

Journal of Peace, Development and Communication



Volume 06, Issue 04, October-December 2022
 pISSN: 2663-7898, eISSN: 2663-7901
 Article DOI: <https://doi.org/10.36968/JPDC-V06-I04-26>
 Homepage: <https://pdfpk.net/pdf/>
 Email: se.jpdc@pdfpk.net

Article:	Social Protection Programs: Review and Comparative Analysis of Pakistan and Bangladesh
Author(s):	Sadaf Nisar PhD Scholar (Split Program), Business School Leeds University, UK and School of Economics, University of the Punjab, Pakistan
	Mumtaz Anwar Chaudhry Head School of Economics, University of the Punjab, Pakistan
	Asma Awan Assistant Professor School of Economics, University of the Punjab, Pakistan
Published:	24 th December 2022
Publisher Information:	Journal of Peace, Development and Communication (JPDC)
To Cite this Article:	Nisar, S., Chaudhry, M. A., & Awan, A. (2022). Social Protection Programs: Review and Comparative Analysis of Pakistan and Bangladesh. <i>Journal of Peace, Development and Communication</i> , 06(04), 380–400. https://doi.org/10.36968/JPDC-V06-I04-26
Author(s) Note:	Sadaf Nisar PhD Scholar (Split Program) at Business School Leeds University, UK and School of Economics, University of the Punjab, Pakistan Email: bnsn@leeds.ac.uk
	Mumtaz Anwar Chaudhry is serving as a Head School of Economics at University of the Punjab, Pakistan Email: mumtaz.anwar@pu.edu.pk
	Asma Awan is serving as an Assistant Professor School of Economics at University of the Punjab, Pakistan Email: asma.eco@pu.edu.pk

ABSTRACT

Social protection programs are the crucial piece of pie for less developing countries because of their higher rate of poverty, inequality and vulnerability among the population and financial crises at the state level. This paper provides the review of social protection programs and their comparison between Pakistan and Bangladesh. It identifies that Pakistan has almost seventy social protection schemes while Bangladesh has more than one hundred and four. Bangladesh has made tremendous progress towards the reduction of poverty which declined significantly from seventy one percent (1974) to 18.6% (2022) by using social protection programs. While Pakistan is at rapid increase of poverty which remained 39.7% in 2022. This study uses the indexes of social protection programs and their channels and presents the graphical view for comparison. Graphical representation provides the clear evidence of sharp rise in the expenditures of social protection programs in Bangladesh as compared to Pakistan during 1984-2020. Bangladesh administrative structure and homogenous cultural society plays a significant role for the successful implementation of welfare plans. However, Prominent reasons of Pakistan for being lagged behind are lack of planning for its social sector development, structural transformation and human development.

Keywords: Social Protection, Growth, Poverty, Pakistan, Bangladesh, JEL,
CLASSIFICATION: H53, O47, I32, F41, O18

1 Introduction

The idea of social protection at first was emerged between first and second world war when social welfare programs were launched extensively (ILO, 1952). During 1918's and 1920's national accident program and income compensation programs were firstly introduced for the military soldiers in Switzerland. Lately, it was stretched to old age benefit schemes, survival insurance and disability insurance programs (Merrien, 2013). In developing countries these schemes were aimed to protect the population from social risks (ILO, 1952). The post war period until 1990's was the expanding phase of benefits and provision of social protection (World Bank, 2001). Initially social protection schemes were for the contributory sector but it failed to incorporate the general population for being considered expensive for the non-contributory sector and source of "Cultural Poverty" (World Bank, 2001). World Bank rejected the social welfare schemes during 1980's because it found them harmful for the economy and were based on social unjust (World Bank, 2001). However, negative impacts of poverty on growth were highlighted during the economic adjustment programs and Asian economic crises (1997). Thus, Social protection became a powerful instrument for the MDG's and SDG's (Jenson, 2009) and World Bank also promoted social protection schemes as a key component for social risk management and reduction of global poverty (Merrien, 2013).

In most of the South Asian countries social assistance and social security captures the dualistic structure (Kabeer et al., 2006). These systems are influenced largely by the trade unions and the ILO and provides benefit to the minority of workers working in public and large-scale ventures (Khatun & Saadat, 2020). However, the socially handicapped and destitute are provided with the social assistance in most part of these countries in order to deal with the poverty, inequality and vulnerability (Kabeer et al., 2006). Since 1971, after its liberalization Bangladesh was extremely poor country having vulnerable population with high density (World Bank, 2016). It was an agricultural land having frequently appeared natural disasters. Hence, poverty alleviation along with the growth was the most crucial challenge for it (Begum et al., 2021). The early antiquity of welfare scheme in Bangladesh is ruled by only the food works programs during crises. With the restoration of democracy in 1990's wide range of social protection programs dealing with the life vulnerabilities were launched. These programs were devoted for education, health, poverty alleviation and social welfare which represented the government commitment towards social upfront.

In comparison to the Bangladesh the basic principles of social justice are enshrined in the Constitution of Pakistan but unfortunately during its first 20 years of existence social protection schemes were not prioritized (Gazdar, 2011). Pension scheme was the only social protection

program for public workers during 1950's to late sixties (Syeda, 2015). Zakat and Bait-ul-Maal was introduced in eighties. Social insurance remained the dominated channel in social protection schemes in Pakistan. In which health facilities are being provided to the selected groups, formal sector employees and army personnel (Kabeer et al., 2006). Pakistan has extended history of public works programs however it failed to create the infrastructure and provide the safety nets to the poor (Syeda, 2015). Various cash transfer programs for instance, Guzara Allowance, Benazir Income Support Program, Watan Card, Khushal Pakistan and Ehsaas Programs were also launched to increase the number of beneficiaries benefited from public welfare programs (Ahmed & Hoddinott, 2019). ADB (2020) reported that social protection expenditures during 2017-18 remained lowest in Pakistan while Bangladesh had the second highest in South Asia. This study highlights and compares the social protection schemes and programs in Pakistan and Bangladesh based on the historical facts.

2 Review of Social Protection Programs in Pakistan

Pakistan is the country where almost one third of its population live at or below poverty line. Most of the population is unskilled and works in the informal sector. They are having scarce employment opportunities and the real earnings have also declined particularly in the past decade. Moreover, the poor population lacked in all of the basic human, physical and productive assets and limited or no access to the social services. Pakistan's human development indicators are also not very encouraging (UNDP, 2019).

In the first twenty years of its existence state of Pakistan did not prioritize the social protection schemes/programs. Only food rationing scheme was practicing during the early years of independence (World Bank, 2001). In the era of 1950 initiative was taken for establishing the pension fund for contributory sector. During 1960's when economic growth was hitting the economy inequality demand for the social security fund was established. It led to the generation and implementation of few of social insurance schemes i.e., Employee Social Security Scheme (1967) and Group Insurance of the Public Sector Workers (1969).

A strong dose of Quasi Socialist Populism can be observed in Pakistan during 1970. Social insurance schemes were strongly inferred in the formal economy under this scheme. It primarily, was the contributory scheme with minimum fiscal burden and only targeted the employees and workers from the public sector by redistributing the profits for welfare (Gazdar, 2011). The era of eighties and nineties was the paradigm shift in Pakistan as the fiscal focus shifted from social insurance to assistance (Awan et al., 2022). Centralized zakat system and Pakistan Bait-ul-Mal (PBM) were firstly introduced for those citizens who were vulnerable and eligible for the social assistance. These initiatives have limited coverage and failed to deliver

the formal social protection policy intervention for the growth (World Bank, 2002). The early years of 20th century were concentrated of formal social protection policies, programs and reforms in Pakistan financed by the fiscal revenues (Merrien, 2013).

In 2008, when the political regime changed from autocracy to democracy, new government came with the agenda of new and improved social protection policy. Cash transfer programs were launched while targeting poor households, women, children and vulnerable groups by providing them cash support and in-kind services. In 2008 11 billion PKR (183 million USD) were kept for the social protection programs which has increased to approximately 260 billion PKR in 2022 (PBS, 2022). The implementation of the social protection programs comes under the jurisdiction of different federal, provisional and autonomous bodies. These programs are infant, full of flaws, downsides and deficiencies (Syeda, 2015). Most of the social safety net programs e.g., Zakat and BaitulMal, Youth development loan programs and Microfinance schemes don't have lustrous and reliable method of targeting the deserving public and it mostly excludes the women workers. World Bank (2019), reported that 37% beneficiaries who were receiving the rehabilitation grants were not poor. Following table sums up the social protection frame work in Pakistan.

Table 1: Social Protection: Objectives and application in Pakistan

Instruments	Objective	Instruments in Pakistan
Social Assistance	Protecting individuals from vulnerability	i. Conditional or unconditional cash transfers ii. Price and other subsidies at utility stores iii. Public work programs
Social Insurance	Developing tools to prevent the employed workers from poverty by promoting decent work conditions	iv. Social, unemployment, health, marriage, disaster insurance and funeral assistance v. Minimum wage fixation. vi. Elimination of forced vii. Child labor viii. Implementation of labor laws.
Human Capital Development and Child Protection Measures	Preventing shocks ¹ from destroying human capital	i. Fee waivers and exemptions ii. School feeding programs iii. Child support grants and their nutrition iv. Micro nutrition supplementation program.
Labor Market Programs	Income, consumption and employment smoothening by protecting them against the shocks	i. Microfinance ii. Micro Credit iii. Savings and insurance iv. Promoting vocational trainings.

Extracted from ILO (2015)

¹ Maintaining ratio of out of school children, their health, food and shelter needs

Above table shows the four major social protection programs currently active in Pakistan along with their instruments and objectives. Few of programs and policies are discussed as under.

i. Zakat in Pakistan

Zakat is a religious obligation which is compulsory to pay for all the affluent Muslims. However, in Pakistan it is not a compulsory payment as compared to the tax for government revenues (Gazdar, 2011). Federal and provincial ministries allocated the Zakat funds among the district Zakat committees for disbursement. During FY 1981 Zakat was amounted 0.31% of GDP which declined to 0.21% during FY 1990 and further decreased to 0.14% by 20th century (World Bank, 2019). During 2016-18 average annual Zakat collection has declined by further four billion PKR. Zakat funds cover the permanent rehabilitation, education stipends, funding for health care and marriage grants. It is an unconditional cash transfer program named as Guzara allowance in Pakistan. Monthly stipend of PKR 500 is distributed approximately 800000 households to improve their fiscal sustainability (PES, 2018). However, its coverage is very limited and the amount of monthly stipend given to the beneficiaries is such a less amount to fulfil the basic needs for a whole month.

ii. Pakistan Baitul-Maal (PBM)

This scheme was initiated to reduce the vulnerability by protecting handicapped, widows and orphans. It targets 20 million deserving by disbursing PKR 10-billion among them (PES, 2018). It includes food support, individual financial assistance, rehab centers, institutes of vocational training and Tawana Pakistan scheme. It is an autonomous body which is significantly contributing towards poverty alleviation and lowering down the vulnerability. The main objective of the Pakistan Baitul-Maal is to cater that part of public which either are not eligible for Zakat and to provide social protection to the marginalized segment of the society.

iii. Utility Stores

Utility store cooperation in Pakistan was formed in 1971 by undertaking its twenty retail stores to provide the food and non-food items to public at subsidized price charge. It provides fresh hygienically fit and untainted genuine items to the public particularly to the poorer sections of the society at subsidized rates (Kabeer et al., 2006). It is also committed to provide financial relief to the public by playing its role as a price arbitrator. It restricts the consumer exploitation, hoarding and black-marketing. There are more than 2000 commodities sold at USC outlets (Food and non-food items).

iv. Employees Old Age Benefit Institution (EOBI)

EOBI in Pakistan was established in 1976 and it provides the financial and monetary benefit to the old age workers after retirement through different schemes such as old age survivor pension and old age grants as well. EOBI provides monthly pension stipend ranges between 6500 PKR to 13,356 PKR. If an insured employee retires before the declared age of retirement (<60 years) they are benefited with the reduced amount of pension. The financial benefits provided by the EOBI are though lesser fancy but are enough to maintain the sustainability to survive above the national poverty line in Pakistan. These benefits are significantly an effective tool for the poverty alleviation. According to EOBI Karachi approximately PKR 23296.27 million has been disbursed among 401,940 beneficiaries during 2018-19 (PBS, 2020).

v. Worker's Welfare Fund (WWF)

WWF was established in 1971 and its domain is to provide financial and physical assistance in housing, health, education to the industrial workers, scholarships, death and marriage grant. It finances different projects in Pakistan such construction of houses and development of plot. It establishes hospitals and dispensaries. It also generates educational environment by constructing schools, colleges technical institutes and industrial homes. It provides the death grant as compensation i.e., up to PKR 500,000 to the legal heir of the deceased soul and PKR 100,000 as marriage grant to the daughters of the insured workers (PBS, 2021).

vi. Cash Transfer Programs

Cash transfer programs either regular or occasional provide the immediate cash assistance to those who are into poverty or at risk of falling into the poverty. In Pakistan first formal cash transfer program is Benazir income support program which started in 2009 and significantly contributed as a remedy of poverty. This program has opened a new dimension for govt of Pakistan to target the poverty groups directly. Ehsaas and kafalat program², shelter homes, scholarships under youth development programs, food related and other subsidy programs are the further extension of cash transfer programs under which 171.88 billion PKR has been distributed among the 9.1 million beneficiaries in Pakistan during 2021. While, state is aimed to disburse 364.078 billion PKR during FY 2022.

vii. Public Work Programs

To achieve the sustainable development goals, public sector development plays a significant role. It is originated from pre-partition days and after independence this department has

² This program is the umbrella of multiple conditional unconditional cash transfer programs. It includes direct cash transfers, interest free loans, scholarships to the students, koi bhooka na soye program, panagah and women empowerment programs etc.

achieved the milestones of rehabilitation of refugees, establishment of offices/residences, construction of roads bridges and air ports. The objective of public work programs in Pakistan is to generate intervention in order to utilize the unskilled labor through projects³. Public work programs in Pakistan are divided into five departments⁴ and 550 billion PKR are allocated for public works in the current budget 2022. A sharp budget cut⁵ is observed which is an outcome of economic crises through which Pakistan is passing nowadays.

viii. Micro Finance Schemes

Micro finance schemes provide the financial services in the form of credit, savings and insurance to the low-income groups. Agricultural and development banks in Pakistan were given the target to provide the loans and subsidies to the under developed industrial and agricultural sector in 1960 however their efforts failed⁶ significantly to achieve the goals towards poverty reduction (Zaidi et al., 2007). Non-government organizations and rural support programs have been providing the micro finance in the country since 1980's but the scope and coverage of these programs remained limited. At present, there are six micro finance banks and fourteen micro financial institutions (MFIs) are working and operating at vast level. Despite the fact that MFIs are functioning at various level, their penetration is still very low i.e., only four percent of the total potential of the market (Majid, 2020). To increase the coverage more facilitation centers and MFIs branches are updated to attract the borrowers and maximum loan size is being offered to them. The personal income criteria have also revised i.e., those who are earning Rs 12,500 are eligible for the loan up to PKR 150 thousand. Under these efforts performance of micro finance sector has started gaining the momentum (Mohammad & Adnan, 2022).

ix. Vocational Trainings in Pakistan

The technical and vocational educational training (TVET) initiates the courses which create technical knowledge and skill to the work force who can start their careers right after the completion of their studies. TVET is the main body in Pakistan which has a complex system. There are only 3760 institutes in Pakistan (including public and private both), having a combine enrolment capacity i.e., approximately 0.187 million students. Pakistan has 3.8 million unemployed people in its work force with 1.8 million being added to the pool every year (Huma et al., 2022).

³ These projects contain construction of canals, dams, roads and plantation. Such projects not only enhance the income by generating employment but also provide infrastructure which is helpful for economic growth.

⁴ Naya Pakistan Housing and Development Authority, Securities and Exchange Commission, Capital Development Authority, National Highway Authority and Federal Government Employees Authority.

⁵ 900 billion PKR were allocated in budget 2021.

⁶ See (Zaidi et al., 2007) for the reasons of failures.

Most of the TVET in Pakistan are located in urban areas and it becomes difficult to acquire the skill for the people of far-flung areas. Due to the financial constraints of these institutes their supply to the manufacturer sector is substantially low in Pakistan. Hamdard jawan program, Digi-skill initiative, smart tech labs, distance learning, business incubation center to promote self-employments, encouragement of female participation and implementation of apprenticeship laws are the recently developed key features of TVET in Pakistan (Saeed et al., 2022).

3 Review of Social Protection Programs in Bangladesh

Bangladesh signifies remarkable progress on human development. It has been growing at 5% growth year since last fifteen years. It has achieved one percent decline in poverty each year and also the universal primary education, gender parity at secondary education and lower child mortality rates at higher level as compared to the other South Asian countries. Social safety net programs have institutional diversity in Bangladesh. These programs are widely credited for providing the population access to food and to improve their livelihoods. Initially, social protection schemes were introduced as emergency however these schemes were distended to food aid and public works in response to the fluctuations in labor markets (World Bank, 2016). The formal social protection programs are consisted of social insurance, social assistance and labor market programs having approximately 145 schemes to provide the conditional, unconditional cash transfers and in-kind benefits for the general public of the Bangladesh (Khatun & Saadat, 2020).

Bangladesh has successfully made an outstanding progress to reduce the poverty and extreme hunger over the past two decades through social protection programs. The poverty in Bangladesh has declined from 48.9% in 2000 to 20.5% in 2020 (Bangladesh Bureau of Statistics, 2020). Between 1998 and 2018 beneficiaries in Bangladesh increased from half million to 4.1 million out of which 1.6 million are women. 2.6 are the elderly ones. Evidences show that these programs are successfully targeting the poor population but still have limited coverage (Khatun & Saadat, 2020). There are 145 social safety net programs having the budget of 308 billion takas (2.6% of GDP) in Bangladesh to cushion the vulnerability among the population. These social protection programs are the mix of cash transfers and in-kind services (Ahmed, 2013). Consistent increase in human capital investment is also witnessed by the Bangladesh through various social protection programs. It is predicted that with this pace of development Bangladesh is going to be added into the list of middle-income countries by 2030 (Cho, 2016).

The conceptual framework of social protection programs in Bangladesh is summed up in the following table

Table 2: Social Protection: Objectives and Application in Bangladesh

Instruments	Objective	Instruments in Bangladesh
Social Assistance	Improve Equity	i. Poverty targeted unconditional cash transfer ii. Utility and housing subsidies iii. Non-contributory pensions iv. Old age allowances v. Disability allowances and social care etc.
Social Insurance	Improve Resilience	i. Pensions ii. Benevolent fund health insurance iii. Unemployment insurance iv. Child education etc.
Labor Market Programs	Human Capital Development	i. Skill development ii. Wage subsidies iii. Social funds iv. Job search assistance v. Micro finance.

Extracted from World Bank (2016)

Above table explains the objectives of social protection and instruments to obtain these objectives. Few of these instruments are explained in detail below.

i. Old Age Allowance

The old age allowance program is an unconditional cash transfer program in Bangladesh. Under this monthly 300 BDT (less than USD 4) are provided to the older population to protect them from vulnerability, food and income insecurity (BBE, 2020). This program is financed by public revenues and able to improve their health and general well-being. The number of beneficiaries of this program are increased more than six times, and its share of gross domestic product (GDP) has increased from 0.02 per cent to 0.13 per cent between 1998 and 2018. Critiques suggest that monthly stipend should increase up to 600 BDT to improve the coverage and effectiveness of this program. Yet, it sets an example for the less developing countries that even a less pension allowance has a significant impact on the lives of older people and their families (Begum & Wesumperuma, 2013).

ii. Honorarium for Insolvent Disabled

Unconditional cash transfers are also offered to the poor people including widow, financially and physically insolvents (Haider & Mahamud, 2017). According to the welfare and protection act 2013 permanent resident with minimum age of 6 and having less than 36000 BDT annual income or affected by any of disability are eligible for the insolvent fighter and disability allowance. There are more than 2 million beneficiaries who are getting monthly 700 BDT (USD 8.5) (BBS, 2019). This program promotes social development, ensures the

inclusion of insolvents under social protection. The identification of insolvents is challenging as it is based on the personal assessment of the representatives and it sometimes eliminate the most vulnerable ones and children under six years. The positive and significant side of this scheme is that it also provides the improved access of insolvents to the labor market including vocational training, jobs and finance to the small business (Haider & Mahamud, 2017).

iii. Stipend to Primary School and School Feeding Programs

These are the conditional cash transfer programs and offer the stipend for primary school students. These transfers are available for the students who belong to the family of widower, single mothers, day laborer, autistic students and vulnerable families of ethnic groups (Ahmed et al., 2019). These school feeding programs provide support to the deprived students for their nutritional and educational needs to break the poverty traps (Ferre & Sharif, 2014). Stipend of BDT 100 (USD 1.30) is provided to each student and BDT 125 (USD 1.60) for each additional student of the same family (BBS, 2021). Primary enrolment in Bangladesh has increased to 98% in 2015 from 80% in 2000 (World Bank, 2016). Budget allocation for the school feeding and stipend programs is 3.9 billion takas and it targets 62,087 schools. The primary school literacy rate in Bangladesh has increased from 16.8% in 1971 to 78% in 2021 (BBS, 2021).

iv. Vulnerable Group Feeding

To minimize the adverse outcomes of natural disasters like floods or cyclone there are substantial assistance programs under ministry of Bangladesh. It provides the food security who are raped, injured, homeless, highly vulnerable and at the risk of hunger and malnutrition (Mannan & Ahmed, 2012). It not only provides the food security to the poor but also support the socioeconomic development of the extreme. There are 9.9 million beneficiaries who are transferred by the 10-30 kg wheat/rice monthly (BBS, 2020). It is a relevant emergency program in response to the natural disaster but at the same time an expensive one. Therefore, it is losing its scope and having limited coverage in Bangladesh (Chowdhury et al., 2021).

v. Pensions for Government Retirees

This scheme is from one of the social insurance programs in Bangladesh. It contains the largest share of the budget-2020 for contributory payments i.e., 116 billion BDT and 31% of total social protection budget (BBS, 2020). When a government employee gets retire, he receives a monthly stipend for his social needs during the period of rest of his all life. Civil servants are entitled with the compensation, disability, superannuation, retirement and family pension.

vi. Stipend for Insolvent Freedom Fighters

Ministry of liberation war affairs provide monthly 3000 BDT honorarium to the insolvent freedom fighters. There are approximately 300 thousand beneficiaries and budget of 13.5 million takas is spent on it annually in Bangladesh (BBS, 2021). The process for the eligibility of this allowance is totally political and also has very limited coverage.

vii. Test Relief (TR)

It mainly provides the basic infrastructure for food assistance, rural education and public welfare. It helps to reduce the poverty and generate the employment at small scale. Budget allocation for this vary every year because it depends on the population size and poverty in Bangladesh. Contractors have been hired and small projects are implemented by the government. They often sell food-grains, have small level primary schools and sometimes have the contract of road construction in small towns. Laborers are hired by them and government provide the wage subsidy.

viii. Employment Generation Programs (EGP)

This scheme provides and fills the gap of seasonal unemployment by providing the short-term loans and employment during the lean periods i.e., October to December and March to April. It also bridges global food and fuel crises. Beneficiaries of EGP work for the cycle of 40 days and earns 200 takas for each day. To improve the efficiency and equity of this program pro-poor targeting and female participation is rigorously done by the government. The eligibility criteria for this scheme are that the candidate must not hold the possession of 0.5-acre land and head of the family must be a day laborer.

ix. Micro Finance

Micro finance schemes in Bangladesh are dynamically undertaking the needs of poor. It has been experiencing the expansion in micro finance sector since 1990. Micro finance delivers the financial products such as easy loans, savings and insurance which helps to decrease the poverty significantly (Haider & Mahamud, 2017). It also promotes long term loans and easy access to finance for the productive activities, investments and educational activities of the students (Khatun & Saadat, 2020). There are more than 580 micro finance institutions in Bangladesh with almost 45 million active members and 18 million active borrowers. These members are eight times greater in 2020 as compared to 1990 (World Bank, 2021).

x. Labor Market Programs

There are small number of programs which promotes the productive market opportunities in Bangladesh. Poverty Assessment 2013 and Systemic Country Diagnostic 2015 highlights importance of job market to reduce the poverty and vulnerability. The existing schemes of labor market programs in Bangladesh are at the pilot stage. To protect the poor from deprivation and

social inclusion country has widely generated the safety net programs at larger scale. Therefore effective labor market programs for better opportunities and earnings have received relatively less attention. Bangladesh has made remarkable progress to inaugurate and implement welfare schemes by allocating 2.6% of its GDP (BBS, 2021). These programs are significantly contributing to achieve the SDGs, reducing poverty, inequality and vulnerability in the country.

There are multi-dimensional social protection programs and hundreds of schemes under them are running in Pakistan and Bangladesh. Each program has its significant distinction to achieve the sustainable development in both countries. The next section of the study generates a comparative analysis of these programs and their significance in Pakistan and Bangladesh.

4 Comparative Analysis of Social Protection Schemes in Pakistan and Bangladesh

In developing countries like Pakistan and Bangladesh social insurance and public works programs are given greater emphasis while social assistance is considered as a residual. Bangladesh having 165 million people bordering with India has undergone a rapid economic and social transformation. The steady economic growth during the last decade is mainly the outcome of investment in human capital⁷ (ADB, 2020). Whereas, Pakistan a country of 235.88 million people is suffering with the structural weakness escorted with low productivity, inflation and minor attention to the human capital. When the economy of Bangladesh is compared with the Pakistan it is relatively a young country with the median age of 27.6 years. In Comparison to Pakistan its urbanization is at rapid rate, supply chains are integrating at global level and it aspires to join the ranks of middle-income countries over the next decade (Alam, 2020).

Pakistan has an inordinately high level of growing poverty, vulnerability and social inequality paired with negligible social safety measures since its independence. Poverty, Inequality and a slower growth rate is a dominant feature of Pakistan. Government of Pakistan has targeted seventeen pro-poor sectors and expenditures on social safety nets which were increased from 7.4 percent of total government spending to 15 percent during the last decade (Awan et al., 2022). According to the report of World Bank (2019) Pakistan's welfare policies are facing many challenges, few of them are as follows:

- i. Social protection programs are often fragmented and duplicative.
- ii. Safety net programs contain limited coverage i.e., they only cover 3 percent of the population while poverty is 25 percent at national poverty line.

⁷ Investment in the safety net programs such as school education, primary health care and empowering them against the social exclusion.

- iii. Programs are poorly targeted and their implementation capacity is very low for instance, Zakat PBM, BISP and Ehsaas kafalat program do not have any translucent and reliable method to target the poor.
- iv. To target the multi-sectoral social protection agenda, institutional arrangements are quite insufficient.

Bangladesh a separated part of Pakistan has a broader narrative towards its poverty and inequality reduction. After its independence (1971) it had been known as one of the poorest countries at the globe. With the pace of time this picture has changed significantly (Sifat, 2021). The present social net programs in the country embarked the vast experience of the government for poverty reduction for instance seventy-one percent poverty during 1974 reduced to 18.6% in 2022 under the national strategic programs. Rapid economic growth in Bangladesh is an outcome of these action plans however, their effectiveness is considerably lower than the potential level. Although Bangladesh has achieved a land mark of significant reduction in poverty and consistent increase in economic growth among the poorest countries however, policy frame work has few of following challenges (Khatun & Saadat, 2020).

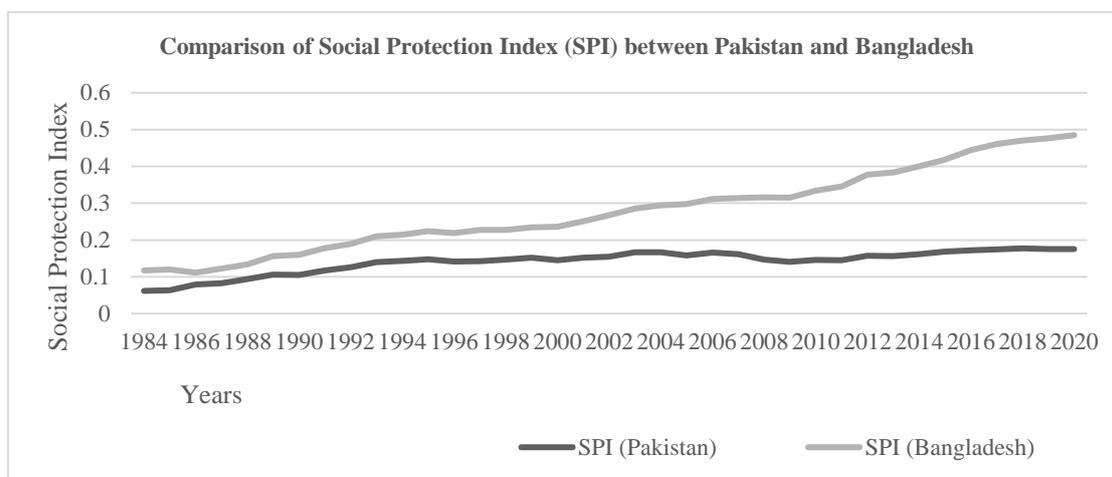
- i. The national policy to design safety nets only targets poverty and food related issues, it needs to shift towards the new emerging issues e.g., orientation of structural changes, mitigating ex-ante risks, rapid urbanization and globalization.
- ii. Food transfer programs to be replaced by cash transfer programs which are relatively cheaper and easy to implement.
- iii. Objective targeting criteria is not efficient in the country and often mix with the community verification.
- iv. Mostly safety programs target the rural poverty and urban poverty gets ignored.

In comparison of Pakistan with Bangladesh, later has 145 schemes and programs under national social safety nets while Pakistan has less than 70 schemes of social protection with the greater population to cater. In 2022, budget allocation for social protection in Pakistan is 0.5% of its GDP while Bangladesh has allocated 2.6% of its GDP. Bangladesh has significantly lowered its population growth rate (1.0%) and poverty reduced from 71% (1974) to 18.6% (2022) while in Pakistan population growth rate is doubled of Bangladesh and poverty is also at rapid pace of rise i.e., 39.7% (2022). The problems associated with the success of social protection programs in Pakistan are governance, institutional, coverage, low budget, poor targeting and lack of synchronization while Bangladesh is out of these loops. They have achieved the success of policy implementation through diversification and structural

transformation of the programs. The next section of the study compares the budget expenditures of Pakistan and Bangladesh for the sample of 1984-2020.

Social protection programs in both countries are divided into the three categories⁸ and have multiple programs and schemes under them. This study has taken the data of these programs and generated indexes⁹ of each category along with the overall index. These indexes are summarized in the following graphs in order to have a quick look of budgetary expenditures of social protection programs in both countries.

Fig 1: Comparison of Expenditures on Social Protection Programs Between Pakistan and Bangladesh



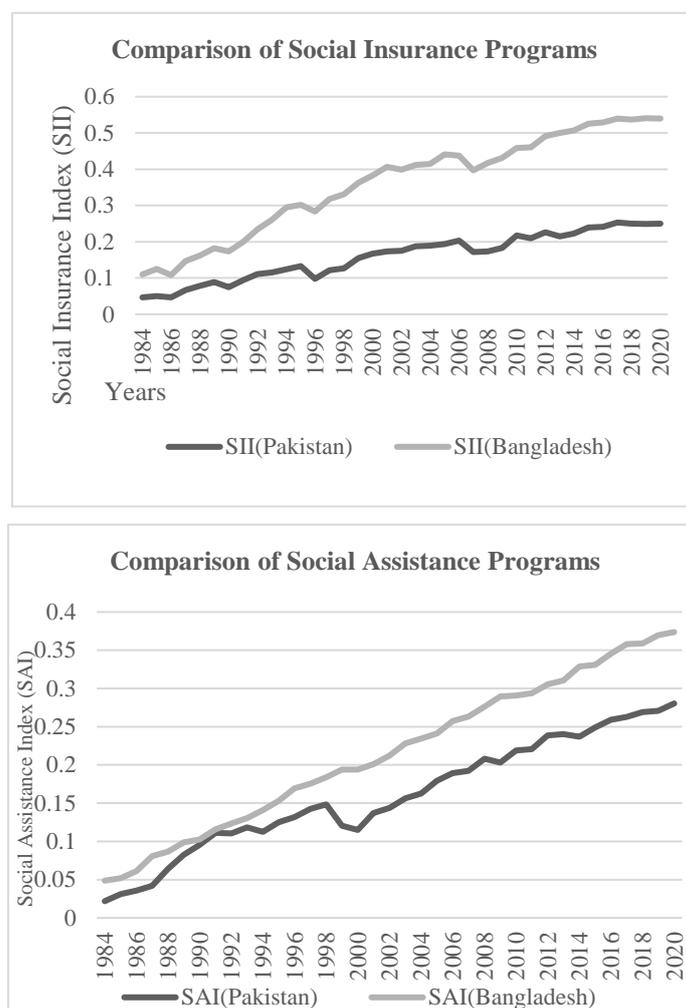
Source: Based on Author's Calculations

Expenditures on the social protection schemes are taken in million rupees for Pakistan and million takas for Bangladesh and index is constructed by using Entropy Weight Method (EWM) and robustness of the index is also checked through the Principal Component Analysis (PCA). Index of expenditures in Pakistan is significantly increasing with a decreasing slope. Budget allocation for social protection always remained a challenge in Pakistan. There is no conspicuous change in budget of SPP in Pakistan since 1980's to 2020. When it comes to Bangladesh, it anticipates a significant, consistent and stable increase in the SPP expenditures. Its attention on mandatory reduction in poverty, vulnerability, population growth and social exclusion is considerable visible in the slope of social protection expenditures curve. For the further comparison on the expenditures between both the countries social protection is segregated into three channels and illustrated into the following graphs separately.

⁸ social assistance, insurance and labor market programs.

⁹ Study only presents the graphs of the generated indexes for comparison.

Fig 2: Comparison of Expenditures on Social Insurance and Social Assistance between Pakistan and Bangladesh



Source: Based on Author's Calculations

The debate on social safety net programs emerged into the developing countries like Pakistan and Bangladesh as the response to structural adjustments programs during 1980's. State considers the social assistance as residual because it increases the fiscal burden in developing countries like Pakistan and Bangladesh. Initially, the social insurance index in both the countries contain higher value when compared with social assistance. Above graph mentions that investment in social insurance in Pakistan (having larger size and growth of population) is significantly lower from the Bangladesh. While, at the social assistance side expenditures are equally competing Bangladesh. After 2000 Pakistan has initiated cash transfer programs to target the non-contributory sector in order to reduce poverty, vulnerability, investment in human capital and construction of human, economic and social infrastructure. According to HIES (2012) and World Bank report (2016) public transfer programs of Zakat and PBM remained minimal to target the social objectives and social assistance schemes have

approached the beneficiaries up to 75 percent from the lowest quantile of income in Pakistan. The Comprehensive formation of national social security strategy (NSSS) shows Bangladesh's commitment for the social welfare plans. It promotes life cycle based social protection to handle the social risks. Its budgetary allocations have also increased gradually in absolute terms as well as share of GDP (Hassan, 2017). Government has increased coverage and rate of allowance of different cash transfer schemes. Welfare schemes in Bangladesh are not only targeting the poverty but also for equitable social development, social justice and exclusion. On the basis of its significant development programs, it stands at second number in the Asian countries for the gender equality (Ministry of Social welfare Bangladesh, 2021). The next section of graph is an illustration of expenditures on labor market programs (LMP) in both countries.

Fig 3: Comparison of Expenditures on Labor Market Programs Between Pakistan and Bangladesh



Source: Based on Author's Calculations

There was a time when Bangladesh was lagged behind country in terms of quality of life, adult literacy, labor force participation, investment in human capital in terms of vocational training and have significant lesser micro finance schemes. The level of savings in Bangladesh has increased 8% (1980) to 36% (2020) while savings in Pakistan (1980-2020) fell from 25% to 21%. Facts are almost similar at the investment side too. A declining slope of expenditures in labor market programs of Pakistan can be significantly observed between 1984 to 2020 in the above figure which shows that Pakistan remained inconsistent and its expenditures are objective in nature. When it comes to Bangladesh, its national strategic plans show significant and stable rise in the expenditures of labor market programs.

Conclusion

Theoretical and graphical evidence is reasonably clear that Bangladesh has congregated ahead of Pakistan in last 40 years. Bangladesh was a much backward country having natural

disasters, cyclones, civil wars, inter-wing disparity and systemic institutional and policy biases in first five years of its independence. People in Bangladesh were more vulnerable as compared to Pakistan but there has been much divergence between Pakistan and Bangladesh since last two decades. Pakistan is the second last worst country for its gender equity at global index while Bangladesh is at 71st rank out of 156 countries. Bangladesh is ranked 32 percent more of Pakistan for its capital formation, adults employment and labore force. Bangladesh administrative structure, institutional coherence and homogenous cultural society played a significant role for the implementation of national action plans, welfare plans, national security and safety net programs. Prominent reasons of Pakistan for being lagged behind are may be of its week institutions, governance, lack of planning for its social sector development, structural transformation, population size, human development, labor force, agricultural, industrial and services sector reforms.

References

- Ahmed, A., Hoddinott, J., & Roy, S. (2019). Food transfers, cash transfers, behavior change communication and child nutrition: Evidence from Bangladesh. *Intl Food Policy Res Inst*, (Vol. 1868).
- Asian Development Bank, ADB. (2020). The social protection strategy. *Manila, ADB*.
- Sifat, R. I. (2021). Social safety net (SSN) programs in Bangladesh: Issues and challenges. *Journal of Social Service Research*, 47(4), 455-457.
- Ahmed, I. (2013). Social safety nets in Bangladesh. *Institute of South Asian Studies, National University of Singapore*.
- Alam, Q. (2020). Conclusion: The macroeconomic picture of economic growth and relevant initiatives in Bangladesh. *In The Economic Development of Bangladesh in the Asian Century (pp. 240-249)*.
- Awan, M. S., Sánchez-Juárez, I., & Waqas, M. (2022). Social protection expenditures, poverty, inequality, and economic growth in Pakistan. *Paradigma Económico. Revista de Economía Regional Sectorial*, 14(1), 57-75.
- Begum, I. A., Talukder, R. K., Kazal, M. M. H., & Alam, M. J. (2021). Landscape of enhanced access to social protection, safety nets and increased resilience in Bangladesh. *Agricultural Economics*, 31.
- Begum, S., & Wesumperuma, D. (2013). The old-age allowance program in Bangladesh: Challenges and lessons. *International Policy Centre for Inclusive Growth (IPC-IG)*.
- Cho, Y. (2016). Bangladesh social protection and labor review: towards smart social protection and jobs for the poor. *The World Bank (No. 108548, pp. 1-117)*.
- Chowdhury, S., Bin Khaled, M. N., Raghunathan, K., & Rashid, S. (2021). Public food transfers during a pandemic: Insights from Bangladesh. *Intl Food Policy Res Inst*.
- Ferré, C., & Sharif, I. (2014). Can conditional cash transfers improve education and nutrition outcomes for poor children in Bangladesh? Evidence from a pilot project. *World Bank Policy Research Working Paper*, (7077).
- Gazdar, H. (2011). Social protection in Pakistan: In the midst of a paradigm shift?. *Economic and Political Weekly*, 59-66.
- Hasan, M. K. (2017). ABCD of social protection in Bangladesh. *Cabinet Division and General Economics Division, Government of Bangladesh: Dhaka, Bangladesh*.
- Haider, M. Z., & Mahamud, A. (2017). Beneficiary selection and allowance utilization of social safety net programme in Bangladesh. *Journal of Human Rights and Social Work*, 2(1), 45-51.

- ILO (International Labour Organization) (1952) *C102 – Convention (No. 102) Social Security (Minimum Standards) (Geneva: ILO)*.
- Jenson, J. (2009). Lost in translation: The social investment perspective and gender equality. *Social Politics, 16(4)*, 446-483.
- Khatun, F., & Saadat, S. Y. (2020). Role of social protection in ensuring inclusive growth in Bangladesh. In quest for inclusive growth in Bangladesh. *Springer, Singapore (pp. 213-246)*.
- Kabeer, N., Sharma, A. N., & Upendranadh, C. (2006). Social security in South Asia: Issues and perspectives. *Sussex: Institute of Development Studies, University of Sussex*.
- Majid, A. (2020). Microfinance Service in Pakistan over the decade.
- Mannan, M. A., & Ahmed, B. N. (2012). Impact evaluation of vulnerable group development (VGD) program in Bangladesh. *Dhaka: Bangladesh Institute of Development Studies (BIDS)*.
- Merrien, F. X. (2013). Social protection as development policy: A new international agenda for action. *International Development Policy (4.2)*, 89-106.
- Mohammad, K. U., & Adnan, N. U. H. (2022). The Impact of Indirect Competition on bank net interest margins: Microfinance evidence from Pakistan. *iRASD Journal of Economics, 4(1)*, 55-68.
- Saeed, M., Gull, M., & Altaf, F. (2022). Effectiveness of technical and vocational education: A meta-analysis. *Pakistan Journal of Educational Research and Evaluation (PJERE), 10(1)*.
- Pakistan Bureau of Statistics (BBS), (2020; 2021; 2022), Household Integrated Economic Survey (HIES) 2005–06, Islamabad.
- Office of the Economic Adviser. (2018) Pakistan. *Economic survey of Pakistan*.
- Syeda, M. H. (2015). Making an impact analysis of social protection programs in Pakistan. *Journal of the Research Society of Pakistan, 52(1)*.
- Huma, A., Rizwan, S., & Rafique, R. (2022). Comparative analysis of policy perspective for technical and vocational education at secondary school level. *Journal of Education and Educational Development, 9(1)*.
- World Bank. (2002). Bangladesh Social Protection and Labor Review: Towards Smart Social Protection and Jobs for the Poor. *World Bank*.
- World Bank (2001). *World Development Report 2000/2001: Attacking Poverty. Oxford: World Bank and Oxford University Press*.

World Bank (2019). *Social protection sector strategy: From safety net to springboard*. Washington, DC: The World Bank.

World Bank. (2016). Pakistan poverty assessment. Poverty in Pakistan, vulnerabilities, social gaps, and rural dynamics. *South Asia Region*.

Zaidi, S. A., Jamal, H., Javed, S., & Zaka, S. (2007). Social impact assessment of microfinance programmes. *Draft Report Submitted to the European Union-Pakistan Financial Services Sector Reform Programme*.