

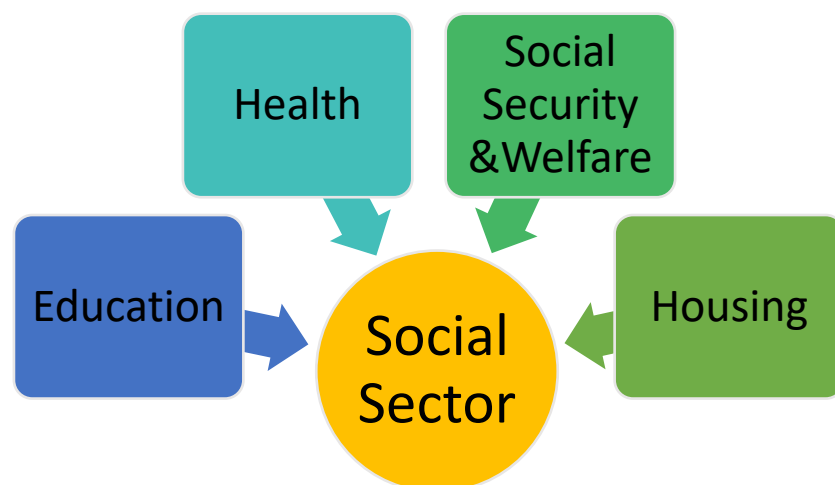


**A Review of Social Sectors Budget Allocations,
National and Punjab
2016-17 to 2021-22**

Important Points

- The main strategy of federal government for FY2021-22 budget is inclusive and sustainable economic growth.
- This policy brief highlights the comparison of the budget allocations in social sector including Education, Health, Housing and Social Security & Welfare from FY 2016-17 to 2021-22.
- Under the head of Social Protection budget allocations increased from Rs 1,975 million to Rs. 255,292 million during FY 2016-2022¹.
- All social safety net programmes like BISP, PBM, EOBI, WWF, PPAF are now under the umbrella of Ehsaas programme.
- Federal budget FY2021-22 aims at continuation of special initiatives led by PM like Ehsaas programme, Kamyab Jawan programme, Naya Pakistan Housing Scheme and Sehat Sahulat Card etc.

¹ Pakistan Budget Publications 2016-17 to 2021-22, Ministry of Finance, Government of Pakistan.



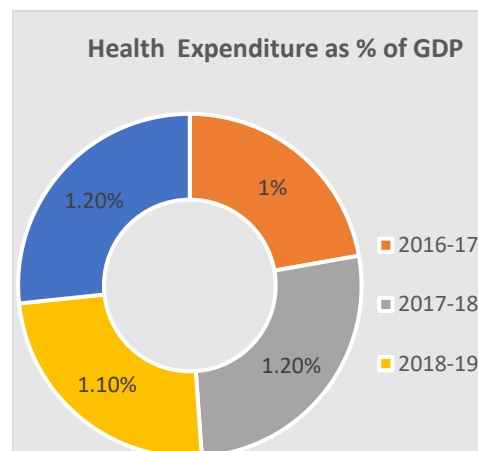
Social Protection Resource Centre (SPRC) is a think tank dedicated to universalization of social protection in Pakistan. The major programme areas are Protection against Unemployment, Old Age Vulnerabilities, Severe Disabilities, Sickness & Infirmity, Destitution and Hunger (Poverty). Government of Pakistan allocates significant amount for social sector in Budget, but this allocated amount is inadequate as Pakistan’s Human Development Index (HDI) ranking falls from 147th in 2016 to 154th in 2020, Pakistan’s ranking in HDI declined based on Health (Life Expectancy at birth), Education (Expected years of schooling) and Gross National Income (GNI) per capita. This declining trend in HDI is well explained through budget allocations in social sectors in the country. To improve the HDI ranking of country Government of Pakistan initiated many programs and policies for social sector. Social Safety Net is an ongoing program to maintain social harmony among poor and marginalized people of country through redistribution of resources. Basically, this program is based on direct cash transfers and other services included both budgetary and non-budgetary programs such as Benazir Income Support program (BISP), Pakistan Bait ul Mal (PBM), Social Security and Welfare, Employees old age Benefit Institution (EOBI), Workers Welfare Fund (WWF) and Pakistan Poverty Alleviation Fund (PPAF). National Framework is devised for localization of Sustainable Development Goals at district level to devolve Social Protection Policy for Education and Health Sector at grass root level.

Budget Allocation on Social Sectors from 2016-17 to 2019-20

Sustainable economic development is impossible without having good human capital and investment in social sector leads to better human capital. Social sector comprises of education, health, housing and social security and welfare, which further includes Social Safety Net Programs e.g., BISP, PPAF, PBM, EOBI, WWF.

Now all Social Safety Net Programs are under “Ehsaas Program” which is initiated by current government in 2019. The government has increased the budget allocation for the “Ehsaas Program” from Rs 187 billion to Rs 208 billion in FY 2020. For FY 2021-22 government allocated Rs 260 billion for Ehsaas Program. To continue the COVID-19 stimulus package, the government in the current budget has allocated Rs 70 billion for coronavirus-related schemes.

➤ **Education** plays a key role in development of human capital. In 2018-19 expenditure on education estimated at 2.3% of GDP as compared to 2.4% of 2017-18. Total expenditure on education sector increased from Rs 699.2 billion to Rs 868.0 billion while PSDP allocated Rs 4.8 billion in 2019-20 to Ministry of Federal Education and Professional Training. Key indicators like Gross Enrolment Ratio, Literacy Rate, Vocational Training also shows positive trend from last five years. Current government has launched “Ehsaas



Program” which provides graduate and undergraduate scholarships to needy students. In 2020 Conditional Cash Transfer Program “Waseela e Taaleem” has extended to 50 districts which will provide cash transfer to girls and boys of Rs 750 and Rs 1000 per quarter, respectively. BISP has distributed about Rs12 billion in CCT intervention which has covered 3.1 million children of beneficiaries. Pilot projects like Ehsaas Waseela e Taaleem Digital and Ehsaas Scholarships are the need of hour because children of vulnerable families do not have access to the quality education in our country. So, with the help of these initiatives, they will not be left behind in education.

➤ **Health** is another important social indicator and access to good health services contribute to social and economic development. With health sector reforms initiatives there is strong impetus to achieve Universal Health Coverage (UHC). Expenditure on health sector increased from Rs 328.9 billion in FY 2016 to Rs 421.8 billion in FY 2019. It shows growth of 1.3% but it is still 1.1% of GDP which is lowest as compared to other countries. PSDP allocations of Rs 23975.9 million were made for 62 health sector projects in FY 2020. “Sehat Sahulat Program” is flagship program of social health protection and a milestone towards attaining UHC. Beneficiaries are selected with the help of BISP based survey which is cross verified by NADRA. Prime Minister's Health Insurance scheme is expanding by launching the first phase of the countrywide Sehat-Insaf Card Scheme to

provide free medical treatment to approximately 80 million people. Family Planning and Primary Health Care (FP& PHC) program with intensification through Ehsaas Program is striving to control population growth, Dengue Control Program, Polio Eradication initiative Program and Maternal & Child Health Program are some initiatives of the current government in health sector.

Federal and Provincial Governments Health Expenditures:

Fiscal Years	Public Sector Expenditure (Federal and Provincial) Rs million			Health Expenditure as % of GDP
	Current Expenditure	Development Expenditure	Total Health Expenditures	
2016-17	229,957	99,005	328,962	1.0
2017-18	329,033	87,434	416,467	1.2
2018-19	363,154	58,624	421,778	1.1
2019-20 (P)	406,011	76,254	482,265	1.2

P: Provisional

Source: PRSP Budgetary Expenditures, (EF-Policy Wing), Finance Division, Islamabad.

- **Housing** is another important component of social sector development. Social protection in housing means to prevent homelessness and facilitate access to adequate housing and provide shelters to the people who do not have proper place to live. To provide low-cost housing to the marginalized and vulnerable group of people government has allocated funds in annual budget. In FY 2015-16 Rs 460 million were allocated to housing sector which further declines at Rs 349 million in FY2017-18. While in FY 2018-19 allocation in low-cost housing increased to Rs 704 million and is further increased to Rs 1766 million in FY 2019-20. In budget 2021-22 government has promised to provide low-cost housing units to the masses. In this regard, an amount of Rs 30 billion has been provided to Naya Pakistan Housing Authority for realization of this dream. Moreover, an amount of Rs 1.5 billion has been allocated for low-cost housing through schemes of Qarz e Hasna of Akhuwat Foundation².
- **Social Safety Net Programs** in Pakistan lies under umbrella of social security & welfare and investment in these SSN indicates social sector development. Key social safety initiatives included programs e.g., BISP, PPAF, PBM, WWF, EOBI etc. After the launch of “Ehsaas Program” all these social safety programs are now under the umbrella of Ehsaas Program.
 - ❖ **Benazir Income Support Program** is federal unconditional cash transfer program and due to its important role in Poverty reduction, budget allocation is increased from

² Budget in Brief 2021-22, Ministry of Finance, Government of Pakistan.

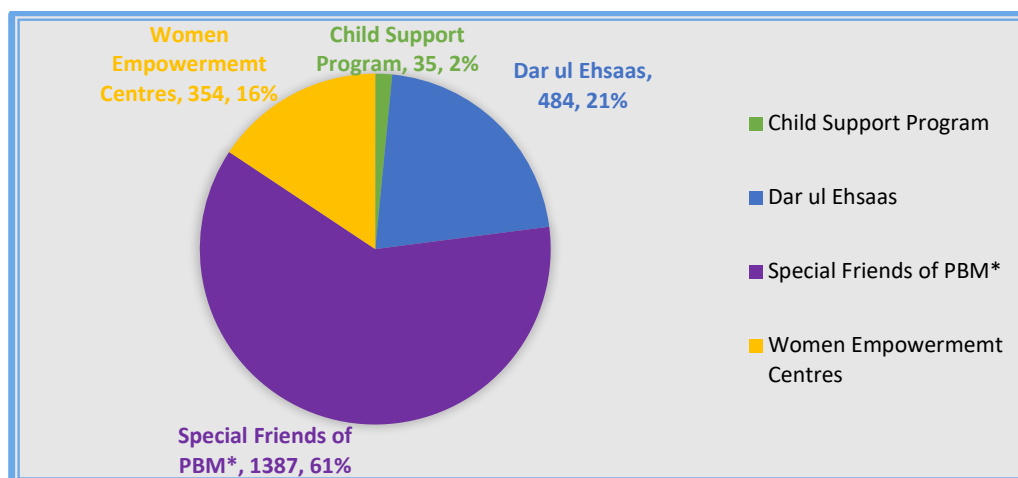
Rs 102 billion in 2016 to Rs 180 billion in 2020³. Now 4.5 million families are beneficiaries of BISP. UCT Program which is strengthened as “Kafaalat Program” will provide cash transfer of Rs 2000 per month to the needy women and it will cover approximately 7 million women. Initially 4.2 million women of BISP beneficiaries included in Kafaalat Program and by the end of year 2020 approximately 3 million more women were added to this program. A new social protection program named “Tahafuz” will be executed through “Ehsaas Tahafuz” Program which is aimed at protecting vulnerable from natural disasters and calamities.

- ❖ ***Pakistan Poverty Alleviation Fund (PPAF)***, present government has launched the National Poverty Graduation Initiative (NPGI) under the Poverty Alleviation Program 'Ehsaas' organized by the PPAF and its aim is to provide relief to ultra-poor segment of country and its funding includes in the field of micro credit, enterprise development, livelihood enhancement and protection, social mobilization. From inception of PPAF in 2000 till 2020 approximately Rs 224.64 billion has disbursed in 144 districts. Under Ehsaas PPAF 38,300 health, education, water, and infrastructure programs have completed, 124700 productive assets have transferred to vulnerable households, 30800 persons with disabilities rehabilitated. In FY 2020 PPAF managed to disburse Rs 2469 million to its partner organizations.
- ❖ ***Pakistan Bait ul Mal (PBM)*** under the flagship of “Ehsaas Program” also contributing towards unmet needs by aiding destitute, widows, orphans, PWDs and other marginalized persons. PBM has disbursed an amount of Rs 2.705 billion in FY 2020 through its core projects and schemes. In FY 2021 Rs 6.105 billion has been allocated to PBM. Under Special Friends of PBM, Rs 1387 million has been disbursed to facilitate PWDs in FY 2020. Child Support Program of PBM also paid an amount of Rs 35 million during FY 2020 and in the same year Rs 484 million spent on welfare of orphans under the umbrella of Dar ul Ehsaas. An amount of Rs 354 million has been utilized for Women Empowerment Centre’s in FY 2020⁴.

³ *Pakistan Economic Survey 2019-20, Finance Division, Government of Pakistan.*

⁴ *Pakistan Economic Survey 2019-20, Ministry of Finance, Government of Pakistan.*

Spending of PBM (Rs million)



Special Friends of PBM includes Persons with Disabilities.*

- ❖ **Employees old age benefit (EOBI)** provides monetary benefits to old age workers through various program such as Old Age Pension, Invalidity Pension, Survivors Pension, and Old Age Grant. In year 2017 an amount of Rs. 17,921.7 million has been disbursed to 405,460 beneficiaries which further increase in year 2020 and benefits of Rs 27271.19 million disbursed among 423,547 beneficiaries.
- ❖ Workers Welfare Fund (WWF) Ordinance in 1971 established **Workers Welfare Fund** for providing facilities to the industrial workers. Objective of WWF is to provide health facilities to workers and their families, establish schools for workers children and development of residential colonies and flats for workers, to provide Death Grant of Rs.500,000 to the widow/legal heir of the deceased workers as a compensation and to provide Marriage Grant of Rs.100,000 for the marriage of daughters of workers. In FY2020 expenditures amounting to Rs 2426.31 million have been incurred on 35594 scholarship cases, while Rs 432.27 million have been disbursed as marriage grants at Rs 100,000 per worker– benefitting 4,323 workers' families. The WWF has also disbursed Rs 476million as death grant at Rs 500,000 per worker– covering 952 cases of mishaps.

Social Sector Allocations of Punjab from 2016-2020

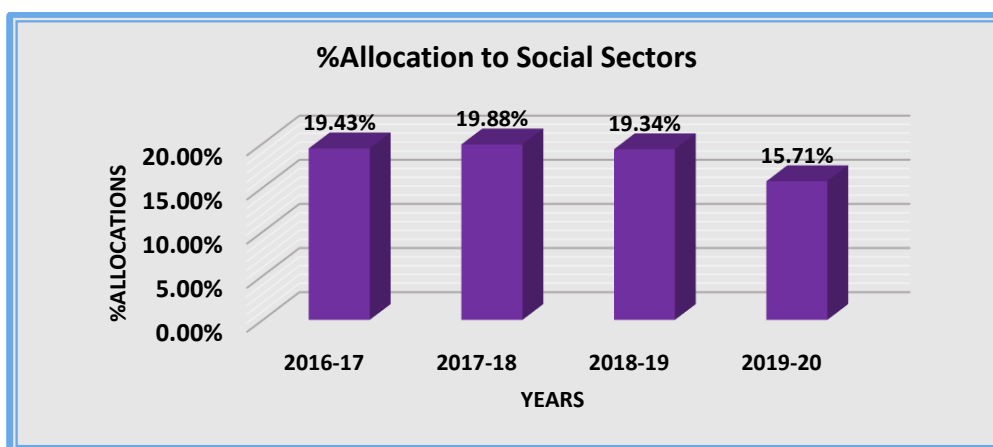
Sectors	R.E 2016-17 (PKR)	R.E 2017-18 (PKR)	R.E 2018-19 (PKR)	R.E 2019-20 (PKR)
Education*	116,667,050,226	80,173,749,660	101,459,753,000	95,279,002,028
Special Education	532,712,400	670,683,000	350,073,000	239,406,634
Literacy	859,002,391	407,967,040	911,689,000	526,483,591
Health	164,260,297,662	194,684,478,085	159,245,765,941	183,623,704,128

Population Welfare	5,052,141,000	1,397,556,000	1,360,674,000	798,727,104
Water supply and Sanitation	30,819,004,906	37,304,965,012	7,709,195,000	14,363,004,000
Women Development	517,314,000	370,749,000	124,024,000	219,388,133
Social Welfare	447,149,000	340,039,000	221,595,000	247,751,961
Local Government	18,424,615,000	24,839,330,949	3,956,056,000	5,799,837,294
YSAT*	3,352,722,000	5,767,975,404	1,925,195,000	2,123,586,537
Total Social Sector Budget	340,932,008,585	345,957,493,150	277,264,019,941	303,220,891,410
Total Provincial Budget	1,755,055,441,000	1,740,363,154,644	1,433,778,804,941	1,930,080,122,982
% Allocation to Social Sector	19.43%	19.88%	19.34%	15.71%

Source: Punjab Budget Documents 2016-17 to 2019-20.

Education* It includes secondary & higher education.

YSAT* Youth, Sports, Archaeology & Tourism-Development Budget.



SPRC data analysis

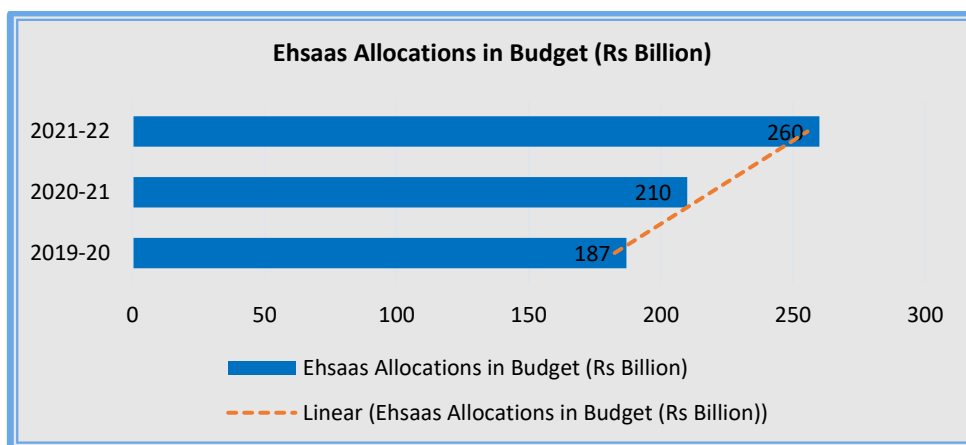
Social sector allocations decreased in Punjab during 2016-20. In 2016-17, 19.43% of total provincial budget was allocated to social sector while in 2019-20 15.71% of total provincial budget was allocated to social sector and it has dropped by 3.72% of total provincial budget. Decrease in social sector allocations means that social safety nets are squeezing gradually⁵.

Budget Allocations of FY 2021-22 in Social Sector

Federal Budget for FY 2021-22 presented on 11th June revealing that the government has allocated Rs2,135 billion under the Public Sector Development Program (PSDP), an increase of 37% from last year's development allocations while Rs900 billion allocated for federal PSDP. According to budget estimates 2021-22, Rs28.352 billion would be spent on **health affairs and services**. The government has allocated Rs23.982 billion for hospital services,

⁵ Punjab Budget Document 2019-20, Government of Punjab.

Rs3.489 billion for health administration while Rs849 million for public health services and only Rs31 million for medical products, appliances, and equipment. The Federal Government has allocated Rs 9.7 billion under the Public Sector Development Program (PSDP) for the ongoing and new schemes of the **Federal Education and Professional Training** for the FY 2021-22. According to the budget documents, a total of Rs 9.087 billion has been earmarked for ongoing schemes and Rs 612.889 million for the new schemes of the Education Ministry. The **Higher Education Commission (HEC)**'s budget saw an increase of around Rs15 billion compared to the outgoing year's allocation as the federal government earmarked Rs108 billion for HEC, out of this Rs42.4 billion are allocated for development expenditures of HEC. For the support of the vulnerable segments, the major initiative of the government for Social Protection and Poverty Alleviation is the **Ehsaas Program**, under which more than a dozen carefully designed programs have been launched. The PTI government has proposed an allocation of Rs260 billion for Ehsaas Program, including that for **Pakistan Bait-ul-Maal and Poverty Alleviation Fund**, has been increased from revised estimate of FY 2020-21 of Rs210 billion to Rs260 billion.

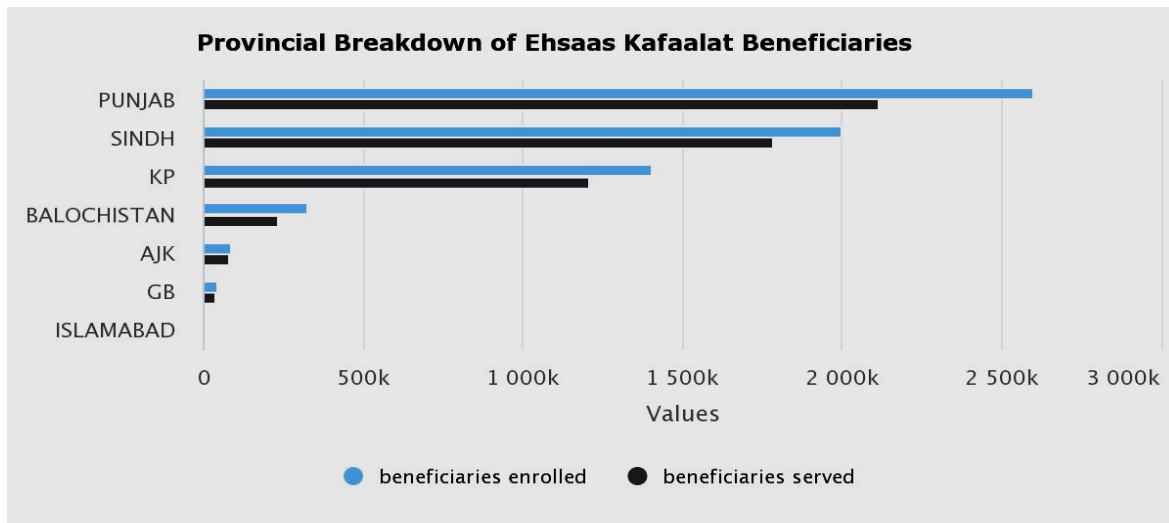


SPRC graphical presentation

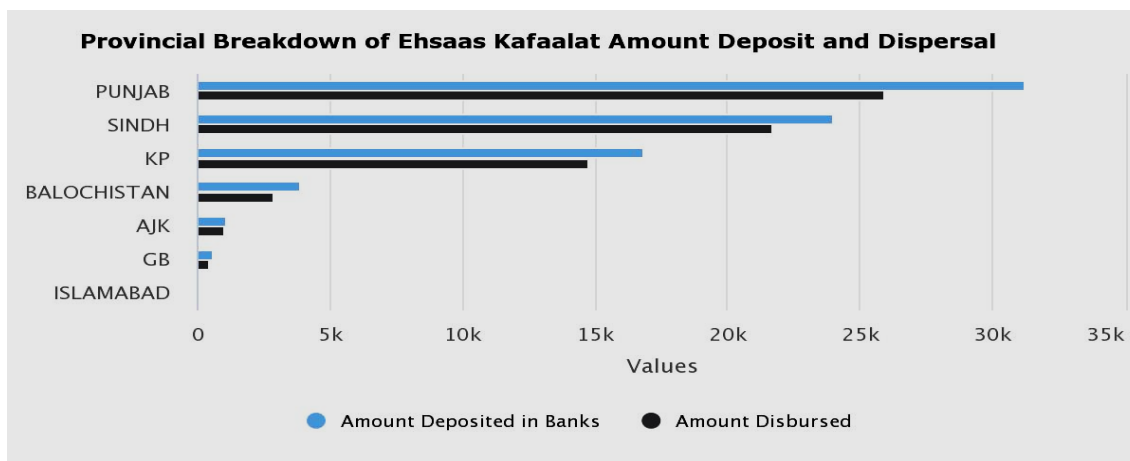
Ehsaas Kafaalat Statistics from January to June 2021

- Total beneficiaries served 5,468,887.
- Total Amount Disbursed Rs 66,700.80 million.

Stats shows that Under Ehsaas Kafaalat Program total number of beneficiaries is 5.46 million from January to June 2021 while total amount of Rs66,700.80 million is dispersed. For better understanding we plot the figures in following diagram which shows province wise distribution of beneficiaries and disbursement of amount. Number of enrolled beneficiaries are more than actual number of beneficiaries who are benefited from Ehsaas Kafaalat Program. If we look at provincial level, share of Punjab is highest.



Source: Ehsaas Cash Stats, Poverty Alleviation and Social Safety Division, Government of Pakistan.



Source: Ehsaas Cash Stats, Poverty Alleviation and Social Safety Division, Government of Pakistan.

Concluding Remarks

According to Frankfurt's Doctrine of sufficiency, from the perspective of morality it is important that everyone should have sufficient rather than having equal. Social protection's main objective is to fulfil unmet needs of vulnerable and marginalized group of people and enhance the capacity of poor. For that reason, government allocates substantial amount in annual budget for social sectors to cope up with the social issues like inequality, poverty, unemployment, food shortages. Pakistan is committed to poverty alleviation in line with the SDGs target Goal-1 "**No Poverty**" in all its manifestations everywhere by 2030. Pakistan's multi-sectoral poverty reduction strategy encompasses targeted interventions under Ehsaas umbrella Or Benazir Income Support Program (BISP), alongside private philanthropy and improved access to microfinance. Key social safety initiatives include Pakistan Bait-ul-Mal, Zakat, and Ushr programs, Employees Old-Age Benefits Institution (EOBI), the Worker's Welfare Funds (WWF) and provincial Employees' Social Security Institutions. Income support provided in the form of cash transfer under BISP /Ehsaas programme is very small in context of adequacy and sufficiency. Sustainability and viability of such programmes is

linked with gradual increasing population coverage and mechanisms of decreasing exclusion error and sustainable increase in annual budget allocations . Integrated approach at national and provincial level is required for avoiding inclusion errors and duplication. Awareness of targeted groups regarding their rights and duties will improve the final outcome over the years.

