



POLICY BRIEF :01
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Charter of Demands

In the wake of COVID-19 and rising challenges due to lockdown, SPRC prepared the Charter of Demands for the effective social protection system in the country

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**Social Protection Resource Centre
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CHARTER OF DEMANDS

The Social Protection Resource Centre (SPRC) deeply appreciates the efforts being undertaken by the Government in general and of the National Coordination Committee on COVID-19 (NCCO) in particular to cushion the COVID-19 impacts. We however feel that the current strategy of the Government is deeply flawed as it is based on philanthropy, not on the Right to Social Protection; the Right produced by the Work. By appealing to the compassion of the citizens, the State is telling its Citizens that their past labour is worthless in terms of protecting their children in such an emergency. Pakistan has nominally agreed to put in place a Universal Social Protection by 2030. But, instead of making it as an organizing principle of the public financial management system, the Government has opted for an increment of the existing BISP as the principle tool to advance the Right to Development, neglecting the institutional welfare initiative like the provincial Social Security Institutions. The State Capacity is inextricably linked with the conceptualization of the Responsibilities of the State vis a vis its citizens. We believe that the most important reason for the erosion of the State Capacity in Pakistan has been due to the dilution of State's national responsibilities with reference to the Right to Development. We invite the civil society to pool its energies around Pakistan Alliance for Social Protection (PASP) to sensitize the Government of the significance of establishing a Universal Social Protection System in Pakistan as a Right to tackle the immediate crisis brought by COVID-19 and rejuvenate the Social Compact between the State and Citizens of Pakistan.

In the wake of COVID-19, on 10th April 2020, SPRC prepared this Charter of Demands for the efficient and effective Social Protection System in Pakistan. Thus, SPRC demands the following actions from the Government immediately:

- **General:** Announce the adoption of Universal Social Protection in Pakistan as a Right.
- **Making Provincial Employees Social Security Institutions Fully Functional & Linked with COVID-19 Relief Package:**
 1. The existing Social Security provisions stipulate that in case of closure, the Employer would pay 15 days of the salary to the employee. The law is silent on the Rights of the Workers in case of longer closures due to such emergency like a pandemic. The Government, in consultation with the representatives of Employers and the Employees should quickly announce the Principles and temporary measures to fill this gap and introduce the necessary legislation for a smooth implementation.
 2. Along with the disbursement of Ehsaas Funds to the self-selected 7 Million households, in addition to the 5 million traditional BISP beneficiaries, the NCCOC should immediately establish the relief bridge between the COVID-19 Relief Package and the institutional social security system present in the country in the form of provincial Social Security Institutions [ESSIs], after generating the necessary employment data.
 3. As only around 5 % of the Workers are registered with the respective provincial Social Security Institutions --- due to the sad neglect of the institutional social security in Pakistan in the past --- the Federal Government should ensure the immediate registration of the remaining 95 % of the Workers with the provincial Social Security Institutions. This could easily be done by suitably modifying the Questions being asked by *Ehsaas* for the additional 7 Million families.
 4. The Workers with a proven Employment History in the formal sector but who were not registered by their employers or labour supply Contractors should be given priority in the disbursement of PKR 12 Thousand emergency relief and a system of Temporary Unemployment Allowance be put in place for them, if the Lockdown prolongs.

5. The Federal Government should pay the Social Security and EOBI Contribution of 10% of the employee's salary of the Workers newly registered with ESSIs on the provisional basis for the next six months.

6. The Fund, which could be called Provisional Social Security Fund [PSSF], thus created be kept with the Federal Government till the COVID-19 Crisis was over and half of the last drawn salary of the employees be paid to the closed Sectors on fifty-fifty basis from this Fund and by the Employers.

• **Social Protection to SME's & Self-Employed Micro-Enterprises:**

1. It should be made mandatory for both the Owners and the Employees of the SME firms to be registered with the provincial Social Security Institutions, within two weeks.

2. This Scheme should be primarily Contribution based with the employer and the employee contributing 50 % and the rest coming from the Federal Government, with the provision of Health coverage, Temporary Unemployment Support, Disability Allowance and Pension.

3. To cushion the impact of COVID-19 on SMEs, the owners and employees, registered in the new Scheme should be provided Temporary COVID-19 Unemployment Allowance from the Workers Welfare Funds stuck at the Ministry of Finance.

• **Actions Parallel to COVID-19 Relief Package:**

1. All the big aid funds coming to Pakistan in the wake of COVID-19 be kept in Pakistan Universal Social Protection Fund and should be spent to pay the Temporary Unemployment Claims and to expand public sector health facilities.

2. The Federal Government should announce a big project in the 2020-2021 Budget to finance the expansion of the Health facilities of ESSIs to cater for the newly registered Contribution based workers and SMEs.

3. The reservations and complaints of the Employers regarding the Labour Inspector be addressed and the new system be linked with the CNIC making it mandatory for the employee to update his employment history.

4. The savings from the closure of the inefficient PSDP and ADP Projects and recoveries from the IPPs be diverted towards Ehsaas for continued Income Support to its beneficiaries, including the Domestic Workers, Daily Wagers and agricultural workers. The above measures would not only help establish a provisional Universal Social Protection System in Pakistan to fight COVID-19, it would also provide crucial data and empirical evidence to grow the provisional System into a full-fledged Universal Social Protection System by June 2021 by the collective efforts of the NCCOC, Federal Government and the provincial governments after making the necessary legal changes and reorganization of the Social Protection financing.