

## Challenges in implementing social protection programmes

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Bangladesh's National Social Security Strategy (NSSS) is designed to tackle challenges in addressing socio-economic vulnerability, as well as mitigate the problems of entrenched poverty and marginalisation through an inclusive, focused and coordinated approach to poverty reduction. The provision of social security is envisaged in Article 15 (d) of our Constitution as citizens' right. In line of the Constitutional obligations, the Cabinet has approved the National Social Security Strategy (NSSS) for the first time in Bangladesh on June 1, 2015, and the NSSS has been launched subsequently by the General Economics Division of the Planning Commission.

The main vision of social security strategy is to "build 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." To that end, the goal of 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, and prioritises the poorest and most vulnerable members of society."

**JUSTIFICATION FOR AN INCLUSIVE, FOCUSED, AND COORDINATED APPROACH TO POVERTY REDUCTION:** Bangladesh's Social Protection System was complex, comprising a large number of programmes, managed by many Ministries. There were approximately 145 programmes under the Social Protection System financed through the national budget. These programmes were administered by as many as 23 line Ministries/Divisions and there was no formal mechanism for sharing information among the implementing Ministries/Divisions. Obviously, this led to a coordination failure and to some extent, wastage of public resources by mistargeting and leakages. To get out from these anomalies in social protection system, the NSSS was undertaken based on 24 research studies on Social Protection Programmes.

In 2010, of the 24.5 per cent of households who reported to have benefited from at least one of the 30 SSPs covered in the HIES(2010), 82 per cent of them belonged to the poor and vulnerable groups while some 18 per cent of them were non-poor.

It was estimated that 65 per cent of the Social Security Programmes were based on life-cycle related risks. Thus, in terms of life cycle coverage, there was a significant gap. For example, the Social Security coverage for children aged 0-4 years, and people with disabilities and elderly persons were very low. Coverage was the highest among school-age children but the transfers they received were low in value.

It is noted that with the consistent GDP growth over the past 8 years and good agricultural performance, the incidence of hunger and food poverty has come down significantly. There is also evidence that the labour market in agriculture is tightening as reflected in growing agricultural real wages. In view of this changing economic landscape, the nature of poverty and the risk profile was also changing. This required a reassessment of the adequacy of the Social Security schemes to meet the Social Security requirements.

The approach to delivering social benefits will need to broaden from the concept of a safety net to a more inclusive concept of a Social Security strategy that is aligned to the life cycle and incorporates formal employment policies as well as social insurance schemes. Presently, employment market is dominated by informal employment. Bangladesh is aspiring to become an upper middle-income country. Already, the per capita annual income level has crossed US\$ 1465. As the economy grows and the share of manufacturing and organised services in both GDP and employment expands, the demand from the Social Security System will also change.

**SOCIAL SECURITY SCHEMES: CURRENT TREND:** It is observed that in Bangladesh, budgetary allocation has been substantially raised on social security allowance. In 2014-15, the budget on social security expenditure was 12.8 per cent of the total outlay in the budget, which has been increased to 13.3 per cent in 2016-17. Outlay on social security as a percentage to the GDP has also been raised from 2 per cent in 2014-15 to 2.3 per cent in 2016-17. This means that the budgetary resource on social security allowances has

been able to keep pace with the continuous growth in GDP. The increased expenditure on social security is the outcome of either increase in coverage or increase in per unit outlay.

The budgetary spending on top 10 social security schemes has been increased over time. These top 10 social security schemes are: old age allowance, employment generation scheme for the poor, food for work (FFW) programme, vulnerable group feeding (VGF), primary school stipend, test relief (TR), vulnerable group development (VGD), open market sales (OMS), pension for retired government employees, and honourarium for the freedom fighters.

**INSTITUTIONALISATION OF SOCIAL SECURITY SCHEMES:** The Central Management Committee (CMC) formed under the NSSS is the committee for coordinating activities of the social security schemes of the line ministries with the Cabinet Secretary as the Chair. Moreover, the existing schemes are grouped in five broad thematic Clusters: Social Allowances, Food Security and Disaster Assistance, Social Insurance, Labour/Livelihoods Interventions, and Human Development and Social Empowerment. Clusters will sit soon. Clusters will prepare their own action plans through consultation meetings.

Under the CMC, a Technical Sub-Committee for Action Plan Preparation is in place for preparing action plans of the line ministries, and those of the Clusters. Action Plans for 23 implementing Ministries/Divisions/ Departments have already been drafted. The objectives are to reform the existing schemes on the basis of life cycle and covariate risks, and consolidate the small schemes. Along with the ministry-specific action plans, Cluster Action Plans will be prepared as well. Meantime, action plan preparation by 23 ministries will be appraised in the upcoming 11th meeting of the CMC. The CMC is also working on the preparation of a national Grievance Redress System (GRS) and will act as the platform for lodging complaints about social security delivery system, if any. Reform in other important activities related to the delivery of the social security schemes is also underway, such as establishing a single registry management information system, strengthening Government to Person (G2P) payment system, strengthening the process of selecting recipients, and establishing a result based monitoring and evaluation system. National data base for all poor is being prepared by BBS. A study is going to be conducted for formulating a comprehensive National Social Insurance Scheme (NSIS) which will be promulgated as a law subsequently. A separate study will be conducted for initialisation of a private pension scheme. A private pension authority will be established later on.

**ACTIONS TAKEN AFTER ADOPTION OF NSSS:** Consistent with the NSSS, good progress is observed in social protection fields. The current national budget (2016-17) shows that the number of old age beneficiaries has increased by 5 per cent to reach 3.15 million, with increased allowances from Tk 100 to Tk 500. Similarly, the number of widows, and women deserted by husbands benefiting from the scheme has increased to 1.15 million. As for the Vulnerable Group Development (VGD) scheme, the number of destitute women beneficiaries has increased from 0.25 million 1 million. Similarly, the scheme for working lactating mothers has expanded their beneficiary coverage to 0.18 million. Progress has also been made in the coverage of disabled population and the rates of benefits. For example, the allowance for disabled persons has been increased six times to Tk 600 from Tk 100, and the number of disabled beneficiary persons has increased by 25 per cent to 0.75 million. Also, total allowance for neuro-developmental disabled persons has been increased to Tk 105 million.

The priority challenges planned to be addressed over the next five years, among others, include (a) expanding coverage of core social security schemes for the extreme/hardcore poor and most vulnerable people of the society, focusing on mother and child, youth, working age, the elderly and people with disabilities; (b) ensuring that the most vulnerable women are provided with income security and greater opportunities to engage in the labour market, in particular when they enter into motherhood; (c) expanding coverage to the residents of urban areas and to the socially excluded people; and d) bringing all the poor under effective social protection coverage.

The reforms proposed in the NSSS will be instrumental in eliminating leakages, improving targeting, and increasing the value of transfers. These reforms will not only diminish the risks faced by the poor and vulnerable population, but will also build social capital and resilience. A reformed and more efficient social protection system will assist efforts to take forward the inclusive growth trajectory and accelerate poverty reduction in Bangladesh.

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