come under legal jurisdiction), however informal employment is a job-based concept and covers also those who are working in the so-called formal sector but have informal jobs. It includes all those formal

¹ A comparative labour law expert and founder of the Centre for Labour Research (www.clr.org.pk)

² All labour force related statistics are taken Labour Force Survey 2017-18

³ This is taken from Factories Act 1934 which is applicable only on those establishments employing 10 or more workers. Please refer to section 2(j) of the Factories Act 1934 (<http://punjablaws.gov.pk/laws/168a.html>). Similar provisions are found in KP and Sindh legislation.

⁴ These numbers are based on LFS 2018 analysis and hence not actual numbers.

⁵ Table 9, page 36 of the "Barriers to Pay Equality in Pakistan" by ILO Islamabad Office.

⁶ Interestingly, in the next two years, the total number of insured persons increased from 7.6 million while the number of active contributors plummeted to 2.6 million. (<http://www.eobi.gov.pk/pice/database-stat.htm>)

sector employees who are not registered with EOBI/ESSIs and have no access to various employment security benefits, i.e., advance notice, severance pay/gratuity etc.

6. Considering the public sector (4.47 million) and private sector workers registered with EOBI who are active contributors (2.6 million in 2020), **the protected workforce is only 7.12 million (11% of 65.5 million). The remaining 58 million are in the unprotected employment.**

Social Protection for Informal Economy Workers

Social protection for workers is not something new in Pakistan. The first social security scheme was launched more than 50 years ago. Below is the schematic view of the already existing social insurance programs in the country.

A Schematic View of Private Sector Social Protection Programs				
Program	Applicability Threshold	Benefits	Beneficiaries	Financing
Employees Social Security Institutions (1965⁷; 2016⁸)	5 or more workers (all types of establishments)	Health Services (medical care) Cash Support (injury, disablement, sickness, death, maternity, iddat)	Private formal Sector registered employees	Employer Contribution (6% of applicable wage)
Employees Old- Age Benefits Institutions (1976⁹; 2014¹⁰)	5 or more workers (all types of establishments)	Old age pension Invalidity pension Survivor's pension Old age cash grant	Private formal Sector registered employees	Employer Contribution (5% of applicable wage limit) Employee Contribution (1% of applicable wage limit)
Workers Welfare Fund (1968¹¹ & 1971¹²)	all industrial establishments with annual income above 0.5 million every registered company	Cash support (marriage grant, death grant, educational scholarships) In-kind support Education facilities Housing facilities	Workers of registered Establishments (Private sector)	Employer Contribution (2% of the industrial sector profit over a certain limit; non distributed profit after distribution of 5% of total profit among workers)
Workers Children's Education Ordinance (1972)¹³	10 or more workers (all types of establishments)	Free education of up to two children to High School	Workers of registered Establishments (Private sector)	Employer Contribution (PKR 100 per year)
Workers' Compensation Act (1923¹⁴, 2013, and 2015)	All types of establishments	Compensation for death, permanent disability and temporary disability	Private formal sector workers	Employer liability/employer may provide the benefits itself or through group insurance

⁷ <https://www.pessi.gop.pk/Download/ordinance.pdf>

⁸ <http://www.pas.gov.pk/uploads/acts/Sindh%20Act%20No.VI%20of%202016.pdf>

⁹ <http://www.eobi.gov.pk/amendment/ammendment-ndx.html>

¹⁰ <http://www.sindhilaws.gov.pk/setup/publications/PUB-15-000048.pdf> (amended in 2016 and 2018)

¹¹ <https://www.ilo.org/dyn/natlex/docs/ELECTRONIC/5285/123350/F-293103074/PAK5285.pdf>

¹² <http://www.pas.gov.pk/uploads/acts/Sindh%20Act%20No.XVIII%20of%202016.pdf>

¹³ <https://www.ilo.org/dyn/natlex/docs/ELECTRONIC/5285/123350/F-293103074/PAK5285.pdf>

¹⁴ <http://punjablaws.gov.pk/laws/1251a.html>

¹⁵ <http://punjablaws.gov.pk/laws/29a.html> ;

http://kpcode.kp.gov.pk/uploads/2013_19_THE_KHYBER_PAKHTUNKHWA_WORKERS_COMPENSATION_ACT_20133.pdf ;

<http://www.pas.gov.pk/uploads/acts/Sindh%20Act%20No.VII%20of%202016.pdf>

How to Cover the Formal Sector Workers with Informal Jobs?

Requiring Employment Contract

A large majority of workers in the formal sector do not receive statutory appointment letters/employment contracts from their employers on their appointment. This prevents workers from claiming and proving their identity as workers and get access to various workplace rights including registration with labour welfare schemes like social security (ESSIs), EOBI, and Workers Welfare Fund. The current provision¹⁵ merely requires an employer to provide an appointment letter to a worker on his/her appointment, transfer or promotion without setting any limit on the number of days. One way would be to set a limit within which the contract must be provided to the worker. The limit cannot be greater one wage period, i.e., maximum one month. If a worker is not given his contract within the period, his employment is presumed as permanent employment.¹⁶

Allowing workers to self-register

Currently workers are registered with the social protection institutions by the employer. If workers are allowed to self-register, it will make the registration process speedier and a majority of workers will be covered. Employees Old Age Benefits Act already allows insured persons to communicate their particulars directly to the Institutions. Similar provisions can be added to the social security legislation as well. Directorate of Workers' Education must be engaged in training workers on self-registration mechanisms.

Covering Informal Sector

The Sustainable Development Goals (SDGs) adopted in 2015 require the signatory countries to “implement nationally appropriate social protection systems for all, including floors” for reducing and preventing poverty (SDG 1.3). The Governments and social partners already agreed on extension of social security by adopting the ILO Social Protection Floors Recommendation No. 202 in 2012.

Article 38(C) of the Constitution of Pakistan requires the state to “provide for all persons employed in the service of Pakistan or otherwise, social security by compulsory social insurance or other means”. Article 38(D) similarly requires the State to “provide basic necessities of life, such as food, clothing, housing, education and medical relief, for all such citizens, irrespective of sex, caste, creed or race, as are permanently or temporarily unable to earn their livelihood on account of infirmity, sickness or unemployment”.

¹⁵ Standing Order 2-A of the Industrial and Commercial Employment (Standing Orders) Ordinance, 1968 http://punjablaws.gov.pk/laws/222.html#_ftn59 (similar provisions are applicable in KP and Sindh); <http://www.pas.gov.pk/uploads/acts/Sindh%20Act%20No.XI%20of%202016.pdf> and http://kpcode.kp.gov.pk/uploads/2013_11_THE_KHYBER_PAKHTUNKHWA_INDUSTRIAL_AND_COMMERCIAL_EMPLOYMENT_STANDING_ORDERS_ACT_2013.pdf

¹⁶ Nearly all European countries use this limit requiring employer to provide a worker with employment contract.

ILO Social Security (Minimum Standards) Convention, 1952 (No. 102) is globally recognized as a key reference for the design of rights-based, sound and sustainable social protection systems. The Convention sets out the minimum levels of protection, to be guaranteed, in relation to coverage, adequacy, conditions for entitlement and duration with respect to a set of 9 social risks often referred to as the branches of national social security systems. These include medical care and cash benefits provided in the event of sickness, unemployment, old-age, employment injury, family responsibilities, maternity, invalidity and death of the breadwinner (survivors' benefits).

It must be clarified at this stage that formal sector workers are already covered for 7 of the 9 benefits, proposed under C102. Those missing are unemployment benefits and family and child benefits. For a comparative analysis of the provisions of C102 and local legislation, please refer to **Annex-A**.

The benefits can also be bifurcated into short-term and long-term benefits:

1. **Short term:** medical care, sickness benefit, unemployment benefit, employment injury benefit, maternity benefit
2. **Long term:** old age pension, disability and invalidity benefit, survivors' benefit

Instead of creating new institutions, short term benefits (medical care as well cash benefits) can be provided through Employees Social Security Institutions while long term benefits must be kept with EOBI with added responsibility of managing occupational disability.

Employees' Old-Age Benefits Act was promulgated in 1976 to provide subsistence pensions to Pakistani workers, employee/insured persons from the private sector who retires after completing a minimum number of years of insurable employment. A 2012 decision by the Sindh High Court in the matter of Soneri Bank and others versus EOBI and others decided that amendments brought in the 1976 Act through Finance Acts were without any lawful authority and thus void.¹⁷ In the matter on Nishat Chunia v/s Federation of Pakistan & others, Lahore High Court struck down the amendment made in EOBI Act through Finance Act, 2005. The Supreme Court in the matter of EOBI v/s Soneri Bank and other decided that amendments made in labour laws through Finance Acts of 2006, 2007 and 2008 are *ultra-vires*.

The decision has a vital impact on whole of the scheme as by the said order amendments made in the Act through the Finance Acts of 1986, 1995, 2005-2008 have become void with effect from 03 October 2012. A couple of examples would be enough to indicate how this affects the working of EOBI. Before the Court order:

1. The Act was applicable to all such enterprises wherein 5 or more workers were employed.
Now, it is applicable on all such enterprises wherein 10 or more workers are engaged.

¹⁷ Since contribution under the Act is a fee and not a tax, thus it cannot be amended through Finance Act.

2. Employer's contribution was 5% of the applicable wage (minimum wage). Now, it is 6% of the applicable wage "Provided that no contribution shall be payable on so such of an insured person's wages as is in excess of three thousand rupees" (6% of 3000 is 180 rupees);
3. Worker's contribution was 1% of the applicable wage (minimum wage). Now it is 20 rupees.
4. EOBI was applicable to the banking sector. However, the banking sector is no longer under the jurisdiction of EOBI.

This all affects the sustainability and viability of EOBI whose funds would be depleted by the year 2027 or even earlier, considering the recent increase in pension from 5,250 rupees to 6,500 rupees. Currently, the EOBI falls under the jurisdiction of Ministry of OP&HRD and since devolution, no change could be initiated in the legislation. However, there is a way out with the formation of Poverty Alleviation and Social Safety (PASS) Division.

While the term labour legislation is used in Pakistan to cover all legislation affecting workers, there is a difference between labour and employment legislation and social protection legislation. Employees Social Security legislation, Employees Old Age Benefits Act as well as Workers Welfare Fund Act are social protection legislation and can be dealt with by the PASS Division. Under the Rules of Business 1973 (amended in April 2019), PASS Division has the mandate to work on "policies regarding social protection with objective to provide basic necessities of life, such as food, clothing, housing, education and medical relief, for all such citizens, as are permanently or temporarily unable to earn their livelihood on account of infirmity, sickness or unemployment". This is actually reiteration of the Art. 38(D) of the Constitution which the governments aims to bring under fundamental rights through a constitutional amendment, as proposed under Ehsaas Program.

Our proposal is that EOBI and WWF may be transferred to the new Division since social protection is the federal subject. Once these are transferred to PASS Division, a wholesale reform can be initiated through amendment or drafting and enacting a new legislation for EOBI and WWF by the federal legislature, removing all those lacunas that have occurred due to recent court judgements.

Comparison with Neighbouring Countries

While many here praise Bangladesh for its economic performance but interestingly it has no contributory social insurance system. The benefits are either means tested (noncontributory) or employer liability. India has well developed social insurance programs where the employer contribution is 20.75%¹⁸ of the pay roll while worker contribution is 13.75%. In Sri Lanka, employer's contribution is 15% while worker's contribution is 8%. Pakistan has fully developed social insurance programs where employer's contribution is 11% while worker's contribution is 1%. There are also certain areas which are employer liability (workers' compensation, maternity benefit for workers with wages higher than a certain limit). In China, employer's contribution is 23.75% while worker's contribution is 9% of applicable wage. In Iran, the employer's contribution is 23% of the payroll while worker's contribution is 7% of the wage rate. What is evident from this table is that except Bangladesh where no social insurance system exists so far, workers' contribution to the social insurance programs is the least in Pakistan. Similarly, employers' contribution in Pakistan is half of the regional average.

In order to make these social protection programs sustainable, contribution from social partners has to increase. Similarly, the government's matching grant has to be provided every year. As shown in the comparative table above, insured person's contribution to social insurance programs is 9% in China and 13.75% in India.

A comparative Analysis of Funding of Social Security Programs ¹⁹					
Country	Old-age, disability, and survivors	Sickness and maternity	Work injury	Unemployment Benefits	Total Contribution
Bangladesh	Means tested	Employer liability	Employer liability	None	No contributions
China	Social Insurance (ER: ²⁰ 20%; EE: 8-12%)	Employer liability (sickness); Social Insurance (ER:1% for maternity)	Social Insurance (ER: 0.75%)	Social Insurance (ER: 2%; EE: 1%)	ER: 23.75% EE: 9% Total: 32.75%
India	Provident Fund (ER ²¹ : 3.67%; EE: 12%) Social Insurance (ER: 8.33%; Gov: 1.16); Gratuity: 4%	Social Insurance (ER: 4.75%; EE:1.75%)		Funded through sickness and maternity	ER: 20.75% EE: 13.75% Total: 34.50
Iran	Social Insurance (ER: 14%; EE: 5%)	Cash benefits covered under old age program. Medical benefits, Social Insurance (ER: 6%; EE: 2%)		Social Insurance (ER: 3%)	ER: 23% EE: 7% Total: 30%
Pakistan	Social Insurance (ER: 5%; EE: 1%)	Employer liability and Social Insurance	Social Insurance (ER: 6%)	None	ER: 11% EE: 1% Total: 12

¹⁸ Employers contribution also rises to 19% in Pakistan once the gratuity (8% of applicable wage per annum) is added to the total contribution made by the employer. However, gratuity is available only to the permanent workers.

²⁰ Employer contributes as a percentage of overall payroll while worker pays a percentage of his/her wage.

²¹ ER is for Employer while EE is for Employee.

Sri Lanka	Social Insurance (ER: 12%; EE: 8%) Trust Fund (ER: 3%)	Employer liability	Employer liability (through insurance)	None	ER: 15% EE: 8% Total: 23%
------------------	--	--------------------	--	------	---------------------------------

Recommendations

1. Ensure that **every worker**, irrespective of nature of contract and wage payment status, gets an employment contract and **is registered with social insurance institutions**. To ensure compliance, raise the penalties;
2. Allow **workers to register themselves** with the social insurance institutions. Once the worker is registered, employer must be registered within a month (in such cases where the establishment is not registered or where the worker was not registered with the social insurance institution);
3. **Worker's contribution** is quite minimal under the current system. It must be gradually raised from 1% to 5% in the next 5 years under EOBI. As for ESSIs, worker's contribution must be raised to at least 3% by 2023. Currently, workers pay nothing to the ESSI.
4. **Employers' contribution** must also be raised to a level comparable with other countries in the region.
5. **Linking registration with social insurance institutions with CNIC** (B form) and covering every worker irrespective of his work status (permanent, temporary, contract, etc.). (FBR and BISP/Ehsaas are already using CNIC data from NADRA for collecting taxes and giving cash transfers respectively).
6. National legislation allows adolescents (above 14 years/15 years in Punjab but under 18 years) to engage in employment however they are not registered with any social insurance institution until they have a CNIC (18 years of age). Interestingly, their employment is based on B form which already has their CNIC number. Thus, the **adolescents must be registered with social insurance institutions** on the basis of this B form and their contributions be paid. Similar is the case for apprentices.
7. Social Security legislation and implementation is already provincial while EOBI and WWF legislation is "frozen in time" since devolution in 2010. As proposed in the pages above, there is a need to move these subjects to the MoPASS and **enact new legislation on EOBI and WWF at federal level**. (WWF has been engaged in providing housing facilities for workers for more than 4 decades. Its experience can be used in providing housing to the underserved in Naya Pakistan Housing Program)
8. The **short-term benefits** to the informal economy workers (especially informal sector enterprises) can be provided through PESSIs. The benefits must be provided in a phased manner. The first step should be provision of healthcare services. In the second phase, flat rate sickness, maternity and employment injury benefits can be provided.
9. As indicated in Annex-A, Pakistan largely meets the requirements of ILO Convention 102. Unemployment Benefits and family & child benefits are still not provided. In order to make EOBI

sustainable, the **minimum years of contributions for old age pension** must be raised from current 15 years to at least 25 years in the next 15 years (by 2035).

10. The contribution raising and minimum years increase proposal are rudimentary and have been proposed keeping in view the international practice. Their applicability must be worked by actuarial evaluation teams in Ministry of Finance and EOBI.
11. **Enact new legislation for micro enterprises**, employing less than 10 workers. LFS already shows that 27.32 million are in the non-agricultural informal sector. Shops and Establishments legislation is already there however it is not solely for micro enterprises. We propose a simplified single labour code for micro enterprises, with less requirements and ease of compliance.
12. Centre for Labour Research is already working on a **single labour code which is authenticated by Islamic legal sources**. Keeping in view the honourable Prime Minister's reference to the Riyasat e Madina model, it would be worthwhile to enact such a Code facilitating the employer while ensuring workplace rights in the light of Quran and Sunnah.

Social Protection for the Unprotected Economy

ILO's Minimum Standards and Employment Related Social Protection Benefits in Pakistan

1. Medical Care/Health Protection

	Convention No. 102: Minimum Standards	Recommendation No. 202: Basic protection	Provisions from Pakistani Social Protection Legislation
What should be covered?	Any ill health condition, whatever its cause; pregnancy, childbirth and their consequences	Any condition requiring health care, including maternity	Any ill health condition, whatever its cause; pregnancy, childbirth and their consequences
Who should be covered?	At least: <ul style="list-style-type: none"> • 50% of all employees, and wives and children; or • categories of the economically active population (forming not less than 20% of all residents, and wives and children); or • 50% of all residents 	At least all residents and children, subject to the country's existing international obligations	1965 (provincial employees social security ordinance, applicable in Balochistan, ICT, KP and Punjab) 2016 (SESSA, applicable in Sindh) All workers and their dependents are covered within a certain wage limit, in establishments employing 5 or more workers ¹
What should the benefit be?	In case of ill health: general practitioner care, specialist care at hospitals, essential medications and supplies, hospitalization if necessary, In case of pregnancy, childbirth and their consequences: prenatal, childbirth and post-natal care by medical practitioners and qualified midwives, hospitalization if necessary	Goods and services constituting at least essential health care, including maternity care, meeting accessibility, availability, acceptability and quality criteria; free prenatal and post-natal medical care for the most vulnerable; higher levels of protection should be provided to as many people as possible, as soon as possible	Primary health care facilities and hospitals provide medical services. Benefits include general medical care, specialist care, medicine, hospitalization, and transportation. Prenatal and postnatal care is also provided.
What should the benefit duration be?	As long as ill health, or pregnancy and childbirth and their consequences, persist. May be limited to 26 weeks in each case of sickness. Benefit should not be suspended while beneficiary receives sickness benefits or is treated for a disease recognized as requiring prolonged care	As long as required by the health status	Benefits are provided for as long as considered necessary or for six months after the patient has exhausted entitlement to sickness benefits, whichever period is shorter. Prenatal and postnatal care is provided for up to 12 weeks.
What conditions can be prescribed for entitlement to a benefit?	Qualifying period may be prescribed as necessary to preclude abuse	Persons in need of health care should not face hardship and an increased risk of poverty due	There is no qualifying period for general medical benefits.

2. Sickness Benefits

	Convention No. 102: Minimum Standards	Recommendation No. 202: Basic protection	Provisions from Pakistani Social Protection Legislation
What should be covered?	Incapacity to work resulting from illness that results in the suspension of income	At least basic income security for those who are unable to earn a sufficient income due to sickness	Incapacity to work resulting from illness that results in the suspension of income
Who should be covered?	At least: <ul style="list-style-type: none"> • 50% of all employees, and wives and children; or • categories of the economically active population (forming not less than 20% of all residents, and wives and children); or • 50% of all residents 	At least all residents and children, subject to the country's existing international obligations	1965 (provincial employees social security ordinance, applicable in Balochistan, ICT, KP and Punjab) 2016 (SESSA, applicable in Sindh) All workers and their dependents are covered within a certain wage limit, in establishments employing 5 or more workers
What should the benefit be?	Periodic payments; at least 45% of reference wage	Benefits in cash or in kind at a level that ensures at least basic income security, so as to secure effective access to necessary goods and services; prevents or alleviates poverty, vulnerability and social exclusion; and allows life in dignity	Sickness benefit: 75% of the worker's actual earnings (50% in Khyber Pakhtunkhwa and Balochistan provinces); 100% for tuberculosis and cancer (50% in Khyber Pakhtunkhwa and Balochistan provinces). Maternity Benefit: 100% of the worker's actual earnings
What should the benefit duration be?	As long as the person remains unable to engage in gainful employment due to illness; possible waiting period of max. three days before benefit is paid; benefit duration may be limited to 26 weeks in each case of sickness	As long as the incapacity to earn a sufficient income due to sickness remains	The sickness benefit is paid after a two-day waiting period for up to 121 days (365 days for tuberculosis and cancer) in a one-year period.
What conditions can be prescribed for entitlement to a benefit?	Qualifying period may be prescribed as necessary to preclude abuse	Should be defined at national level, and prescribed by law, applying principles of non-discrimination, responsiveness to special needs and social inclusion, and ensuring the rights and dignity of people	Sickness benefit: The worker must have at least 90 days of contributions in the six months before the incapacity began.

3. Maternity Benefits

	Convention No. 102: Minimum Standards	Recommendation No. 202: Basic protection	Provisions from Pakistani Social Protection Legislation
What should be covered?	Medical care required by pregnancy, confinement and their consequences; resulting lost wages	Goods and services constituting essential maternity health care. At least basic income security for those who are unable to earn a sufficient income due to maternity	pregnancy, childbirth and their consequences; suspension in work resulting from pregnancy that results in the suspension of income
Who should be covered?	At least: <ul style="list-style-type: none"> • 50% of all women employees; or • all women in categories of the active population (forming not less than 20% of all residents); or • all women with means under prescribed threshold 	At least all women who are residents, subject to the country's existing international obligations	1965 (provincial employees social security ordinance, applicable in Balochistan, ICT, KP and Punjab) 2016 (SESSA, applicable in Sindh) 1958 (maternity benefits ordinance, applicable in Balochistan, ICT, KP and Punjab) 2018 (maternity benefits law, applicable in Sindh) All women workers in private sector are covered
What should the benefit be?	Medical benefits: At least: <ul style="list-style-type: none"> • prenatal, confinement and post-natal care by qualified practitioners; • hospitalization if necessary Cash benefits: <ul style="list-style-type: none"> • periodic payment: at least 45% of the reference wage 	Medical benefits: should meet criteria of availability, accessibility, acceptability and quality; free prenatal and post-natal medical care should be considered for the most vulnerable Benefits in cash or in kind: should ensure at least basic income security, so as to secure effective access to necessary goods and services, and be at a level that prevents or alleviates poverty, vulnerability and social exclusion and allows life in dignity. Levels should be regularly reviewed	Prenatal and postnatal healthcare is provided through social security hospitals as well as other hospitals. Cash benefits: workers are entitled to 100% of their earnings for 12 weeks (16 weeks in Sindh) of maternity leave.

¹ Interestingly, social security legislation even covers the agricultural establishments.

What should the benefit duration be?	At least 12 weeks for cash benefits	As long as the incapacity to earn a sufficient income remains	12 weeks in all provinces except Sindh 16 weeks in Sindh
What conditions can be prescribed for entitlement to a benefit?	As considered necessary to preclude abuse	Should be defined at national level, and prescribed by law, applying principles of non-discrimination, responsiveness to special needs and social inclusion, and ensuring the rights and dignity of people	To access maternity related medical benefits, a person at least 90 days of contributions in the last six months. Cash benefit: The worker must have at least 180 days of contributions in the 12 calendar months immediately before the expected date of childbirth.

4. Employment Injury Benefits

	Convention No. 102: Minimum Standards	Recommendation No. 202: Basic protection	Provisions from Pakistani Social Protection Legislation
What should be covered?	Ill health; and incapacity for work due to work-related accident or disease, resulting in suspension of earnings; total loss of earning capacity or partial loss at a prescribed degree, likely to be permanent, or corresponding loss of faculty; loss of support for the family in case of death of breadwinner	At least basic income security for those who are unable to earn a sufficient income due to employment injury	All occupational injuries and diseases are covered
Who should be covered?	At least 50% of all employees and their wives and children	At least all residents of active age, subject to the country's existing international obligations	1923 (workmen's compensation law, applicable in Balochistan, ICT, and Punjab) 1965 (provincial employees social security ordinance, applicable in Balochistan, ICT, KP and Punjab) 1971 (workers welfare fund law, applicable to whole Pakistan) 2013 (workers compensation law in KP and Standing Orders Law) 2015 (Sindh workers compensation law), Standing Orders law; 2016 (SESSA, applicable in Sindh) All workers are covered
What should the benefit be?	Medical care and allied benefits: general practitioner, specialist, dental care, nursing care; medication, rehabilitation, prosthetics etc., with a view to maintaining, restoring or improving health and ability to work and attend to personal needs Cash benefits: • Periodic payments: at least 50% of reference wage in cases of incapacity to work or invalidity; at least 40% of reference wage in cases of death of breadwinner • Adjustment of long-term benefits following substantial changes in general level of earnings and/or cost of living • Lump sum if incapacity is slight and competent authority is satisfied that the sum will be used properly	Benefits in cash or in kind at a level that ensures at least basic income security, so as to secure effective access to necessary goods and services; prevents or alleviates poverty, vulnerability and social exclusion; and allows life in dignity. Levels should be regularly reviewed	Workers are entitled to all medical benefits, as described on first page. Temporary disability benefit: 60% of the insured worker's earnings (100% in Punjab and Sindh) are paid by ESSIs for up to 180 days; For those not covered by ESSIs, employers have to 50% of the worker's monthly earnings for up to one year; for lung disease (any occupational disease in Sindh), 33% of monthly earnings for up to five years. Permanent disability benefit: For a total disability (loss of earning capacity of at least 67%), 75% of the insured worker's last monthly earnings (100% in Punjab) are paid by ESSIs. For those not covered by ESSIs, employers have to pay a lump sum of 200,000 rupees in Balochistan and ICT, 300,000 rupees in Khyber Pakhtunkhwa, 400,000 rupees in Punjab, and 500,000 rupees in Sindh. Permanent Partial Disability: For an assessed loss of earning capacity of at least 21% but less than 67%, a percentage of the full permanent disability pension is paid, according to a schedule in law. For an assessed degree of disability of less than 21%, a lump sum is paid. Survivors' benefit (ESSIs): a percentage of full permanent disability pension the deceased received or was entitled to receive 60% (widow/needly widower); 20% (orphan/dependent parents) 40% to full orphan; 50% to a sibling if no other dependent is alive Iddat benefit to women workers (widows) equal to 130 days' wages Funeral grant/death grant: 30 days of sickness benefit (minimum amount is 1500) For those not covered by ESSIs, employers have to pay a lump sum of 200,000 rupees in Balochistan and ICT, 300,000 rupees in Khyber Pakhtunkhwa, 400,000 rupees in Punjab, and 500,000 rupees in Sindh in the case of worker's death. Death Grant: 500,000 rupees, paid by WWF Compulsory Group Insurance: all such cases not covered by workers compensation or ESSIs are covered by group insurance. Benefit is the same as under workers compensation law.
What should the benefit duration be?	As long as the person is in need of health care or remains incapacitated No waiting period except for temporary incapacity to work for a maximum of three days	As long as the incapacity to earn a sufficient income remains	Temporary disability benefit: 180 days (ESSI); one year (employer liability); for lung disease (any occupational disease in Sindh), five years (employer liability). Permanent disability benefit: for life (ESSI); lump sum (employer liability) Permanent Partial Disability: lump sum (ESSI) Survivors' benefit (ESSIs): for life for widow/widow/parents/siblings/unmarried daughters (ESSI), 16 years or 21 years for students (ESSI); lump sum (employer liability)
What conditions can be prescribed for entitlement to a benefit?	No qualifying period allowed for benefits to injured persons For dependants, benefit may be made conditional on spouse being presumed incapable of self-support and children remaining under a prescribed age	Should be defined at national level and prescribed by law, applying the principles of non-discrimination, responsiveness to special needs and social inclusion, and ensuring the rights and dignity of the injured people	Worker must be assessed with an occupational disease or injury

5. Old Age Pensions

	Convention No. 102: Minimum Standards	Recommendation No. 202: Basic protection	Provisions from Pakistani Social Protection Legislation
What should be covered?	Survival beyond a prescribed age (65 or higher according to working ability of elderly persons in country)	At least basic income security for older persons	Basic income security is covered for insured workers
Who should be covered?	At least: • 50% of all employees; or • categories of active population (forming not less than 20% of all residents); or • all residents with means under prescribed threshold	All residents of a nationally prescribed age, subject to the country's existing international obligations	1976 (employees old age benefits law) 2014 (employees old age benefits law in Sindh) All private sector workers are covered (establishments employing 5 or more workers)

What should the benefit be?	Periodic payments: at least 40% of reference wage; adjustment following substantial changes in general level of earnings and/or cost of living	Benefits in cash or in kind at a level that ensures at least basic income security, so as to secure effective access to necessary goods and services; prevents or alleviates poverty, vulnerability and social exclusion; and allows life in dignity. Levels should be regularly reviewed	Old age Pension: 2% of the insured workers average monthly earnings in the last 12 months multiplied by the number of years of contributions is paid. Minimum pension is 6500 rupees. Early pension): Pension is reduced by 0.5% for each month it is claimed before the normal retirement age. Old-age Grant: A lump sum of one month of the insured worker's average monthly earnings is paid for each year of contributions.
What should the benefit duration be?	From the prescribed age to the death of beneficiary	From the nationally prescribed age to the death of beneficiary	Till insured worker's death
What conditions can be prescribed for entitlement to a benefit?	30 years of contribution or employment (for contributory schemes) or 20 years of residence (for noncontributory schemes) Entitlement to a reduced benefit after 15 years of contribution or employment	Should be defined at national level and prescribed by law, applying the principles of non-discrimination, responsiveness to special needs and social inclusion, and ensuring the rights and dignity of older persons	Old age pension: Age 60 (men) or age 55 (women) with at least 15 years of contributions; For miners, pensionable age can be reduced by 5 years if they have worked in the sector for 10 years. Early pension: Age 55 (men) or age 50 (women) with at least 15 years of contributions. Old-age Grant: Age 60 (men) or age 55 (women) with at least two years but less than 15 years of contributions.

6. Invalidity Pension

	Convention No. 102: Minimum Standards	Recommendation No. 202: Basic protection	Provisions from Pakistani Social Protection Legislation
What should be covered?	Inability to engage in any gainful activity, likely to be permanent, or that persists beyond sickness benefit (total invalidity)	At least basic income security for those who are unable to earn a sufficient income due to disability	All non-occupational injuries and diseases are covered
Who should be covered?	At least: <ul style="list-style-type: none"> • 50% of all employees; or • categories of the active population (forming not less than 20% of all residents); or • all residents with means under prescribed threshold 	At least all residents, subject to the country's existing international obligations	1976 (employees old age benefits law) 2014 (employees old age benefits law in Sindh) All private sector workers are covered (establishments employing 5 or more workers)
What should the benefit be?	Periodic payment: at least 40% of reference wage Adjustment following substantial changes in general level of earnings and/or cost of living	Benefits in cash or in kind at a level that ensures at least basic income security, so as to secure effective access to necessary goods and services; prevents or alleviates poverty, vulnerability and social exclusion; and allows life in dignity	Invalidity Pension: 2% of the insured workers average monthly earnings in the last 12 months multiplied by the number of years of contributions is paid. Minimum pension is 6500 rupees.
What should the benefit duration be?	As long as the person remains unable to engage in gainful employment or until old-age pension is paid	As long as the incapacity to earn a sufficient income remains	Till the worker reaches normal retirement age
What conditions can be prescribed for entitlement to a benefit?	15 years of contributions or employment (for contributory schemes) or 10 years of residence (for non-contributory schemes); entitlement to a reduced benefit after five years of contributions or three years of residence	No specific indication; entitlement conditions should be defined at national level, applying the principles of non-discrimination, responsiveness to special needs and social inclusion and ensuring the rights and dignity of persons with disabilities; they should be prescribed by law	The insured worker must be younger than the normal retirement age, have at least a 67% assessed loss of earning capacity, and have at least 15 years of contributions OR at least 5 years of contributions, including at least three years in the last five years before the disability began. A medical board assesses the degree of disability.

7. Survivors' Pension

	Convention No. 102: Minimum Standards	Recommendation No. 202: Basic protection	Provisions from Pakistani Social Protection Legislation
What should be covered?	Widow's or children's loss of support in the event of death of the breadwinner	At least basic income security for those who are unable to earn a sufficient income due to the absence of family support	Spouse and dependents including parents are eligible for support in the event of worker's death
Who should be covered?	Wives and children of breadwinners representing at least 50% of all employees; or <ul style="list-style-type: none"> • wives and children of members of economically active persons representing at least 20% of all residents; or • all resident widows and children with means under prescribed threshold 	At least all residents and children, subject to the country's existing international obligations	1976 (employees old age benefits law) 2014 (employees old age benefits law in Sindh) All private sector workers are covered (establishments employing 5 or more workers)
What should the benefit be?	Periodic payment: at least 40% of reference wage Adjustment following substantial changes in general level of earnings and/or cost of living	Benefits in cash or in kind should ensure at least basic income security so as to secure effective access to necessary goods and services at a level that prevents or alleviates poverty, vulnerability and social exclusion and allows life in dignity. Levels should be regularly reviewed	Survivors' Pension: 100% of the minimum monthly pension is paid to, or split equally among, the surviving widow or widow. If there is no surviving spouse, the pension is split equally among eligible orphans. If there is no surviving spouse (or if the surviving spouse dies within five years of first receiving the survivor pension) or eligible orphan, the survivor pension is paid to the deceased's surviving parents for up to five years after the death (or up to five years after the death of the deceased's spouse). Pension is old age or invalidity pension. Minimum pension is 6500 rupees.
What should the benefit duration be?	Until children reach active age; no limitation for widows	As long as the incapacity to earn a sufficient income remains	Spouse is eligible for the survivors' benefit till death; son is eligible till the age of 18 years or an unmarried daughter under the age of 18 at the time of worker's death and the deceased worker's parents.
What conditions can be prescribed for entitlement to a benefit?	15 years of contributions or employment (for contributory or employment-based schemes) or 10 years of residence (for non-contributory schemes); entitlement to a reduced benefit after five years of contributions For widows, benefits may be conditional on being Incapable of self-support; for children, until 15 years of age or school-leaving age	Should be defined at national level and prescribed by law, applying the principles of non-discrimination, responsiveness to special needs and social inclusion, and ensuring the rights and dignity of people	The deceased worker must have been covered employment at the time of death and had at least 36 months of contributions; or received or was entitled to receive an old-age or invalidity pension.