COUNTRY REPORT

ON

NATIONAL REVIEW AND APPRAISAL OF THE MADRID INTERNATIONAL PLAN OF ACTION ON AGING

PREPARED
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WORKERS WELFARE FUND
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ISLAMABAD
COUNTRY PROFILE

Pakistan is situated in the South-East Asia. In the east is India, in the north is China, in the west is Afghanistan and Iran and in south is Arabian Sea. The country due to its geographical position has very important geo-politico strategic importance for the region as well as the whole world. The area of Pakistan is 7,96,096 square kilometers. The growth rate of GDP was 3.7% during the year 2011-12. This growth rate is low due to menace terrorism, war on terrorism, shortage of energy and floods in July 2010. The agriculture sector grew by 3.1% whereas manufacturing grew by 3.6%. The per capita income increased by 2.3% in the year 2011-12 and the per capita income is $1,372. The inflation rate was 10.8 during the year 2011-12. The foreign direct investment was $ 668 million during the year 2011-12, the direct foreign investment is low due to terrorism and shortage of energy in Pakistan. The workers’ remittances were 13.3 billion during the year 2011-12. The exports of Pakistan were $ 25 billion against the import of $ 33 billion in the year 2011-12.

Pakistan is the sixth most populous country of the world with a population of 180.71 million. The profile of the population of the country is as follows:

- The growth rate of population is 2.03%.
- The crude birth rate is 30 per 1000 which is considered to be high whereas global crude birth rate in 2011 was 20 per 1000.
- Crude death rate is 10 per 1000 which is considered to be low.
- The total fertility rate per woman is 3.4.
- The infant mortality per 1000 is 68%.
- Maternal mortality ratio is 200 per 100,000.
- Contraceptive prevalence rate is 27%.
- The population above 60 is 9.
- The population under 15 years is 62 million (52%).
- Life expectancy is 66 years (female 66 years and male 64 years).
- Pakistan has total labor force of 57.24 million.
- Employed labour force is 53.84.
- Unemployed labour force is 3.40 million.
- The total labour force participation rate is 32.83%.
- Unemployment rate is 6%. 

- Tuberculosis (TB) detection rate (SS+) is 79%.
- TB success rate is 88.5%.
- There were 108,137 hospital beds; 149,201 doctors; 10,958 dentists and 76,244 nurses for the population of 119 million during 2011-2012.

The population trends in Pakistan indicate that ageing is not a serious problem in the country as the population above 60 is only 9%. The population over age of 60 years is being looked after by the government, various schemes of the government and by the children of elder people through the institution of joint family system. The government servants of the Federal Government (0.51 million) including public servants of autonomous bodies and corporations are being provided pension and medical care after the age of 60 years (the retirement age). Similarly, the government servants of the provincial governments (1.8 million) and their Autonomous Bodies, Corporations after their retirement are being provided the detriment pension and medical care through the government hospitals.

The literacy rate is low in Pakistan and the health facilities for the whole population are inadequate. Therefore, the incidents of diseases such as heart diseases, diabetes, hepatitis, Tuberculoses, malaria, diarrhea, kidney diseases and other water borne diseases are high in Pakistan. Due to above cited diseases, the populating of older persons above the age of 60 years is also very small.

Article 37 (C) of the constitution of Islamic republic of Pakistan provides for provision of social security by the state. The government of Pakistan has ratified ILO Convention No.108-Equality of treatment (Social Security) Convention. In pursuance of International commitment in the field of Social Security, the Government of Pakistan has established Employees’ Old-Age Benefitters Institution to provide Old-Age, Invalidity and Survivors’ Pension and Provincial Employees’ Social Security Institution to provide healthcare / cash benefits to the employees of industrial, commercial and other establishments of the private sector. The detail of both the schemes is given below:-

**i) EMPLOYEES OLD AGE BENEFITS SCHEME:**

The Employees’ Old Age Benefit Institution an autonomous body of Federal Government manages the Employees’ Old Age Benefits scheme. The general direction and superintendence of the affairs of the Institution is vested in a Board of Trustees, which has representation of Government, Workers and Employers as per ILO Tripartite Standards.
The Scheme is applicable to the Industrial, Commercial and other establishments employing 5 or more workers of the private sector. However, the scheme is also applicable to the establishments employing less than 5 workers on voluntarily basis. The scheme provides for Old-Age Pension, Invalidity Pension, Survivors Pension and Old-Age grant (to those not entitled for pension). The scheme is financed through contribution @ 5% payable by the employers and 1% by insured persons of their minimum wage (presently Rs. 8,000/- per month).

The pension is payable at age 60 (55 years for women and 50 years mine workers) after payment of contribution for 15 years. In certain circumstances it is reduced to 7 years or even upto 5 years. There is no retirement condition. The survivors’ pension is paid in case of death of a recipient of old-age or invalidity pension. It is also payable if contribution in respect of deceased insured person was payable for not less than three years since his or her entry into insurable employment. Invalidity pension is paid to an insured workers, provided he is below 60 years of age (55 years for women) and contribution in respect of him was payable for not less than 15 years or not less than 5 years since entry into insurable employment and contribution in respect of him or her was paid for not less than three years during the period of five years preceding the month in which he sustains invalidity. The qualifying period of contribution payment for old-age grant is less than 15 years but not less than two years.

The rate of old-age, invalidity and survivors’ pension is the same. The minimum pension is Rs 3,600/- per month and maximum pension is Rs.5,760/- per month. In case of widow or widower pension for life is payable. In case an insured person is not survived by a spouse, the survivors’ pension is paid to the children of the deceased workers in equal shares till they attain 18 years of age. However, in case of a female child, the pension is available until 18 years of age or her marriage, whichever is earlier. In case of death of the surviving spouse in receipt of a survivors’ pension within five years after the death of the insured person and not survived by any minor child of the deceased insured persons, the survivors’ pension is paid to the surviving parents of the deceased insured person for five years. Old-age grant is payable in lump sum equal to one month’s average wage for every completed year of the service for insurable employment less than 15 years and more than 02 years.

The monthly rate of old-age pension, invalidity pension and survivors pension payable to an insured person is calculated in accordance with the following formula:-

\[
\text{Last wage } \times \text{ number of years of Insurable Employment} \div 50
\]
A period of six months or more of the service of insurable employment is treated as one full year. The computation rate of formula is 2% of last wage for every year of employment.

The brief performance of the EOBI in statistics is as under:

- Total Employers registered upto June, 2012: 86,527
- Total Employees registered upto June, 2012: 4,898,767
- Contribution income upto June, 2012: Rs. 73,821.059 million
- Total Pensioners: 442,309
- Amount paid is pension: Rs. 56,271.900 million
- Investment upto June, 2012: Rs. 220,239.171 million

SAHARA Insurance Company Limited (SICL), a subsidiary, wholly owned by the Institution (EOBI), has been incorporated on 19th March, 2012 to provide health insurance to the pensioners of EOBI and accidental life insurance of Pakistanis working abroad and registered with Bureau of Emigration & Overseas Employment (BE&OE), Government of Pakistan.

ii) **PROVINCIAL EMPLOYEES SOCIAL SECURITY SCHEME:**

The Scheme is managed at the provincial level by the Employees’ Social Security Institutions in Punjab, Sindh, NWFP and Balochistan. The general direction and superintendence of the affairs of the Institutions vest in respective Governing Bodies, which have representation of the Provincial Governments, Workers and Employers, as per ILO Tripartite Standards. Employees of the industrial, commercial and other establishments drawing wages upto Rs.10,000/- are covered. The scheme is applied on establishments employing 5 or more workers for administrative convenience. Although, there is no restriction in law, to cover all establishments employing even less than 5 employees. An establishment once notified, remains covered even if the number of its employees is reduced to less than 5. Similarly, a worker once covered remains covered under the scheme, if his or her wages exceed Rs.10,000/- per month.

Medical Care is provided to the secure workers and their dependents including parents, which includes outdoor and indoor treatment for them. The cash benefits in form of sickness benefits, maternity benefits, injury benefits, death grant, disablement pension, survivors' pension, disablement gratuity and iddat benefits is paid to the secured workers. The Scheme is financed through
contribution @ 6% on a maximum of Rs.10,000/- p.m. of the wages of the secured workers, paid by the employers. There is no qualifying condition for medical care. The secured workers and their dependents (wife or wives or a needy invalid husband, dependent parent and any unmarried children under the age of 21 years dependent upon the secured persons) become entitled to medical care from the first day of employee become secured worker. For sickness benefits, a secured worker has to produce a certificate from his or her employer that he has been employed continuously for 90 days. This benefit is available with a waiting period of two days. Injury benefit (i.e. disablement pension and disablement gratuity for injury occurred during work) is payable to a secured worker at prescribed rate from the first day of injury. A secured woman is entitled to maternity benefits, if contribution in respect of her was paid or payable for not less than 365 days. Death grant is paid, if a secured worker at the time of his or her death was entitled to receive injury benefits, sickness benefit or medical care. Iddat benefits are paid to widow of secured workers.

The brief performance of the Provincial Employees’ Social Security Institutions (PESSI) in statistics during the year 2010-2011 is as under:

<table>
<thead>
<tr>
<th>S.#</th>
<th>Item</th>
<th>Punjab</th>
<th>Sindh</th>
<th>NWFP</th>
<th>Balochistan</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>No. of registered establishments</td>
<td>49,954</td>
<td>26,172</td>
<td>4,255</td>
<td>334</td>
<td>80,715</td>
</tr>
<tr>
<td>2</td>
<td>No. of secured workers</td>
<td>719,423</td>
<td>605,354</td>
<td>62,918</td>
<td>9,231</td>
<td>1,396,926</td>
</tr>
<tr>
<td>3</td>
<td>No. of dependents</td>
<td>4,582,062</td>
<td>3,026,770</td>
<td>377,508</td>
<td>24,275</td>
<td>8,010,615</td>
</tr>
<tr>
<td>4</td>
<td>Total income</td>
<td>4,736.70</td>
<td>2,454.15</td>
<td>202.67</td>
<td>19.33</td>
<td>7,492.84</td>
</tr>
<tr>
<td>5</td>
<td>Total expenditure</td>
<td>4,623.29</td>
<td>1,780.28</td>
<td>211.76</td>
<td>61.69</td>
<td>6,677.02</td>
</tr>
<tr>
<td>6</td>
<td>Expenditure on medical care</td>
<td>3,117.68</td>
<td>1,346.41</td>
<td>143.70</td>
<td>60.17</td>
<td>4,667.96</td>
</tr>
<tr>
<td>7</td>
<td>Expenditure on cash benefits</td>
<td>212.42</td>
<td>48.81</td>
<td>8.15</td>
<td>128.00</td>
<td>397.38</td>
</tr>
<tr>
<td>8</td>
<td>No. of workers and dependents benefited through medical care and cash benefits</td>
<td>6,911,284</td>
<td>1,569,046</td>
<td>350,128</td>
<td>122,537</td>
<td>8,952,995</td>
</tr>
<tr>
<td>9</td>
<td>No. of cases referred to hospitals/specialists</td>
<td>1,165,611</td>
<td>170,179</td>
<td>33,775</td>
<td>6,800</td>
<td>1,376,365</td>
</tr>
<tr>
<td>10</td>
<td>No. of Doctors/Specialists</td>
<td>1,193</td>
<td>402</td>
<td>57</td>
<td>16</td>
<td>1,668</td>
</tr>
<tr>
<td>11</td>
<td>No. of Para-medical staff</td>
<td>1,184</td>
<td>756</td>
<td>211</td>
<td>108</td>
<td>2,259</td>
</tr>
<tr>
<td>12</td>
<td>No. of hospitals</td>
<td>13</td>
<td>5</td>
<td>114</td>
<td>4</td>
<td>136</td>
</tr>
<tr>
<td>13</td>
<td>No. of dispensaries</td>
<td>142</td>
<td>40</td>
<td>11</td>
<td>2</td>
<td>195</td>
</tr>
</tbody>
</table>
In addition to above, the government of Pakistan has introduced various measures for the welfare of the various segments of the society including older people.

iii) **WORKERS WELFARE FUND:**

Workers Welfare Fund (WWF) is also providing assistance to poor labourers all over the country. It provides funds for housing facilities for industrial workers and for other welfare programmes such as the Marriage Grant for daughters of old / poor workers, Death Grant (in case of accidental death in course of work) and scholarships to the children of older and poor workers etc. During the current fiscal year from July to March Rs. 77.021 million expenditures have been incurred for scholarships. There are 1,456 beneficiaries of this program, who are children of poor workers. Another Rs. 636.930 million have been disbursed as Marriage Grants from which 9,138 families of the workers have benefited. WWF has also disbursed Rs. 341.200 million for Death Grants for 1,079 cases of mishap of workers all over the country. Further, Rs 2,539.900 million expenditures have been incurred during July-April 2012 for 46 housing schemes which will benefit 15,000 families of old / poor workers.

iv) **ZAKAT:**

The Zakat & Ushr Ordinance was promulgated in 1980. Zakat is applicable only to the Muslim citizens of Pakistan. The rate of collection of Zakat is 2.5% on annual savings of Rs. 50,066/- of Muslim citizens. The Zakat Fund provides financial assistance to the needy, older, poor, orphan, widow, handicapped and disabled. Subsistence and rehabilitation either directly or indirectly to vocational or social institutions, public hospitals, charitable institutions and other institutions providing health care. The Zakat fund is disbursed amongst the beneficiary through Central Zakat Council, Provincial Zakat Council, District Zakat Committees and Local Zakat Committees. Upto February, 2012, a total amount of Rs.3,668.794 million was distributed in bulk amongst the provinces and other administrated areas. In addition to this, an amount Rs. 4,131.474 million has been released in March, 2012 as a reserve fund available within the Central Zakat Fund to the provinces / federal area to provide assistance to old / poor needy people.
v) **BAITUL MALL:**

The Pakistan Baitul Mall is established under the Pakistan Baitul Mal Act 1991 for the purpose of welfare activities. It is financed through receipt from tax levies for this purpose; grants from Federal /Provincial Governments and local authorities; voluntaries donations and sale of property of Bait-ul-mal. Pakistan Baitul Mall is making significant contribution towards poverty reduction through its various poors of the poor focus services such as providing assistance to needy irrespective of their gender, caste, creed and religion. The Pakistan Baitul Mall has provided financial assistance of 734.901 million upto February, 2012 to the poor / older people all over the country have been benefited.

vi) **PAKISTAN POVERTY ALLEVIATION FUND:**

Pakistan Poverty Alleviation Fund is a flagship element of country's poverty reduction strategy. It is sponsored and supported by the government with and endowment of Rs.1.000/- million and funded by multilateral and bilateral donors like World Bank, International Fund for Agriculture Development, KFW Financial Corporation, Germany, USA Department of Agriculture and Italian Government etc. by the end of December, 2011, the total cumulative disbursement were Rs.100 billion.

vii) **BENAZIR INCOME SUPPORT PROGRAMME:**

Benazir Income Support Programme (BISP) was established by the Government of Pakistan in July 2008 with the primary objective of providing immediate relief to the poor enabling them to absorb the shock of rising prices of food and fuel. BISP has evolved over the past few years into the country's main social safety net. It is committed to the fulfillment of the dream of making Pakistan a welfare state through poverty alleviation and women empowerment. It has made remarkable progress by providing much needed relief to over 4 million recipients including flood and bomb blast victims all across Pakistan. An amount of over Rs 122 billion up to March, 2012 has been disbursed to its recipients. The number of recipients is expected to increase to 7 million.

viii) **JOINT FAMILY SYSTEM:**

In South-East Asia and especially in Pakistan, joint family system is very strong. The children feel pride to take care of their parents. They provide them food clothing, shelter and medical care in their old-age. In Pakistan, it is myth that the parents are blessings for the children. The older parents are looking after their grand children and providing a sort of help to their children. The older people in the joint family system enjoy a great respect from their children and grand
children. In the society like Pakistan older people enjoy great respect especially when the older people are travelling in the bus or train; young people offer them their seats. The young people fee pride to help older ones in all sphere of life. The young segment of the society thinks that they are enjoining the fruits of the labour of old people. The younger ones are of the view that whatever they are today, are due to their older ones. When the older people have to stand in the que, the younger people offer them their turn. In the public places, the senior citizens people are given special and favorable treatment.

In spite of the measures being taken by the government of Pakistan for the welfare and look after of the older people by the government and joint family system, they are some weakness which needs to be addressed by the government and civil society collectively. These weaknesses are as under:-

- The older people who are not covered by the government's pension schemes and social security system of the country are being neglected;
- The public healthcare system could not provide adequate health facility to the whole population in general and to the older people in particular;
- The older people who do not have anybody to look after, need someone to look after them;
- The older people have special needs such as healthcare and food need;
- The older people need company of the people so that they do not feel lonely;
- The older people need somebody who can listen them;
- There is not any special regulation / law for the protection of the rights of older persons as in case of children, women and other segments of society;
- There is not any treaty, convention and charter for the welfare and protection of the rights of the older people. Most of the older people are poor and lack income sources;
- There is lack of awareness regarding rights of older people,
- Adult literacy rate is very low among the older people i.e. 50% in Pakistan;

**RECOMMENDATIONS FOR THE BETTERMENT OF OLDER PEOPLE**

- The older people should be provided company, there must be somebody to listen and help them in their needs;
The older people who do not have adequate sources of income should be provided minimum income support from the government;
The older people should be provided adequate and decent healthcare;
Awareness campaign about the rights of older people should be launched through print and electronic media;
The older people have put their life in the development of country, they should be given the share in the fruit of development;
The older people should be provided decent employment / job if they are willing to work so that the country may get the benefit from the experience of older people;
The measures should be taken to eradicate poverty amongst the older people;
UNO General Assembly should adopt a convention on the rights of older people as in the case of workers, women and children and other segments of society. That Convention should be binding on member countries;
The member countries should introduce laws in their countries for the protection of rights of older people;
The countries of world can follow the example of Philippine who have introduced a law “Expand Senior Citizen Act” which provides social pension to the older persons;
The older persons should be provided minimum social pension or income support for their needs so that they not feel humiliated;
The government should facilitate the older persons to promote self-employment initiative;
The informal sector should provide employment opportunity to the older people;
The age barrier should be eliminated for the active and willing older persons;
The older persons be protected from chronic diseases including HIV / Aids;
The micro credit schemes and micro finance institutions should provide financial services to the older people.
The government should encourage social protection / social security measures for older people in the rural, remote areas and informal sectors of the economy;
The government should take measures to promote adult literacy program in the country;
The older people should be entitled to have access to preventive and curative healthcare including rehabilitation in sexual healthcare;

The government should take measures to eliminate social and economic inequalities based on age, gender or linguistic barriers to ensure that they have universal and equal access to healthcare;

**SOURCES:**

i) Pakistan Economic Survey 2011-2012

ii) Annual Statistic Bullion of Government Employees

iii) Age Ways – practical issues in ageing and development issue 77/July, 2011

iv) World Health Organization Report by the Secretariat on International plan of Action on ageing ; report on implementation

v) Practical Declaration and Madrid International plan of Action on ageing