

2nd Social Protection Conference 2023

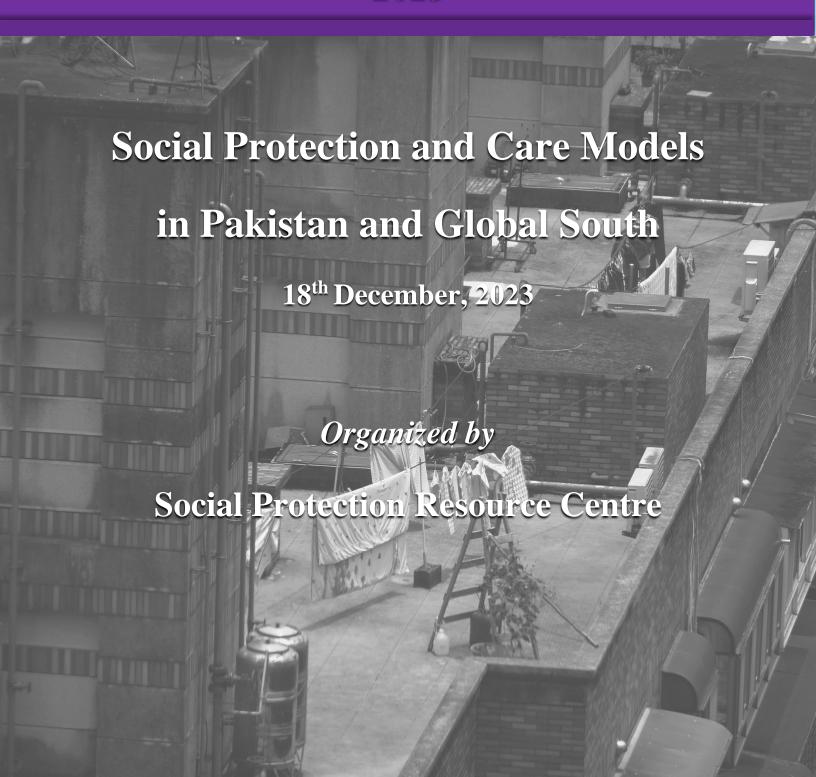


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Background

Contemporary social protection regimes in the Global South have been criticized for failing to cater to the needs of the socially excluded segments of the population. An uncritical acceptance of the social protection recipes from elsewhere often results in contradictory ideological positions and limited toolkits of preferred interventions. Pakistan's social protection model, working alongside serious fiscal policy imbalances, is under severe stress. It has struggled to connect work with social protection and offered very little to the elderly and Persons with Disabilities. After the steep erosion of the consumption smoothening function of income transfers due to continuously high inflation and interruption of the national health insurance programme, most of the Pakistanis have been left to the mercy of a rather disorganized philanthropy and debt sharks.

Acutely cognizant of the fact that serious social consequences of the increasing joblessness and the deepening of poverty are expected to continue in the foreseeable future, Social Protection Resource Centre and its friends seeks to initiate new conversations on the kind of social policy framework needed to constructively reform the current social protection approaches and initiatives in the 2nd SPRC Social Protection Conference 2023. Poorly designed social protection policies and initiatives in informality dominated economies are a common occurrence in the Global South. The Conference aimed to share insights from other countries in the South in designing nationally relevant and locally appropriate social protection systems, with special reference to the alternative development models being discussed elsewhere. The 2nd SPRC Social Protection Conference 2023, organized in close collaboration with the newly found Pakistan Association of Economic Sociologists, also aimed at juxtaposing Pakistan's own experience of the past 15 years of building modern social protection system with critical thinking emerging in other parts of the global South.

The conference brought together experts, practitioners and policymakers from various sectors and regions to share their experiences, insights and best practices on how to design and implement effective and inclusive social protection systems. The report summarizes the main themes and debates that emerged during the conference, and highlights key policy recommendations.

Distinguished Speakers

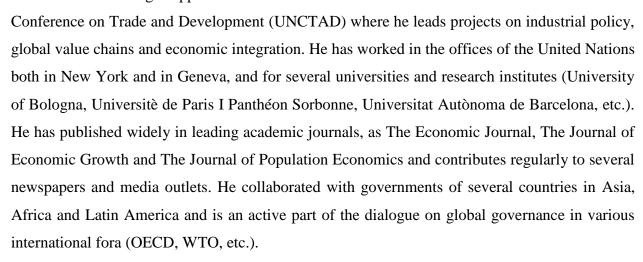
First Key Note Speaker

Interlinking Social with Economic Policymaking in a Productivist Paradigm

Dr. Fortunato Piergiuseppe

Economist, United Nation Conference for Trade and Development [UNCTAD]

Dr. Fortunato Piergiuseppe works at the United Nations



Discussants

Dr. Asad Zaman

Former Vice Chancellor, Pakistan Institute of Development Economics, Islamabad

Dr. Asad Zaman completed his Ph.D. in Economics at Stanford University over a three-year period from 1974 to 1977, concurrently earning a Masters in Statistics. The Ph.D. training at



that time led him toward a materialistic outlook, placing emphasis on valuing careers and professions over social relations—an awareness that only became apparent much later. Subsequently, he pursued a post-Doctoral year at the Center for Operations Research and Econometrics (CORE), located at the Universite Catholique de Louvain in Louvain-la-Neuve,

Belgium, from 1977 to 1978. During his tenure at U.Penn., an invitation to serve as a Visiting Professor at the California Institute of Technology came his way. Later, Hafeez Pasha extended an offer for the position of National Visiting Professor at the Applied Economics Research Center in Karachi, where he spent an additional year. Following a six-year tenure at U.Penn. from 1978 to 1984, he received an offer, courtesy of Phoebus Dhrymes, from Columbia University, resulting in his promotion to Associate Professor. He subsequently moved to Bilkent, where he taught at the economics department from 1993 to 1999. In 1999, he relocated to Lahore University of Management Sciences (LUMS). After approximately three years at LUMS, he accepted an offer to head the International Institute of Islamic Economics (IIIE) from the International Islamic University in 2002, providing him with the time and opportunity to contemplate a genuine Islamic approach to Economics and Econometrics.

Mr. Abid Raza Khan,

In charge Department of Business and Economics, Punjab University, Lahore

Mr. Abid Raza Khan holds an MPhil in Economics from The New School, USA, and is currently working on his PhD dissertation. He was granted the prestigious Fulbright scholarship for graduate education in USA. He has conducted research and taught at various prestigious



institutions, including Research Fellowship at the Heilbroner Center for Capitalism Studies (USA), member for Research team at UNDP Human Development Report Office, Lecturer at the University of Southern Maine (USA), Teaching Fellow at the Lang College (USA), adjunct lecturer at the CUNY John Jay College for Criminal Justice, visiting Lecturer at SDSB (LUMS), among others. His research primarily focuses on matters related to Economic Growth and Distribution, Consumption Inequality, and Entrepreneurial Eco Systems. He is also serving as Student Advisor of the Department.

Second Key Note Speaker

Extending Social Protection to Informal Economy Workers

Dr. Laura Alfers

Director, Social Protection Programme, Women in Informal Employment: Globalizing and Organizing [WIEGO]

Dr, Laura Alfers is the Director of the Social Protection Programme at the global research-action-advocacy network Women in Informal Employment: Globalizing and Organizing



(WIEGO), where she has worked for over 13 years with membership-based organizations of workers in the informal economy to facilitate improved access for informal workers, particularly poorer women, to social protection, health and child care. She is based in South Africa, and holds a PhD in Development Studies from the University of KwaZulu-Natal. She is a research associate in the Department of Sociology at Rhodes University, and is the co-editor of the 2022 volume Informal Workers and Social Contracts in the Global South (Elgar).

Discussants

Ms. Shirin Gul Sadozai

Senior Associate, Development Pathways, UK

Shirin has worked on delivery reform, policy reform and payment solutions in social protection in different countries and regions. Currently, she is leading the social protection unit at the government of Kiribati supprted by a DFAT project. She has over 10 years of



experience in programme management, financial management in Governance, Environment, Education and Gender.

Mian Kashif Saeed

Director Policy and Strategy, Punjab Social Protection Authority, Government of Punjab, Lahore

Kashif Saeed is an economist having 15 years' experience of working with academia, public sector and donors/NGOs in Pakistan in the fields of social protection, monitoring and evaluation economic development, and public finance. Kashif



Saeed joined PSPA in July 2016. At PSPA, he is responsible for leading the policy, research, and monitoring and evaluation-related activities including analysis of social protection issues and challenges, drafting policies and research reports, monitoring and evaluation of social protection efforts, and suggestion of policy options to guide program design and social protection reform. He has done M. Phil in Economics from Punjab University where his thesis was on the impact of social cash transfers on poverty in Pakistan.

Moderator

Dr. Safdar Sohail

Executive Director, Social Protection Resource Centre, Islamabad

Dr. Safdar Sohail, former Special Secretary Cabinet, belongs to the 1984 batch of Commerce and Trade Service and carries a Ph. D. in Sociology from France. He established Social Protection Resource Centre in 2020. Green Industrialization Development Collective is hosted at SPRC at the SPRC Centre for Studies in



Globalization and Development. [SIGAD] Dr. Sohail was the principle author of Draft National Sustainable Strategy of Pakistan in 2009 and of Strategic Trade Policy Framework 2009-12 & 2012-2015. He has served as DG Trade Policy, Ministry of Commerce and Economic Minister to EU in Brussels. He has been Convener of CPEC Joint Working Group on Industrial Cooperation and Pakistan's lead negotiator on CPEC Long Term Plan. He volunteers his time for the joint initiative of Ministries of Health and Human Rights to make Islamabad Capital Territory a better place to live for the persons with disabilities and elderly.

Proceedings of the Session

Session – I

Interlinking Social with Economic Policymaking in a Productivist Paradigm First Key Note Speaker:

Dr. Fortunato Piergiuseppe, Economist, United Nation Conference for Trade and Development [UNCTAD]

Dr. Fortunato Piergiuseppe presented a comprehensive analysis of the current state of development policy, focusing on the dichotomy between two main components: social policy and economic (growth) policy. As an economist and political economist, he emphasized the historical division between these approaches and argued for a more integrated perspective.

The traditional separation between social and economic policies, according to Dr. Piergiuseppe, is a critical mistake. He proposed overcoming this division to recognize both agendas as interconnected. He highlighted the importance of sustained growth in elevating new technology and economic opportunities for a broad segment of the labor force. Historically, industrialization has played a significant role in reducing poverty, with China's recent experience being a notable example. However, Dr. Piergiuseppe pointed out signs indicating a shift away from this model. Global trends in innovation, particularly in manufacturing, have reduced the potential for widespread benefits, especially for low-skilled workers. He argued that the traditional growth model falls short in both equity and poverty reduction, emphasizing that higher productivity alone cannot sustain economic growth. Dr. Piergiuseppe proposed a shift towards a more comprehensive development model that prioritizes investment in human capital, including education, infrastructure, and better institutions.

In the current context, where industrialization may no longer be as effective in spreading economic benefits, Dr. Piergiuseppe suggested that a successful development model should focus on increasing the productivity of the existing workforce. He underscored the importance of targeting informal microenterprises, characterized by low productivity, to improve the living conditions of a significant part of the population. Dr. Piergiuseppe addressed the ongoing transition from neoliberalism and emphasized the uncertainty of what may replace it. He discussed the emergence of a potential new consensus around the notion of "productivism," which prioritizes disseminating

productive economic opportunities, gives a more significant role to government and civil society, and emphasizes production and investment over finance.

He argued that social and economic policies would increasingly overlap, with economic security reliant on creating more productive and better jobs for workers at the bottom of the skill distribution. Dr. Piergiuseppe's insights provided a thought-provoking perspective on the evolving landscape of development policies, urging a shift towards a more integrated and inclusive approach.

Acknowledging Mr. Zaman's contribution, Dr. Piergiuseppe praised the idea of rural transformation from the bottom up as a means to break free from economic and social traps. He echoed concerns about vested interests hindering optimal policy implementation, especially in developing countries with high levels of inequality. Dr. Piergiuseppe underlined the cyclical relationship between economic power concentration, political influence, and regulatory capture, asserting that this cycle is more pronounced in developing nations. He endorsed the importance of cultural transformation alongside institutional changes, emphasizing the role of education in altering mindsets.

Dr. Piergiuseppe supported the idea of global efforts to change perspectives, referencing the socialization hypothesis put forth by Gintis. He commended the need to tackle economic, political, and social dimensions simultaneously for a comprehensive solution. Responding to the question of international organizations' role, Dr. Piergiuseppe expressed skepticism about their effectiveness in driving internal change. He argued that change should emanate from within societies rather than being imposed externally. To address constraints imposed by local elites, he proposed shifting the focus from the national to the regional level. Dr. Piergiuseppe outlined potential benefits of regional agreements, including altered political economic dynamics, enhanced regional cooperation, and increased representation in international forums.

Discussants

Dr. Asad Zaman, Former Vice Chancellor, Pakistan Institute of Development Economics, Islamabad

Dr. Asad Zaman emphasized the need to focus on prosperity instead of mere economic growth, which he believes has been misused and co-opted. He highlighted that there are significant opportunities for progress, particularly in Pakistan, but political obstacles hinder the realization of these opportunities. The main obstacles, according to Dr. Zaman, lie in the political landscape of Pakistan, where the ruling class may not be interested in promoting social progress. He discussed a particular department handling social products and handouts, mentioning the resistance faced when proposing schemes that aim to make people self-sufficient rather than dependent on aid. Dr. Zaman presented two potential solutions to the political barriers: launching a revolution or working around the obstacles. He expressed skepticism about the feasibility of a revolution and advocated for finding alternative ways to address the challenges.

He shared his involvement with Akhuwat University, an institution associated with the Akhuwat Foundation, which provides microfinance to the poor. Dr. Amjad Sakib, the head of this organization, faces political resistance in implementing schemes that lead to self-sufficiency. The university's goal is to provide education to the poor, with a unique approach that focuses on teaching practical skills related to agriculture and rural living. The vision for Akhuwat University is distinct from other universities in Pakistan, aiming to equip students with skills that enable them to earn a livelihood from the land. Dr. Zaman criticized mainstream education for producing graduates who are dependent on capitalism and lack real-world skills. The university's approach is to empower students to become drivers of social change, engaging with and building their local communities.

Mr. Abid Raza Khan, In charge Department of Business and Economics, Punjab University, Lahore

Mr. Abid Raza Khan provided a thorough examination of the systemic challenges embedded in the design of capitalism and the market economy. He delved into the historical roots of these economic structures, citing Adam Smith's discourse during the industrial revolution. Smith's emphasis on individualism as a catalyst for economic growth, coupled with the division of labor and specialization, marked a pivotal moment. However, Mr. Khan argued that this evolution

towards individualism resulted in the gradual dismantling of communal forms of social protection. Drawing on Marxist concepts, Mr. Khan underscored the parallel between the alienation identified by Marx and the social protection challenges faced today. He particularly highlighted the difficulty in defining and valuing externalities within insurance programs, emphasizing the limitations of market-driven solutions.

Addressing the dichotomy between communal systems in the Global South and market-based structures, Mr. Khan presented two potential paths. The first involves reclaiming communal systems for social protection, acknowledging their continued existence and effectiveness in certain regions. The second path explores adapting market-based solutions to address externalities and prevent value loss, requiring innovative approaches to ensure social protection within market frameworks. Considering the impracticality of applying China's model to typical market economies, Mr. Khan stressed the need for homegrown, organic solutions tailored to a country's unique economic, educational, and developmental context. He proposed a symbiotic relationship between sociology and economics, advocating for a policy toolbox that integrates insights from both disciplines to better understand human behavior and societal structures.

In a noteworthy shift of perspective, Mr. Khan urged a focus on distribution over growth, challenging the conventional notion that social protection is an outcome of economic growth. Instead, he advocated for a paradigm where social protection becomes a prerequisite for economic growth. This perspective aligns with his call for social protection programs, especially in education and healthcare, to be recognized as fundamental rights essential for cultivating a productive and equitable society. Overall, Mr. Khan's detailed analysis provided a nuanced exploration of the complexities surrounding social protection within the broader context of economic systems and human behavior.

Mr. Abid Raza Khan provided a comprehensive response to the question of whether international organizations like the IMF, World Bank, and WTO could force local elites to implement certain policies, particularly in the context of social protection. He clarified that the mandate of the IMF is focused on short-term external balance support and not on transforming economies or societies. The economic model followed by the IMF does not align with such transformative interventions, and it's not within their scope. Similarly, the World Bank, while more development-focused, is not tasked with meddling in the social structure of societies.

Mr. Abid pointed out that even if there were external pressures, local elites in the Global South would not have an inherent reason to succumb to them unless there were organic structures and institutions in place. He emphasized that the societal structure often defines success as more accumulation, and individuals, even at the bottom of the income distribution, may believe in the possibility of upward mobility. This belief in upward mobility, combined with the capitalist ethos of accumulating wealth, provides little incentive for elites to willingly adopt changes.

Session – II

Extending Social Protection to Informal Economy Workers

Second Key Note Speaker:

Dr. Laura Alfers, Director, Social Protection Programme, Women in Informal Employment: Globalizing and Organizing [WIEGO]

Dr. Laura Alfers delivered a comprehensive presentation at the Social Protection Conference, delving into the intricate challenge of extending social protection to workers within the informal economy. She opened her conversation highlighting the staggering global prevalence of informal employment, constituting over 60% of the world's workforce. In South Asia, this issue is particularly acute, with a staggering 88% of employment falling within the informal sector, making it the second-highest region globally for informal labor. Dr. Alfers illuminated the distinction between social assistance and social insurance, shedding light on the "missing middle" – a term she used to describe individuals who, while not officially categorized as poor, are nonetheless susceptible to poverty, a vulnerability that becomes starkly evident during crises such as the COVID-19 pandemic.

The speaker emphasized the diverse nature of the informal economy, pointing to gender segmentation and legal exclusions for self-employed workers as pivotal factors requiring careful consideration in the design of effective social protection systems. To illustrate her points, Dr. Alfers drew on global examples of successful schemes. Uruguay's Monotributo, for instance, was showcased as a model where a simplified tax and social security payment system benefited self-employed workers, offering pension, sickness, maternity, paternity, and newborn care subsidy. Zambia's National Pension Scheme, with its innovative pilot program catering to various informal worker groups, further exemplified the importance of flexibility and customization in social protection initiatives. Dr. Alfers stressed the interdependence of social assistance and social insurance, advocating for a more integrated approach to address the multifaceted needs of the

informal workforce. She dissected critical issues in ongoing debates, including the relevance of social insurance and its alleged role in encouraging informality, asserting the need for a nuanced perspective considering broader economic trends.

In the latter part of her presentation, the speaker underscored the significance of global redistribution and strategies for formalization. Uruguay's Monotax system was cited as an intriguing case study, where increased formality resulted from self-employed individuals registering for both taxes and social security payments. Dr. Alfers concluded by offering invaluable insights and perspectives for policymakers and practitioners seeking to navigate the complexities of extending social protection to the vast and diverse informal workforce globally.

Discussants

Ms. Shirin Gul Sadozai, Senior Associate, Development Pathways, UK

Ms. Shirin Gul Sadozai contributed valuable insights to the discussion, focusing on the evolving nature of social protection and its crucial role beyond poverty alleviation. She emphasized the need to recognize and address the risk management element of social protection, particularly in the context of climate change challenges. Ms. Sadozai acknowledged the importance of considering lifecycle risks and highlighted that poverty alleviation should be a byproduct of effectively managing these risks.

She commended the integration of various instruments, such as savings, into social protection discussions, emphasizing the heterogeneity of informal economies globally. Drawing on her experience in Kiribati, Ms. Sadozai illustrated the unique challenges and context-specific approaches required in different regions, emphasizing the significance of resilience and risk considerations. Ms. Sadozai raised concerns about the adequacy of social protection measures, citing examples from Pakistan during the COVID-19 pandemic. She compared the Ehsaas cash transfer program's limitations in addressing income loss adequately with the potential benefits of universal basic income (UBI) experiments in Kenya, particularly highlighting the positive impact on mental health outcomes.

Addressing the issue of aging populations, Ms. Sadozai stressed the need to consider social pension options to ensure inclusivity for older individuals contributing to the economy, regardless of their formal or informal sector involvement. She underlined the importance of rethinking the social protection landscape in Pakistan, considering the limitations of existing programs like Benazir

Income Support Program (BISP) and exploring alternative benefit mixes. Ms. Sadozai concluded by emphasizing the importance of social cohesion, cultural considerations, and the social contract in shaping effective social protection systems. She challenged the perception of social protection as a handout, emphasizing its role as an entitlement within the framework of a social contract. Ms. Sadozai encouraged a broader perspective on social protection, urging stakeholders to understand its implications on societal trust and cohesion.

Mian Kashif Saeed, Director Policy and Strategy, Punjab Social Protection Authority, Government of Punjab, Lahore

Mian Kashif Saeed provided insightful perspectives on the challenges and opportunities associated with social protection for informal sector workers in Pakistan. He expressed interest in the innovative mechanisms used in India to obtain financing from those benefiting from informal workers' labor, highlighting the need to customize such approaches for the Pakistani context. With a majority of social protection in Pakistan focusing on formal sector workers, constituting only around 20% of the workforce, he stressed the importance of learning from international examples, particularly those shared by Dr. Alfers. Acknowledging the difficulty of covering the "missing middle" due to the scale of poverty and inadequacies in benefit size, Mr. Saeed proposed the idea of implementing a mechanism of differential contributions, where the state covers contributions for the bottom quantiles, while the rest contribute. However, he acknowledged the current challenges in political will for immediate inclusion but emphasized its importance as a medium-term agenda.

Mr. Saeed then outlined the evolution of social protection for informal sector workers in Pakistan, citing the COVID-19 pandemic as a catalyst for realizing the vulnerability of this group. He mentioned regulatory measures such as the Punjab Domestic Workers Act and the Punjab Home-Based Workers Act, aiming to define the rights and entitlements of informal workers. However, he recognized the challenges of poor implementation and emphasized the need for optimism regarding progress in the inclusion of informal sector workers in social protection schemes. The lack of a comprehensive database for informal workers in Pakistan was identified as a significant challenge. Mr. Saeed discussed initiatives to address this issue, such as the Punjab Job Center and the Punjab Employee Social Security Institution's (PESSI) registration app. He acknowledged the

need for in-person mechanisms and suggested community-level registration desks for better coverage.

On the topic of unemployment insurance, Mr. Saeed expressed uncertainty about when such a program could be launched in Pakistan due to unresolved issues related to contributions, verification of unemployment status, and benefit design. He also mentioned the potential role of linking cash transfers to skill development or job training programs, emphasizing the importance of an inclusive hybrid approach. Mr. Saeed highlighted the role of unconditional cash transfers, particularly for labor-constrained families, citing the Benazir Income Support Program. He also discussed efforts to economically include vulnerable populations through microfinance schemes and social protection programs aimed at sustainable livelihoods.

In conclusion, Mr. Saeed underscored the importance of promoting formality through incentives and state regulation, involving multiple government departments. He touched upon ongoing debates regarding the role of unconditional cash transfers, charity, state dependence, and community involvement, suggesting these aspects as crucial considerations for future policies and strategies in Pakistan.

Dr. Safdar Sohail, Executive Director, Social Protection Resource Centre, Islamabad

Dr. Safdar Sohail raised thought-provoking questions about the influence of international organizations such as the IMF, World Bank, and WTO on shaping social protection policies in countries like Pakistan. He questioned whether these institutions could compel national elites to ensure and implement policies that protect vulnerable segments of society. The emphasis on going beyond national constraints and engaging in a broader debate at the global level, considering the Global South as a construct, was highlighted. Dr. Sohail stressed the importance of exploring social policy through macro-level debates and dialogues, particularly looking at practices within the Global South. He expressed the intention of the Social Protection Resource Center in 2024 to dedicate efforts to this level of discourse. Learning from successful practices and initiatives within the Global South was identified as a crucial step in addressing challenges faced by provincial authorities, such as the Punjab Social Protection Authority.

Referencing Dr. Asad Zaman's talk, Dr. Sohail mentioned a recently released handbook on welfare models in different Muslim countries and suggested incorporating cultural considerations into social policy discussions. He highlighted the significance of giving equal importance to economic,

social, and cultural dimensions in crafting a balanced approach toward market-driven economic debates and post-productivism. Dr. Sohail called for an imaginative and balanced approach that doesn't let culture merely sanctify charity. He urged Pakistani participants to revisit social policy, understand global South dynamics, and engage society in shaping future imaginations. He expressed concern about the stagnation of social protection debates in Pakistan and emphasized the need for fresh perspectives to counter the increasing vulnerability in the country.

Policy Recommendations

The government should prioritize disseminating productive economic opportunities to all segments of society, especially the marginalized and vulnerable groups.

The government should emphasize production and investment over finance, as the latter has proven to be volatile and prone to crises.

The education system of the country needs to inculcate knowledge and social awareness that empower students to become drivers of social change, engaging with and building their local communities.

The social protection programs for education and healthcare need to be recognized as fundamental rights. Such programs should be homegrown, organic solutions tailored to Pakistan's context.

Our developmental models should be distribution oriented instead of being growth oriented, in order to address the root cause of poverty instead of tackling the symptoms alone.

To extend social protection to the informal economy a more integrated approach is needed encompassing both social assistance and social insurance.

For effective social protection programmes social contract, social cohesion and inclusivity need to be worked into the design of social protection programmes.

The government needs to incentivize formalizing the informal sector and produce complementary mix of contributory and non-contributory social protection programmes to provide adequate social protection.

It was also recommended that economic, social and cultural dimensions need to be incorporated in policy to economic and social policy frameworks.

Program

Zoom Meeting	December 18, 2023 at 14:00 [Online]
Alternative Development Models and their Impact on Social Protection Policies and Practices	
14:00 – 14:40	Interlinking Social with Economic Policymaking in a Productivist Paradigm
	Key Note Speaker:
	Dr. Fortunato Piergiuseppe, Economist, United Nation Conference for Trade
	and Development [UNCTAD]
	Discussants:
	Dr. Asad Zaman, Former Vice Chancellor, Pakistan Institute of Development
	Economics, Islamabad
	Mr. Abid Raza Khan, In charge Department of Business and Economics,
	Punjab University, Lahore
	Moderator
	Dr. Safdar Sohail, ED SPRC, Islamabad
14:40 – 15:20	Extending Social Protection to Informal Economy Workers
	Key Note Speaker:
	Dr. Laura Alfers, Director, Social Protection Programme, Women in Informal
	Employment: Globalizing and Organizing [WIEGO]
	Discussants:
	Ms. Shirin Gul Sadozai, Senior Associate, Development Pathways, UK
	Mian Kashif Saeed, Director Policy and Strategy, Punjab Social Protection
	Authority, Government of Punjab, Lahore
15:20 – 16:00	Question and Answer