

## Challenges and Prospects of Social Security Services for Small Industry Laborers in District Bahawalpur

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### Abstract

Social security provisions constitute a fundamental element of a welfare state. These benefits safeguard the rights of the working class by offering financial assistance to meet necessities. The efficiency of laborers in industrial settings positively correlates with the availability of social security benefits. The increased endowment of these services enhances the laborers' capacity to perform effectively within factories. The Punjab Small Industries Corporation in Bahawalpur was established to generate employment opportunities for individuals and to augment the production of various goods. It has been estimated that three thousand nine hundred sixty-three laborers are currently employed in these industries. This research study investigates the actual circumstances and challenges laborers face concerning their social security entitlements. A sample of 198 participants was obtained utilizing a proportionate random sampling methodology. During the data collection phase, 177 laborers were present. The interview schedule was meticulously crafted to

incorporate open-ended and closed-ended questions as a research tool. This study reveals that laborers engaged in small industries within the Punjab region, specifically in Bahawalpur, possess an awareness of the social security services offered by numerous organizations. However, the laborers also indicated that the process of accessing social security services is exceedingly intricate and that the quality of these services is inadequate. Consequently, the laborers expressed reluctance to utilize social security services due to the substandard nature of the services provided. Therefore, it is recommended that measures be implemented to address the issues related to procedural delays in the delivery of social security benefits to laborers. This would enable laborers to experience satisfaction and concentrate fully on their occupational responsibilities.

**Keywords:** Social Security Services, Laborers, Small Industries, Public Assistance, Social Insurance

### Introduction

Social Security Services can be defined as *“Any governmental framework that offers financial assistance to individuals experiencing insufficient or nonexistent income”* (Bach, 2003). As noted by Rivlin & Sawhill (2005), these services play a crucial role in the lives of orphans, widows, retirees, as well as individuals with mental and physical disabilities within the state. Watts & Williamson (2009) further assert that a significant portion of the populace relies on these services for their financial sustenance. Social scientist George (2018) characterizes social security services as *“A federal initiative aimed at delivering benefits to workers and their dependents through retirement, disability, and other income-related provisions. The social security framework is financed through a federal tax imposed equally on employers and employees.”* The significance and delicacy of social security services are underscored by Millar (2009), who states that these policies not only influence the socioeconomic status of individuals but also substantially affect governmental expenditures and fiscal policy. Social insurance constitutes one category of social security service, referring to a contributory scheme designed

to mitigate risks associated with ill health, occupational injuries, unemployment, and aging citizens (Social Protection Strategy, 2001). It provides support to insured individuals who experience diminished or absent income due to illness, death, or retirement. Kim (2003) elucidates that social insurance is financed through contributions from workers, employers, organizations, or the state. The Social Insurance Paradox, a well-known theory, addresses the complexities of social insurance, wherein the government or enterprises offer compensation triggered by the occurrence of specified insured events.

The second category of social security service is Public Assistance, which encompasses programs that deliver financial, health, educational, and various other services solely funded by the government, without any financial contributions from the general populace (Autumn, 2009). The revenue for these programs is derived from taxes remitted by citizens. Some social work researchers, including SHAPIRO, SHAW, & ROBERT (2016), assert that public assistance programs often carry stigmatizing connotations in certain societies, as these initiatives may undermine the self-worth and dignity of individuals and expose them to societal scrutiny. Cerda (2005) posits that public assistance can negatively influence individual attitudes toward charitable actions while simultaneously promoting positive engagement in volunteerism. The emergence of social security needs for laborers can be traced back to the Industrial Revolution (Rani, Balaji, & Shukla, 2015). These services began to materialize in the early decades of the twentieth century (Klein, 2010). According to Tiwary (2011), laborers' social security encompasses health care, unemployment insurance, provident funds, family allowances, gratuities, pension schemes, and survivor and widow benefits. In various labor welfare initiatives, weekly income support for financially disadvantaged workers has been provided, which includes sickness, disability insurance, and medical care. Additionally, researchers such as Deyo (2012) also advocate for the inclusion of funeral benefits for all insured workers without restrictions.

According to Pasha and Liesivuori (2003), Punjab represents the most densely populated province in Pakistan. The Punjab Employees Social Security Institution (P.E.S.S.I), the Employees Old Age Benefits Institution (E.O.B.I), and the Labor Department constitute the three principal agencies responsible for delivering social security services to the workforce. The Punjab Employees Social Security Institution operates as an independent entity under the auspices of the Labor and Human Resource Department, as delineated by the Punjab Government Rules of Business, 1974. By this ordinance, employers are mandated to contribute 6% of an employee's remuneration to the Punjab Employees Social Security Institution (Ayat, Khalid, & Mahmood, 2009). Rafi (2011) asserts that the Punjab Employees Social Security Institutions offer both medical and cash benefit provisions, each encompassing various subcategories. M. I. Zafar, S. R. S. Abbasi, and Z. Batool (2008) contend that comprehensive medical services are available at their facilities, and the Punjab Employees Social Security Institution is obligated to facilitate additional medical services that may not be provided within their hospitals. B. Rajkuar (2014) elaborates on benefits such as those related to injuries, illness, iddah, maternity, disability pensions, survivor pensions, gratuities, prosthetic devices, funeral grants, financial aid, and the provision of free education for the children of insured workers within the cash benefits framework. The Employees Old Age Benefits Institution Act of 1976 was enacted on April 1, 1976. This agency administers old age pensions, survivor pensions, invalidity pensions, and old age grants to insured workers (HUSAIN, 2005). Sayeed (2004) notes that the Employees Old Age Benefits Institution was originally established as a central government initiative specifically for aged workers post-retirement. It functions as an autonomous body under the Ministry of Labor, Manpower, and Overseas Pakistanis, governed by a board of trustees comprising nineteen representatives from labor unions, the government, and the employee sector. Employers are required to contribute a cumulative 7% (6% from employers and 1% from employees' wages) in compliance with this legislation (ShuHong & Ranjha, 2017). Furthermore, Jamal (2010) provides a critical

analysis of the Employees Old Age Benefits Institution, highlighting issues regarding insufficient coverage and inadequacy of pension disbursements afforded to retired laborers.

The Labor and Human Resource Department is tasked with the allocation of grants for marriage, funerals, and education, the establishment of labor colonies, the distribution of plots among workers, the creation of employment opportunities, and the provision of support and guidance to laborers on contentious matters (Mohammad, 2005). This department also plays a vital role in safeguarding the welfare of the industrial and commercial labor force. Ray (2000) indicates that these institutions additionally provide training for officers and laborers, address environmental conditions, implement safety protocols for workers, and oversee the monitoring of workplace conditions for laborers (Dale, Fieldhouse, Shaheen, & Kalra, 2002). The establishment of the Punjab Small Industries Corporation Bahawalpur (P.S.I.C) commenced between 1961 and 1962, encompassing a total area of 52 Acres and 54 Marlas, and became operational in 1972.

### **Methodology**

This investigation was executed utilizing a cross-sectional survey methodology (Booth, Colomb, & Williams, 2008). From the perspective of inquiry, this study is classified as quantitative research due to its structured investigative approach and is recognized as applied social research. The target population for this study comprised laborers employed by the Punjab Small Industries Corporation in the Bahawalpur district. Approximately three thousand nine hundred sixty-three (3963) laborers are engaged in work at the Punjab Small Industries Corporation within the Bahawalpur district. The geographic focus of this research encompassed the manufacturing sectors of the Punjab Small Industries Corporation in Bahawalpur. Utilizing a sampling ratio of 5%, a sample of one hundred ninety-eight (198) respondents was selected (Dassen & Gemenis, 2012). Among the 198 respondents, 177 individuals responded and participated in this study. An interview schedule was chosen as the data collection instrument. This tool comprised fifty-seven questions (two open-ended and fifty-five close-ended), with a scaled format

applied to twenty of the questions. Before the actual data collection, the instrument underwent pretesting with six respondents from various industries to ascertain its reliability and validity (Creswell, 2011). Numerous errors and extraneous inquiries were eliminated and refined following the pretesting phase, after which the instrument was submitted to experts for their assessment, ensuring that this research adheres to the established standards of social research. The researcher personally gathered data from the laborers. To bolster the accuracy of the research methodology, data was collected from a variety of industrial units (Bhattacharya, 2006). The data analysis process comprised three phases: data sifting, data coding, and data editing. Frequency distribution tables were generated to facilitate data interpretation (Cowan, 2012). The Statistical Package for the Social Sciences (SPSS, Version 2.0) software was employed for the analytical procedures.

**Table I.**  
*Laborers Obtain Social Security Services*

	Frequency	Percent
Agree	73	41.2
Disagree	76	42.9
Somewhat Agree	22	12.5
Somewhat Disagree	4	2.3
Missing System	2	1.1
Total	177	100.0

Table I delineates the extent to which respondents derive advantages from social security services in the course of their employment. The data presented indicate that seventy-three individuals (41.2%) reported receiving benefits, while seventy-six respondents (42.9%) indicated they did not receive such benefits. Furthermore, twenty-two respondents (12.5%) expressed a somewhat affirmative stance, whereas four respondents (2.3%) articulated a

somewhat negative perspective. The total number of missing responses was recorded as 2 (1.1%) concerning this inquiry.

**Table 2.**

*Laborers' Families Receive Benefits from Social Security Services*

	Frequency	Percent
Agree	35	19.8
Disagree	92	52.0
Somewhat Agree	35	19.8
Somewhat Disagree	8	4.5
No opinion	3	1.7
Missing System	4	2.2
Total	177	100.0

Table 2 delineates the statistics concerning laborers who are beneficiaries of social security services, specifically regarding the advantages conferred upon their family members. The data presented indicates that thirty-five (19.8%) of the participants affirmed receiving benefits for their family, whereas ninety-two (52.0%) indicated a lack of such benefits. Additionally, thirty-five (19.8%).

**Table 3.**

*Obtaining Social Security Services in Emergency Situations is Easy*

	Frequency	Percent
Agree	31	17.5
Disagree	20	11.3
Somewhat Agree	47	26.6
Somewhat Disagree	42	23.7
No opinion	35	19.8
Missing System	2	1.1

Total	177	100.0
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Table 3 illustrates the perspectives of respondents regarding the accessibility of social security services in emergency scenarios. Approximately thirty-one (17.5%) of participants believe that securing social security services during an emergency is straightforward, while twenty (11.3%) contend that it is not. The category of somewhat agree was represented by forty-seven (26.6%), and somewhat disagree by forty-two (23.7%). Two (1.1%) responses were categorized as missing, while thirty-five (19.8%) participants expressed no opinion on the matter.

**Table 4.**  
*Management Educates Workers About Their Social Security Rights*

	Frequency	Percent
Agree	55	31.1
Disagree	23	13.0
Somewhat agree	64	36.2
Somewhat Disagree	30	16.9
No Opinion	3	1.7
Missing System	2	1.1
Total	177	100.0

Table 4 examines the extent to which management within the industry communicates social security rights to laborers. According to the data, fifty-five (31.1%) of respondents concurred that management adequately informs them about their social security rights, whereas twenty-three (13.0%) disagreed. Furthermore, the somewhat agree and somewhat disagree categories comprised sixty-four (36.2%) and thirty (16.9%), respectively. A minimal number of three (1.7%) participants expressed no opinion, with two (1.1%) entries recorded as missing data.

**Table 5**  
*Ambiguity Concerning the Acquisition of Benefits from Social Security Deductions.*



	Frequency	Percent
Agree	48	27.1
Disagree	28	15.8
Somewhat agree	33	18.6
Somewhat disagree	20	11.3
No opinion	45	25.5
Missing System	3	1.7
Total	177	100.0

Table 5 illustrates the perceptions of workers regarding their prospects of receiving benefits from social security services after payroll deductions. A total of forty-eight respondents (27.1%) agreed with the belief that they are unlikely to receive benefits from social security services after such deductions, while twenty-eight individuals (15.8%) voiced disagreement. Additionally, thirty-three respondents (18.6%) somewhat agreed, and twenty (11.3%) somewhat disagreed. Conversely, forty-five participants (25.5%) maintained no opinion on the matter, with three (1.7%) not responding.

**Table 6.**

*Laborer's Contentment with E.O.B. I's Services*

	Frequency	Percent
Very Satisfied	27	15.3
Satisfied	39	22.0
Unsatisfied	47	26.6
Very Unsatisfied	19	10.7
No Opinion	42	23.7
Missing System	3	1.7
Total	177	100.0

Table 6 delineates the level of satisfaction regarding the services provided by E.O.B.I. Among the respondents, twenty-seven individuals (15.3%) reported being very satisfied, while thirty-nine (22.0%) expressed satisfaction. In contrast, forty-seven respondents (26.6%) indicated dissatisfaction and nineteen (10.7%) rated their satisfaction as very unsatisfied. Furthermore, forty-two (23.7%) participants had no opinion, with three (1.7%) opting not to answer this query.

**Table 7.**

*Laborers' Contentment with Services Offered  
by the Labor Department.*

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	Frequency	Percent
Very Satisfied	34	19.2
Satisfied	38	21.5
Unsatisfied	48	27.1
Very Unsatisfied	17	9.6
No Opinion	37	20.9
Missing System	3	1.7
Total	177	100.0

Table 7 presents the satisfaction levels concerning the services the labor department administers. Out of the respondents, thirty-four individuals (19.2%) reported being very satisfied, while thirty-eight (21.5%) expressed satisfaction. Conversely, forty-eight respondents (27.1%) indicated dissatisfaction, with seventeen (9.6%) stating they were very unsatisfied. Additionally, thirty-seven participants (20.9%) held no opinion on the subject, while three (1.7%) chose to refrain from responding.

**Table 8.**

*Challenges Encountered by Laborers in Securing  
Their Social Security Entitlements.*

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	Responses	Percent
Yes	108	61
No	69	39
Total	177	100.0

Table No. 8 illustrates the feedback from laborers regarding the difficulties they experience within various sectors, including the Punjab Employees Social Security Institution, Labor Department, and Punjab Small Industries Corporation in Bahawalpur, about their social security entitlements. A total of one hundred and eight (61%) laborers reported encountering challenges, while sixty-nine (39%) respondents indicated that they do not face such issues while employed in the industry or governmental departments concerning the acquisition of their social security rights.

#### DISCUSSION AND CONCLUSION

It is a highly positive indicator that a significant number of workers possess a comprehensive understanding of their social security entitlements and exhibit considerable knowledge regarding the various types of services and social security organizations. The government holds the primary responsibility for delivering social security services within industries; however, certain sectors are independently providing these services. It has been determined that both industries and governmental entities fail to implement a dependable framework to educate workers about their social security rights. Valley & Stallones (2017) noted that training constitutes a crucial mechanism for enhancing awareness among workers concerning their social security provisions. A comprehensive range of services is available at the Punjab Small Industries Corporation Bahawalpur. In my sincere assessment, all social security service departments are interconnected, which renders it challenging to designate one department as superior to the others. H Aaron (2010) characterizes social security services as a liability to the national economy. It has been noted that workers and their families express dissatisfaction with the process of accessing these services through Social Security Services departments, attributing their grievances to the inadequacy and complexity of

the provided facilities. These barriers prompt workers to favor governmental hospitals for medical care, educational institutions for learning, and Bait-ul-Maal for financial aid. Insufficient budget allocations from the state are a principal reason for the inability to meet and address the comprehensive health, financial, and educational needs of workers within these departments. Workers regard industries as effective providers of social security services, as they frequently utilize the facilities available for seasonal ailments in industry clinics. An equitable distribution of services by government departments fosters equal involvement in the delivery of social security services for workers.

It is determined that a significant proportion of the workforce employed by the Punjab Small Industries Corporation in Bahawalpur is encountering critical challenges regarding social security services, which necessitate prompt intervention by the appropriate authorities. Given that the majority of these workers lack literacy, they struggle to comprehend the stipulations of the social security framework. Additionally, there exists an absence of mechanisms to provide education and guidance to the laborers regarding the various social security benefits offered by diverse institutions. Policies have not been enforced by their intended purpose, which would guarantee the protection and welfare rights of the workers. Labor welfare officers have not been appointed across the factories in Bahawalpur, with the sole exception of Hafiz Floor Mills; moreover, the labor welfare officer appointed at this facility lacks qualifications in social sciences. The health status of the laborers is also alarmingly poor, as industries neglect to implement safety protocols for their workforce. A majority of the laborer's express dissatisfaction with the performance of these institutions. The criteria for accessing these benefits are grounded in outdated legislation, which the laborers seldom meet. Consequently, these workers are unable to reap the advantages of social security programs. Furthermore, it is concluded that there is an absence of a rigorous and effective follow-up system to ensure adherence to the Social Security Act by the Labor and Human Resource Department, which is crucial for safeguarding laborers. Moreover, laborers require counseling and guidance

on various facets of their lives; however, this necessity remains unmet due to the lack of labor welfare officers in the industries.

### **Recommendations**

The entitlements to the welfare of laborers can be safeguarded through the formulation of new policies concerning social security benefits that must tackle the legal and administrative challenges encountered by social security entities. An assessment of previous policies and initiatives is essential for identifying variables that facilitate the efficient provision of social security services for laborers employed within the Punjab Small Industries Corporation Bahawalpur. Industries ought to implement structural reforms by recruiting professionally qualified personnel possessing relevant expertise. The labor department should enroll laborers engaged in informal sectors to guarantee their access to social insurance programs. A significant proportion of laborers earning daily wages have been marginalized from all forms of social security benefits. This predicament necessitates the intervention of social security agencies to adopt measures that will extend social security services to seasonal laborers. The health services afforded to laborers by social security agencies require enhancement, particularly concerning the infrastructure of dispensaries and patient referral services. There exists a pressing need to bolster the coordination mechanisms among the institutions (Labor Department, Punjab Small Industries Corporations, and Beneficiaries). The Punjab Small Industries Corporation should guarantee transparency in the delivery of social security benefits by facilitating regular monitoring and evaluation conducted by external agencies. An internal framework for gathering feedback from laborers must be instituted by the institutions to refine the procedural mechanisms involved in the distribution of social security benefits.

Governmental authorities should provide the private sector with opportunities to offer public assistance programs at both local and national levels for laborers in industries, as well as those in seasonal and informal sectors. The health and safety of laborers should be regarded as paramount within industries. Health and safety officers must be designated in every

industry to ensure that laborers receive appropriate safety and health compensation. Labor laws must be enforced in their true essence by the labor department. Labor welfare officers should be appointed in industries employing five hundred laborers or more. Laborers ought to be educated about their social welfare rights through ongoing training and workshops facilitated by industry management. The government institution must rigorously address malpractices related to the provision of social security benefits by enforcing accountability legislation. An online centralized data management system should be adopted by the government for the registration of laborers within social security frameworks, thereby allowing laborers to receive assistance throughout Punjab. A one-stop operation should be established by the government where laborers can obtain necessary support for social security services from registration to retirement. Electronic media should be leveraged to foster awareness among laborers regarding social security services and programs available within industries.

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