Poverty and Social Impact Analysis of Workers Welfare Fund

Vaqar Ahmed¹, Muhammad Zeshan², Muhammad Abdul Wahab

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² Corresponding Author (zeshan@sdpi.org)
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Mailing Address: PO Box 2342, Islamabad, Pakistan.

Telephone + (92-51) 2278134, 2278136, 2277146, 2270674-76

Fax + (92-51) 2278135, URL: www.sdpi.org
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1. Introduction

The Government of Pakistan (GoP) has been facing many challenges in ensuring the welfare of industrial workers. It also finds difficulties in bringing about macro-level labour reforms such as the implementation of minimum wage – revised annually. Within the overall ambit of social protection, the federal government has retained the Workers Welfare Fund (WWF) even after the 18th Constitutional Amendment, which requires social sector programmes to be devolved to the provincial governments in order to improve service delivery at provincial and sub-provincial levels. The provincial governments have, however, been urging the federal government to hand over the reins of WWF to them. The present study is based on our recent research to analyze the operational efficiency of WWF. The following Flow Chart 1 indicates evolution in the operations of WWF over the time.

Flow Chart 1: Evolution in the operations of WWF over the time

![Flow Chart 1](https://example.com/flow-chart.png)

Source: Ministry of Human Resource Development

2. Problems in the operations of WWF

Our research highlights the following problems in the operations of WWF:

2.1 Lack of access and uncertainty to education grant

2.2 The colossal amount of documentation required to claim the right

2.3 Delays involved in fee disbursement

2.4 Slower pace of new housing schemes with compromised quality
2.5 Maintenance of labour colony houses (repair work) is not being done on regular basis

2.6 Sanitation and sewerage issues in labor colonies are creating health and environmental hazards

2.7 Common places such as parks and playgrounds for children have been encroached

2.8 Health facilities are provided with discrimination and rent-seeking

3. Recommendations

In the light of our focus group discussions and key informant interviews, it is recommended that

3.1 Education grants investment having far-reaching impact on economic growth. The scale and scope of these grants should be increased.

3.2 The amount of welfare grants increases on arbitrary basis, and a scientific base with the help of dynamic micro-simulation is more desirable.

3.3 Modern skill development centers for females should be increased.

3.4 The families of workers should be provided respectable post-retirement living standards.

3.5 Quick rehabilitation of educational infrastructure, social security hospitals and the housing colonies is required for earthquake and flood hit areas.

3.6 Finance division should not divert WWF savings towards its budgetary financing.

3.7 Strong synergies should be created with other social safety nets on-ground to achieve efficiency, particularly with Benazir Income Support Programme (BISP), Zero-Hunger Programme, Provincial cash transfer programmes etc.

3.8 Evasion from rules, law and malpractice can be reduced through the biometric system connecting both Federal Board of Revenue (FBR) and National Database and Registration Authority (NADRA).
3.9 There is a need to improve the process of grant disbursements, as introduction of online system can expedite this slow process.

3.10 Currently, high transaction costs are attached in filing of claims. There is a need to squeeze the number of documents required for claiming grants.

3.11 It is recommended that WWF should follow the examples set by Emergency Relief Cell, BISP and NADRA in automating their processing and disbursement procedures. One window operation and e-governance can imply a faster assessment on regular basis.

3.12 A formal grievance redressal mechanism should be introduced using easy and cheap technology such as the Short Message Service (SMS) in order to register a complaint.

3.13 For better monitoring and evaluation purpose, verification of workers should be interlinked with national identification system.

3.14 A compliance unit should be formulated to ensure future feedback on reforms.

3.15 A set of dedicated foreign and local trainings should be designed, it would give exposure to the WWF management of similar programmes abroad.

3.16 To increase the efficiency, WWF staff should be regularly evaluated through result based management and key performance indicators.