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Social Development, Empowering
the Poor and the Vulnerable

This paper is prepared for presentation at the Bangladesh PRS Implementation Forum 2005, Dhaka and based on the Private Sector and SME Development Strategies outlined in the PRSP.

Presented by
Akhter Hossain Khan,
Secretary,
Planning Division.

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Honourable Minister of Finance and Planning and Honourable Minister of Local Government and Rural Development, Colleagues, Representatives from our Development Partners.

It is indeed a great pleasure to launch the implementation of the PRSP. Those of us who have worked on this are particular proud of its contents and comprehensiveness. I will not go into the details of the PRSP in this session as these were already outlined in the last session. Here I will focus on how the PRSP supports empowerment of the poor and social development.

Bangladesh's successes in the fight against poverty and deprivation are by now well known. A string of impressive achievements on poverty reduction, health and education have taken root despite Bangladesh's relatively low levels of income, and have earned our country worldwide recognition. Anti-poverty innovations such as micro-credit have been replicated around the world. Bangladesh's Government often in partnership with our vibrant non-governmental sector, contributed significantly to the nation's development. These efforts are a testament to Bangladesh's greatest resource—its people and their initiative and zeal.

Bangladesh's challenges in the fight against poverty are also, unfortunately, well known. Aggregate poverty rates remain dauntingly high and the Bangladeshi people face a

vulnerable ecological context. Inequality is a rising concern. Despite good work done, women in particular face entrenched barriers and insecurities in their attempts to improve social and economic condition. Crucially, weaknesses in governance stand in the way of a more accelerated growth process, and make life more expensive and difficult for the average citizen. Thus, the ultimate goal of breaking wholly free from poverty remains somewhat distant, with significant, though not insurmountable, challenges in its way.

We must address these impediments to Bangladesh's development if we are to reach our MDG targets and improve the well-being of our citizens. A review of progress at the aggregate level suggests that the country is "on-track" in relation to a number, though not all, of the MDG targets such as reduction of infant and child mortality, expansion of primary and secondary education, reduction in many aspects of gender disparity, child malnutrition, and environmental sustainability. But it will take continued effort and political determination to consolidate these relative successes and to expand upon the gains already made, particularly for the more disadvantaged socio-economic groups and geographic areas.

Thus the empowerment of the poor must be given great importance so that high socio-economic and spatial inequalities do not cause Bangladesh to diverge from a path to MDG attainment. To this end, the PRSP has made clear that improved service delivery, more effective local government, a national social protection strategy, improved labour market skills and outcomes, and greater women's empowerment will all be fundamental. Each of these strategic goals will require substantive improvements in transparency and

stronger relationships of accountability in order to ensure that resources and opportunities are efficiently directed to those most in need.

Governance has thus emerged as the most critical of cross-cutting issues for empowering the poor by increasing the strategic efficiency of the state to address growth and distributive justice, and by further democratizing the discourse and practice of power. Better governance will lead to a better articulation of priorities, creation of an enabling environment for public and private action, and optimum use of resources and distribution of benefits. The PRSP states that the maximal definition of good governance would include the following: checks and balances among various organs of government; legitimacy and authority of state institutions; rules and norms that determine who holds power and the exercise of this power; relationships of accountability among state functionaries and citizens; the capacity of government to make policy, manage administrative and fiscal affairs of the state, and deliver goods and services; and the opportunities and efficacy of redress available to citizens. Though this comprehensive list certainly constitutes the long-term goal, the present task is to identify those narrower priorities which carry the maximum potential to energize the whole governance agenda, such as local governance and criminal justice.

The daily lives of the poor are affected by a lack of good governance through experience with corruption, harassment, unfriendly attitude, negligence of duties, non-target distribution of government-sponsored relief and stipend-related assistance, nepotism, violence against women and children, etc. These pervasive issues can be addressed by reinforcing the relationships of accountability between service providers and citizens.

Local governance is thus central for empowering the poor because it focuses on the critical issue of distributing resources and opportunities more efficiently through decentralized service delivery and grassroots accountability.

Poor governance impacts greatly upon the quality of services that poor people receive. An evaluation of the health sector programme, for example, reveals that public health service leaves much to be desired in terms of satisfaction to the users. Findings also show that clients from a higher socio-economic status are likely to experience better responsiveness from doctors/service providers as well as receive better quality treatment. Poor governance and weak structures of incentives and accountability lead to staff absenteeism, pilferage of drugs and other supplies, mistreatment of clients, and unauthorized and illegal payments collected from consumers. The management system is also highly centralized causing unnecessary delays in procurement of drugs, equipment, and other supplies.

The PRSP emphasizes that efficient institutional arrangements and management of the complex interactions between health providers and consumers are essential to ensure that the right health care services are delivered to the right people, at the right time and at a minimum price. Improving the quality of services for groups that have already been brought under the GOB-NGO system must be a priority now, and hence appropriate policies need to be designed to readdress the quality aspect of service delivery.

The education sector faces many of the same problems. There is a general agreement that the number of institutions and enrolments have grown at all levels as also gender parity at

primary and secondary levels. However, quality of education is the key concern especially in institutions where the children of poor families go. At the same time the education system does always not provide the students with the needed labor market skills so that they can enjoy the benefits of economic growth.

We propose to establish primary school quality standards and also increase the contact hours starting with the schools under PEDP-II. This will be broadened later. We will also look into improving career prospects for primary teachers. To help remedy the incentive and accountability problems that undermine quality education, the potential should be fully utilized for granting greater autonomy to educational institutions, linking subventions or allocations to their performance, and mobilizing community participation. We also realize that when the quality of primary education is poor – the higher levels are all affected. We are also proposing that secondary schools that receive Government funding be approved by independent accreditation panels of experts. We are moving forward on increasing the country's capacity to provide vocational and technical training and we are moving forward with allowing private providers to use the facilities of public technical training institutes during the hours they are not used.

Another crucial component in the PRSP's strategy for empowering the poor is the betterment of Bangladesh's social safety net programmes, which would also benefit greatly from improved local governance and decentralized service delivery. Bangladesh presently has a robust portfolio of social safety net programmes, which has been generally responsive to changing risk assessments and has witnessed a fair degree of innovation. These programs lack, however, an integrated national policy based on a

comprehensive and updated mapping of risk and vulnerability. A number of ministries are involved in implementing and monitoring safety net programmes, and budgetary provision are ad-hoc and given as block allocations. Programmes often have overlapping objectives and target groups even as many extremely poor people lack coverage.

These challenges should be addressed by adopting a coherent and integrated national social protection policy based on a comprehensive mapping of existing and emerging vulnerabilities. The strategic framework for social protection should include long-term solutions to entrenched problems such as seasonal poverty in northern districts and other affected areas. This service delivery agenda would benefit from improvements in local governance, as through a greater UP role in social safety programmes. This could minimize the number and improve the accountability of intermediaries who are involved in administering safety net programmes. It could also bolster the standing arrangements for monitoring and overseeing the development and implementation of social protection programmes.

A cross-cutting theme of the health, education and social protection issues discussed above is the role and empowerment of women, who continue to face gender-specific deprivations and disproportionate poverty. These trends can be seen, for example, in the relatively slower progress made on the maternal health MDG, in the high prevalence of violence against women, and in women's low participation in the labour market and low returns to labour. These are all symptoms of an all-pervasive and endemic social vulnerability, which manifests itself in dowry, lack of mobility in public space, early marriage, etc.

In order to achieve good gender governance, the government must take action to attain the following goals: (i) ensure women's full participation in mainstream economic activities, (ii) ensure social protection for women against vulnerability and risks, (iii) enhance women's participation in decision making, (iv) promote gender equality and empowerment, (v) ensure women's concern is expressed in international forums, and (vi) strengthen institutions for monitoring and evaluation of gender equality issues. To this end the government can continue to implement its international commitments on women's empowerment and gender equality, and can better enforce existing laws on violence against women.

Here I have highlighted some of the government's strategic priorities for empowering the poor as identified in the PRSP. Most importantly, I have emphasized the role of local governance and service delivery in achieving the MDGs and improving the welfare of the least well off. Bangladesh has made until now considerable progress across numerous measures of development in spite of the constraints it faces. It is my hope that Bangladesh's success will continue in the future by marshalling the social and political determination to improve substantially the condition of governance and service delivery in the country.

Thank you.