

Government of the Peoples' Republic of Bangladesh
Planning Commission
General Economics Division (GED)

SOCIAL PROTECTION: LEAVING NO ONE BEHIND¹

Dr. Shamsul Alam
Member (Senior Secretary)
General Economics Division
Planning Commission

1. Introduction

1.1 Bangladesh achieved its independence through the supreme sacrifices of thirty lakh people with the vision of creating an equitable society free from exploitation, poverty, hunger and deprivation. The constitution of the People's Republic of Bangladesh adopted just after the very year of independence was based on the fundamental principles of nationalism, democracy, secularism, and an equitable society free from exploitation. It is in that spirit mentioned social security as the provision of basic necessities in Article 15 and defined 'social security' as public assistance in cases of undeserved want arising from unemployment, illness or disablement, or suffered by widows or orphans or in old age, or in other such cases.

1.2 Bangladesh has reached a watershed in the area of social protection. It has succeeded, against the odds, in establishing an umbrella of safety net interventions that have eradicated food shortage, that underpin effective response to natural disaster, and that have contributed to a dramatic reduction in poverty. At the same time, and in partnership with NGOs and Development Partners, the country is internationally recognised as an accomplished innovator in large-scale livelihood promotion programmes which have demonstrably lifted lives of millions out of poverty. Hence, starting as Vulnerable Group Feeding (VGF) as an innovation to response food shortage, the focus of social protection now shifts from relief to development.

2. Government's Commitment for Social Protection and Preparing a Comprehensive Strategy

2.1 Social Safety Net Programmes (SSNPs) to address marginalization, risk and vulnerability has been an integral part of the anti-poverty strategy of the present government. Distressed people particularly women, children and disabled persons have been given priority under the SSNP. The strong commitment from the government to SSNP is revealed by the fact that in 2008-09, the allocation for social safety net was Tk. 13,845 crore which was 1.96

¹ The paper is presented in the Working Session of the Bangladesh Development Forum (BDF) meeting held on 16th November 2015, at BICC, Dhaka, Bangladesh.

percent of GDP. The allocation for SSNP in 2015-16 is Tk. 37,546 crore, which is 2.19 percent of GDP.

2.2 There has been a rapid decline in the rate of poverty measured in terms of the percent of population falling below the upper poverty line. The poverty incidence fell from 48.9 percent in 2000 to 24.8 percent in 2015. Commensurately, the percent of chronic poor, defined as population below the lower poverty line, fell from 34.3 in 2000 to 12.9 in 2015. The Government has brought 24.57 percent of households under the benefits of SSNPs. It is estimated that the contribution of SSNPs alone in reducing poverty in 2010 was 1.5 percentage points. It is generally believed that the success of SSNPs was very prominent to reduce the inequality across the country from 2005 to 2010; Gini coefficient has reduced from 0.467 in 2005 to 0.458 in 2010; Poverty gap has reduced from 9.8 in 2005 to 7.4 in 2010, and Poverty severity has also reduced from 3.1 in 2005 to 2.2 in 2010 (Household Income and Expenditure Survey 2010, BBS).

2.3 Notwithstanding past progress, out of 158 million population, some 39 million people is still living below the upper poverty line and 20 million people below the lower poverty line in 2015. Bangladesh's current Social Security System is complex and multifarious as there are 145 programmes under the Social Security System currently financed through the budget and administered by as many as 23 line Ministries/Divisions. It is evident that there are weaknesses in the current processes for selecting recipients for Social Security schemes. There are challenges in a number of areas viz: i) In schemes directed at poor families and individuals, a high proportion of the poorest are excluded, while others who are ineligible are included; ii) around 33 percent of recipients of the Old Age Allowance appear to be below the age of eligibility; iii) procedures for identifying disability need strengthening and consistent application nationwide. Another major shortcoming of the present Social Security System is the absence of an effective monitoring and evaluation (M&E) arrangement. There is no formal mechanism for regularly reviewing the performance of the SSS, which is critically important. Moreover, the impact on poverty reduction from the amount of money spent in the existing programmes is less than is possible with a better social security system.

2.4 The multiplicity of resultant programmes spread amongst a wide range of implementing agencies require rationalisation, harmonisation and coordination. The social protection needs of an industrialised, urbanised, formalised, globalised middle-income Bangladesh are very different from those of the predominantly rural, agricultural, informal, low-income, disaster-prone past. In coming decades, the shocks to be dealt with will be as much macroeconomic as natural; the problems faced will be less about famine and more about inclusive growth; and the key issues will have to do with food security and more to do with social cohesion and equity. Considering this backdrop, the Government of Bangladesh has recently approved the National Social Security Strategy (NSSS) of Bangladesh 2015 which will consolidate the ongoing programmes emphasising a Life Cycle Approach and incorporate social insurance schemes as well as private voluntary pensions.

3. National Social Security Strategy (NSSS) of Bangladesh

3.1 The Government's Social Security policy has to be seen as a core element of the other policies and programmes that together comprise the broader Social Development Framework (SDF). The main objective of the SDF is to have a comprehensive and consistent set of policies that can help Bangladesh achieve better equity and social justice in the context of its development effort. The long term vision of NSSS is to: Build an inclusive Social Security System for all deserving Bangladeshis that effectively tackles and prevents poverty and inequality and contributes to broader human development, employment and economic growth. However, over the next five years, the goal for the NSSS is to: Reform the national Social Security System by ensuring more efficient and effective use of resources, strengthened delivery systems and progress towards a more inclusive form of Social Security that effectively tackles lifecycle risks, prioritising the poorest and most vulnerable members of society.

3.2 The Priority Challenges for the Medium-term that will need to be addressed over the next five years are:

- A shift from current discretionary to a targeted universal approach.
- Expanding coverage of core schemes for the hard-core poor and most vulnerable people, focusing on mother and child, adolescent and youth, working age, the elderly and people with disabilities.
- Consideration will need to be given to progressive but substantive scaling up of the 'graduation' programmes that offer real and direct income earning opportunities and formal and informal work to the poorest.
- Ensuring that the most vulnerable women are provided with income security and greater opportunities to engage in the labour market.
- Initiating a social insurance system that enables people to invest in their own social security, providing protection against the risks of old age, disability, unemployment and maternity.
- Expanding coverage to the residents of urban areas.
- Ensuring that the Social Security system supports an effective disaster response system.
- Strengthening the delivery systems for priority transfers by establishing advanced Management Information Systems.

3.3 The NSSS will strengthen the transformation towards a lifecycle system by consolidating programmes in a small number of priority schemes by gradually increasing coverage of priority schemes and ensuring that selection processes prioritise the inclusion of poor and vulnerable families. The NSSS benefits will be non-discriminatory and will be available to all poor and vulnerable people who satisfy the income criteria and other selection criteria relating to life-cycle or disability, irrespective of religion, ethnicity, profession and location. The five core life cycle programmes suggested by NSSS are described below:

(a) Programmes for Children

- A child grant for children of poor and vulnerable family up to age 4. The child grant will be limited to a maximum of two children per family.
- A school stipend for all primary and secondary school going children belonging to the poor and vulnerable households.
- The children will also have the disability benefit, the school meals programme, the orphans programme and the legal provision to ensure that abandoned children get the financial support from the responsible parent.
- Supply side interventions relating to immunization, childcare health and nutrition, water supply and sanitation and nutrition outreach will be strengthened.

(b) Programmes for the Working Age

- Strengthening education and training programmes to motivate the adolescents and youth to complete education and to enable the working youth and the older workforce to acquire required skills.
- Implementing a strengthened workfare programme for the unemployed poor.
- Exploring possibilities of providing unemployment, sickness, maternity and accidental insurance as a part of a National Social Insurance Scheme (NSIS).
- Implementing a programme of financial support to vulnerable women (widows, divorced, destitute, single mother, and unemployed single women including adolescent girls) and facilitate their participation in the labour market. The strategy advocates a consolidated income transfer under a reformed Vulnerable Women's Benefit (VWB) programme.
- Expansion of the Maternal Health Voucher Scheme (MHVS) administered by the Ministry of Health and Family Welfare.

(c) Comprehensive Pension System for Elderly

- The Old Age Allowance for senior citizens who are aged 60 years and above and belong to the poor and vulnerable population.
- Explore possibilities to establish a National Social Insurance Scheme (NSIS) based on the principle of employers and employees jointly paying contribution.
- Private Voluntary Pension (PVP), which are open to all citizens irrespective of occupation or formality of employment.

(d) Programmes for People with Disabilities

- A disability benefit for children with disabilities
- A disability benefit for working age population with disabilities

3.4 Apart from the life cycle based programmes, the schemes to support the freedom fighters and their families will continue under the consolidated Freedom Fighters' Benefit Programme. The transfer of food during and after disaster will continue as a disaster management response under the management of the Ministry of Disaster Management and Relief. Open Market Sales (OMS) managed by the Ministry of Food will be expanded as necessary to tackle hunger and food affordability issues as appropriate. The Government has already adopted a long-term comprehensive health financing reform strategy, which will be fully implemented along with the NSSF implementation. Small schemes will be scaled up and consolidated. Under the leadership of the General Economics Division (GED), each sponsoring Ministry/Division of these small schemes will be responsible for determining the

value of these schemes and will present a business case if they believe that the programme should continue. The GED will, on the basis of the business cases, make proposals to Cabinet on which schemes should continue. The Government's programmes to address climate change and disaster prevention will be further strengthened as a part of its broader development effort. Longer-term programmes such as the planned Delta Region Development can be of further benefit in this regard. A range of socially excluded population that faces various social discriminations based on religion, age, ethnicity, gender, profession and illness will have similar access as the rest of the population to all Social Security programmes and to all publicly provided basic services.

3.5 A total of 35.7 million poor and vulnerable people will benefit from the various life-cycle based programmes in FY17-18 when the NSSS is fully implemented. The suggested NSSS is fully consistent with the changing demographics of an ageing population and a declining young age cohort. During the initial years of NSSS implementation, emphasis will be given to extreme poor and the most vulnerable sections of the population.

3.6 The Government will initially introduce five thematic clusters for coordination and cooperation of Ministries/Divisions engaged in programme implementation, viz: (a) Social Allowances (b) Food security and Disaster Assistance (c) Social Insurance (d) Labour/livelihood intervention and (e) Human development and Social Empowerment. During this initial consolidation and coordination phase (2015-2025), implementing ministries will be responsible for programme design, ensuring correct targeting and zero tolerance to pilferage. The Central Monitoring Committee on Social Safety Net Programmes under the Cabinet Division will ensure inter-ministerial coordination of social security programmes. In Phase 2 from 2026 onwards a strengthened and reformed Department of Social Services under the Ministry of Social Welfare will be responsible for implementation of all life cycle based social security programmes.

3.7 Implementing Ministries/Divisions will work closely with the Local Government Institutes (LGIs) and NGOs in the delivery programmes. The Government will continue, and where necessary, deepen the partnership with NGOs in the area of delivering Social Security services based on the NSSS. The Government will establish a national Single Registry that uses the database from the national identity system and is based on building scheme-specific MISs that communicate with each other and deliver comprehensive information across government. A further key reform that will be introduced is an initiative to transform the Government to Person (G2P) payment systems so that they promote financial inclusivity and prevent leakages. It is imperative to ensure that transfers go to the right people. Recently the Statics and Informatics Division (SID) has taken an endeavour to establish a Bangladesh Household Database using the PMT scorecard approach which will be completed by 2017. The Ministry of Social Welfare in close consultation with SID will develop a nationwide complaints and grievance redress mechanism. To move further towards a Results-Based Monitoring and Evaluation System, once the NSSS has been designed and implemented, an ongoing process of monitoring and evaluation (M&E) will be needed.

4. Challenges in Social Protection

4.1 Promoting human resources, reducing poverty and inequality would be prime thrusts of the proposed streamlined Social Security System. The main challenges for Social Security would be:

- Full implementation of the newly adopted National Social Security Strategy (NSSS) of Bangladesh following the life cycle approach integrating with the development planning.
- Preparing a detailed implementation plan of the NSSS delineating each one's responsibility (role of Central Monitoring Committee (CMC) is pivotal).
- Allocating 2.3% of GDP for the Social Security Programmes of the Government.
- To address the inclusion and exclusion errors, preparation of Bangladesh Household Database within stipulated time.
- Preparation of a complete Monitoring and Evaluation Framework to assess the NSSS.
- Capacity development of the Government officials who will be involved in the implementation of NSSS.
- Preparation of Programme specific MIS and inter-programme operability of them.
- Development of a nationwide complaints and grievance redress mechanism.
- Presently IMED is only involved with the M&E of ADP funded projects. Hence development of a mechanism to monitor the projects/programmes that is not funded by ADP of the government would be necessary.

5. Development Partners Support for Implementing the NSSS

5.1 Development partners are engaged in Social Security in a number of ways. Over the past decade, some significant investments in Social Security have been made by bilateral development partners, mainly through non-government channels. DFID continues as a significant funding source for BRAC and the Chars Livelihoods Programme (CLP) – with DFAT support – while the European Union has funded programmes such as the Food and Livelihood Security Programme (FLSP) and Food and Security for the Ultra-Poor Programme (FSUP). UNDP has supported the projects Rural Employment Opportunities for Public Assets (REOPA) and Strengthening Women's Ability for Productive New Opportunities (SWAPNO). These schemes are essentially income generating or asset transfer type programmes, which have demonstrably supported a large number of the very poorest to move out of extreme poverty. The World Bank is another development partner with a significant interest in Social Security. Its main interests are in strengthening employment opportunities for the poor, improving targeting through the introduction of a national single targeting mechanism that uses the PMT methodology, and the introduction of a new conditional cash transfer (CCT) scheme. The World Bank is engaged in the Safety Nets System for the Poorest Project, working actively with the Ministry of Disaster Management and Relief on workfare programme based on the EGPP, with the SID on targeting, and with the Ministry of Local Government, Rural Development & Cooperatives on CCTs.

5.2 In the past three years the development partners begun to engage in a policy dialogue with the Government on the need for a comprehensive Social Security system. This has resulted in support to an influential conference on Social Security and technical assistance to facilitate the development of the NSSS formulation. The formulation of the NSSS provides a

framework for broader engagement between the Government and development partners in the area of Social Security. The Government welcomes this interest of the development partners to engage on Social Security and will use NSSF to ensure that their support to individual programmes is consistent with this. The Government will explore possible technical assistance to help the implementation of the NSSF and the implementation of M&E framework for assessing the NSSF. It is expected that the development partners who have supported the NSSF formulation process would continue to support the process of introducing a results-based M&E system for the NSSF and increase support in programme development under the NSSF.

6. Conclusion

6.1 The preparation of National Social Security Strategy (NSSF) of Bangladesh was not easy, but considering the political-economic commitment and responsibility to the nation and abide by the national constitution, the Government of Bangladesh, in particular the Cabinet Division and the General Economics Division of Planning Commission had been instrumental for driving forward the development of the National Social Security Strategy (NSSF) over the past long four years. By adopting the NSSF, Bangladesh has already initiated one of the targets of Sustainable Development Goals’ as of 10.4 which spells “Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.”

6.2 Leaving no-one behind is the overarching core theme of the SDGs that all nations at the UN General Assembly adopted on 25 September 2015. It calls on all nations to ensure basic opportunities for all, with the aim of eradicating extreme poverty in a generation. Leaving no one behind is thus central to the global goals. The success to achieve this set goal largely depends on well targeted, and well managed social security programmes for helping vulnerable, poor and marginalized populations in the finest sense of ‘leaving no one behind’, amongst anything else. Bangladesh is committed to implement and achieve the global set targets and goals, and the NSSF of Bangladesh is adopted, which is succinct, well documented, global experience based, and focused on life cycle approach, in compliance with the aim to reduce inequality and poverty contributing to ensuring more peaceful and inclusive society.

November 2015