

[SUMMARY of the Article “Doing Okay,” Arooj Waheed Dar, Dawn, August 21st, 2024](#)

The article highlights the persistent challenges faced by Pakistan’s social sector, particularly in the context of high inflation, which has severely eroded the purchasing power of the poor, pushing an estimated 10 million people towards poverty. Despite the urgent need for social protection, Pakistan allocates less than one percent of its GDP to social assistance programs, leaving the vulnerable with little support. The government’s constrained fiscal space and competing priorities have led to minimal investment in social sectors. Consequently, the author argues for the need to create an enabling environment for Social Delivery Organizations (SDOs) to step in and bridge the gap. The article cites the Doing Good Index (DGI) 2024 report, which classifies Pakistan as “doing okay” in terms of the regulatory environment for philanthropy, a decline from its previous “doing better” status in 2020. The report highlights the increasing regulatory burdens on SDOs, including prolonged registration processes, difficulties in accessing foreign and local funding, and a sharp decline in the perceived transparency of government procurement processes. These regulatory challenges have been exacerbated by political agendas, particularly in the wake of the PTI foreign funding case and Pakistan’s efforts to meet FATF requirements, which have led to tighter controls on NGOs. The article calls for the removal of undue regulatory burdens and the establishment of a single oversight department to streamline processes and reduce red tape, enabling SDOs to better serve the country’s increasingly deprived population.

Easy/Short SUMMARY:

The article discusses the difficulties faced by Social Delivery Organizations (SDOs) in Pakistan due to high inflation and poor government support. With

poverty on the rise, SDOs are struggling to get funds and face many hurdles due to strict regulations. Pakistan's rank in the Doing Good Index has dropped, showing that the environment for charities has worsened. The article suggests that the government should make it easier for SDOs to work by reducing unnecessary rules and focusing on helping the poor instead of political agendas.

SOLUTIONS of The Problem:

Streamline Registration and Clearance Processes

Simplify and speed up the registration and clearance procedures for SDOs, reducing the time required to start operations from 360 days to a more manageable period closer to the Asian average of 123 days.

Enhance Transparency in Government Procurements

Introduce clear and transparent guidelines for government procurement processes to ensure fair access for all SDOs, eliminating favoritism and reducing rent-seeking opportunities.

Provide Financial Incentives for Philanthropy

Reintroduce and simplify tax incentives for both individual and corporate donors to encourage more local funding for SDOs, thereby reducing reliance on foreign funds.

Establish a Single Oversight Body for SDOs

Create a dedicated government department responsible for overseeing all SDO-related activities, which would help reduce the regulatory burden and streamline compliance procedures.

Promote Public-Private Partnerships

Encourage partnerships between the government and SDOs to pool resources and expertise, ensuring more effective delivery of social services to marginalized communities.

Address Political Interference in Social Welfare Initiatives

Separate social welfare initiatives from political agendas, ensuring that SDOs can operate independently and focus on their core mission of serving the vulnerable.

Improve Access to Foreign Funding

Simplify the regulations around the transfer and receipt of foreign funds for SDOs, while ensuring compliance with international standards to avoid misuse.

Strengthen Monitoring and Evaluation

Implement robust monitoring and evaluation frameworks to assess the impact of SDOs, ensuring accountability and efficient use of resources.

Encourage Formal Philanthropy

Launch awareness campaigns to encourage formal philanthropy, ensuring that donations are recorded and regulated to prevent duplication and enhance coverage.

Increase Public Spending on Social Sectors

Despite fiscal constraints, the government should prioritize spending in critical social sectors, ensuring that the most vulnerable populations receive necessary support.

IMPORTANT Facts and Figures Given in the article:

- High inflation in Pakistan is eroding the purchasing power of the poorest.
- The World Bank estimates poverty in Pakistan will remain around 40%, with 10 million people at risk of falling below the poverty line.
- Pakistan allocates less than 1% of its GDP to social assistance programs.
- The Doing Good Index (DGI) 2024 report classifies Pakistan as “doing okay,” a decline from “doing better” in 2020.
- The registration process for SDOs in Pakistan takes an average of 360 days,

compared to the Asian average of 123 days.

- The perceived transparency in the government procurement process for SDOs has dropped from 48% in 2020 to 10% in 2024.
- The percentage of SDOs finding it easy to win government contracts fell from 30% to 6% between 2020 and 2024.

MCQs from the Article:

1. What percentage of GDP does Pakistan allocate to social assistance programs?

- A. 2%
- B. 1.5%
- C. Less than 1%**
- D. 5%

2. According to the World Bank, what percentage of Pakistan's population is at risk of falling below the poverty line?

- A. 5 million
- B. 10 million**
- C. 15 million
- D. 20 million

3. How long does the registration process for SDOs take on average in Pakistan?

- A. 123 days
- B. 200 days
- C. 360 days**
- D. 500 days

4. What was Pakistan's classification in the Doing Good Index (DGI) 2024 report?

- A. Doing well
- B. Doing better

C. Doing okay

D. Not doing enough

5. What percentage of SDOs viewed the procurement process as transparent in 2024, according to the report?

A. 30%

B. 48%

C. 25%

D. 10%

VOCABULARY:

1. **Eroding** (verb) (□□□□ □□□□□): Gradually wearing away or diminishing.
2. **Fiscal** (adjective) (□□□□□□□): Relating to government revenue, especially taxes.
3. **Conducive** (adjective) (□□□□□): Making a certain situation or outcome likely or possible.
4. **Philanthropy** (noun) (□□□□□): The desire to promote the welfare of others, typically through charitable donations.
5. **Regulatory** (adjective) (□□□□□□□): Relating to or enforcing rules or laws.
6. **Marginalized** (adjective) (□□□ □□□□□□ □□ □□□□□): Relegated to a lower or outer edge, especially of society.
7. **Scrutiny** (noun) (□□□□□ □□□□): Critical observation or examination.
8. **Pretext** (noun) (□□□□□): A reason given in justification of a course of action that is not the real reason.
9. **Procurement** (noun) (□□□□□): The action of obtaining or procuring something.
10. **Non-transparency** (noun) (□□□□□□ □□□): Lack of transparency or openness.
11. **Perceived** (adjective) (□□□□□): Regarded in a certain way by people.
12. **Undermining** (verb) (□□□□ □□□□□): Eroding the foundation or basis of something.
13. **Prevalence** (noun) (□□□□□□□): The fact or condition of being widespread.
14. **Compliance** (noun) (□□□□□□): Conforming to a rule, such as a specification, policy, standard, or law.
15. **Rent-seeking** (noun) (□□□□ □□□□ □□□□□): The practice of manipulating public policy or economic conditions as a strategy for increasing profits.



16. **Ubiquitous** (adjective) (ہر جگہ پر پایا جانے والا): Present, appearing, or found everywhere.
17. **Mitigate** (verb) (کم کرنے کا): Make less severe, serious, or painful.
18. **Red tape** (noun) (مذہبی اصولوں کا): Excessive bureaucracy or adherence to rules and formalities, especially in public business.
19. **Duplication** (noun) (تکرار): The action or process of duplicating something.
20. **Agendas** (noun) (نصاب): A list of items to be discussed at a formal meeting, or the underlying intentions or motives of a particular person or group.

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dawn.com
[‘Doing okay’](#)
Arooj Waheed Dar

PERSISTENTLY high inflation in Pakistan is eroding the purchasing power of the poorest, limiting access to basic facilities. The World Bank estimates that poverty will remain around 40 per cent, with 10 million people at risk of falling below the poverty line due to potential economic shocks. Despite this, social protection

programmes receive minimal attention, with Pakistan allocating less than one per cent of GDP to social assistance, thus offering little relief to the poor.

With the government's limited fiscal space and competing priorities, it is clear that investment in social sectors is likely to remain low. Therefore, the government must focus on creating a conducive environment for social delivery organisations (SDOs) to step in and address these gaps.

The Doing Good Index of the Centre for Asian Philanthropy and Society examines the regulatory and societal environment in which private capital is directed towards philanthropy. It ranks countries in four categories based on its findings: 'doing well', 'doing better', 'doing okay', and 'not doing enough' (from best to worst). According to the DGI 2024 report, which surveyed 122 SDOs in Pakistan through the SDPI, the country is classified as 'doing okay', indicating an unfavourable regulatory environment. This classification represents a decline from its 'doing better' status in 2020.

The report highlights a drastic increase in the regulatory burden for SDOs between 2020 and 2024. This period coincides with severe impacts on marginalised communities in Pakistan due to Covid-19, climatic shocks, and the Russia-Ukraine war. Instead of easing the regulatory burden for SDOs during this critical period, further hurdles were put up with primary focus on heightened scrutiny of political funding and rigorous monitoring of financial flows to NGOs under the pretext of preventing money laundering and terrorism financing.

SDOs are struggling to meet their financial needs.

The report shows that in Pakistan, the process for obtaining clearances and registering an SDO takes an average of 360 days, significantly longer than the Asian average of 123 days. Once registered, additional complex laws hinder the smooth functioning of SDOs, creating disincentives for philanthropic work.

In terms of finances, SDOs are facing growing difficulties in transferring and receiving foreign funds. This issue is compounded by a decline in local funding due to reduced purchasing power, which limits individuals' capacity to donate. Consequently, SDOs are struggling to meet their financial needs and to expand their coverage. The absence of incentives and hurdles in claiming tax incentives for corporate donors exacerbates the situation.

Furthermore, the procedures for accessing government procurements are reported to be highly complex. Non-transparency remains a significant concern. The proportion of SDOs receiving government contracts has noticeably declined between 2020 and 2024, alongside a sharp decrease in the perceived transparency of the procurement process. During 2020 to 2024, the percentage of SDOs that viewed the procurement process as transparent dropped from 48pc to 10pc. Additionally, the percentage of SDOs that found it easy to win government contracts fell from 30pc to 6pc, and those finding it easy to access procurement information decreased from 64pc to 11pc.

Unfortunately, it is not the first time in Pakistan that political agendas have taken precedence over social welfare and public well-being. As with many other decisions, the move to increase regulatory burdens on SDOs appears largely driven by the desire to undermine a particular political party. The PTI foreign funding case, coupled with Pakistan's efforts to comply with FATF requirements, led to tighter controls on foreign funding, not just for political parties but also for NGOs. Along with decreased funding for NGOs, this has created rent-seeking opportunities, as most government contracts are awarded to well-connected SDOs.

According to the report, the majority of SDOs believe that the removal of this undue regulatory burden can significantly enhance their performance, allowing them to better cater to the needs of an increasingly deprived population. Moreover, a single oversight department should be established to streamline the process and reduce procedural delays and red tape.

While philanthropy is ubiquitous in Pakistan, much of it is informal and unrecorded. Regulating these activities is crucial to ensure comprehensive coverage and to prevent duplication. With negligible public spending in social sectors, it is essential for the government to set political agendas aside and create a conducive environment for SDOs to address these deficiencies.

The writer is a senior research associate at the Sustainable Development Policy Institute, Islamabad. The views are the writer's own and do not reflect the SDPI's position.

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