

## NATIONAL SOCIAL SECURITY STRATEGY

# A roadmap to poverty reduction in Bangladesh

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**Shamsul Alam**

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Social security is important not only for addressing vulnerability, but also for solving the problems of entrenched poverty and reducing marginalisation. The importance of a well-designed social security system has increasingly been accepted within national and global policy circles for addressing triple problems of poverty, vulnerability and marginalisation. Bangladesh's latest initiative in social security—National Social Security Strategy (NSSS)—takes up the challenges through an inclusive, focused, and coordinated approach to poverty reduction.

The provision of social security is embedded in Article 15 (d) of our Constitution as citizens' right to social security. In line of the constitutional obligations, the main vision of the newly launched 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 life cycle risks, and prioritises the poorest and most vulnerable members of society.”

Social protection is embedded within the Seventh Five Year Plan. The plan outlines the implementation of the National Social Security Strategy as a core goal in building the foundations of a progressive and inclusive social security system. The priority challenges planned to be addressed over the next five years amongst 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 motherhood; and (c) expanding coverage to the residents of urban areas and to socially excluded people.

Human beings face shocks and challenges at different stages of their life cycle and the poor and vulnerable segments of the population are the worst victims. If not addressed on time, some of the underlying risks could have life-lasting negative impacts. While coverage of safety net beneficiaries has increased over the last decade, the targeting performance suggests need for improvement and streamlining.

Many of the existing social safety net programmes of Bangladesh fit in with the life cycle framework, but concerns of targeting have been paramount. Much of the social security budget is spent on government pensions and food distribution schemes. Programmes to mitigate pregnancy and early childhood risks and disability are remarkably limited in both beneficiary coverage as well as financing. The average benefit of the old age allowance programme is very low and lots of poor, old people are excluded. The disability benefits and vulnerable women's programmes similarly suffer from low coverage and low average benefits since most current programmes are small and the average benefit per individual is low.

The successful implementation of the NSSS will provide a strong basis for Bangladesh to extend proper social security to its poor and vulnerable populations. It recognises the differences in risks at different stages of the life cycle and provides support to various demographic groups. The proposed reforms too are to be instrumental in eliminating leakages, improving targeting, increasing the average value of the transfers, lowering the risks faced by the poor and the vulnerable, reducing poverty and income inequality.

The reforms through the NSSS seek to consolidate the multitude of often duplicative programmes into core programmes based on the life cycle, enhance beneficiary coverage so that the programmes are by design inclusive of the poor and the vulnerable, with special emphasis on the extreme poor, and increase the average programme benefits to make a meaningful impact on the recipients. The NSSS has placed greater emphasis on strengthening the administration and management of Social Security schemes. This increases the efficiency and effectiveness of schemes while also reducing fiduciary risk. Improvements have generally focused on three main areas: professionalising staff and institutions; improving management information systems; and, the delivery of transfers to recipients.

The government understands that improvements in the administrative arrangements for the NSSS will be critical to its success. Administrative problems and weak governance in the implementation of SSPs are interlinked. Establishing good institutional arrangements for

administering well-designed SSPs will also help lower leakages. The review of past experience suggests that there are a number of areas that need to be reformed.

The key priorities, accordingly, are to address a vastly simplified institutional arrangement that allows proper planning, implementation, and M&E of the NSSS. The professionalisation of staff is also important to create a group of public servant experts in the delivery of Social Security schemes both at national and local levels. The effectiveness in identifying recipients for social security schemes also require (a) upgrading the MISs so that they are able to underpin the effective and efficient delivery of transfers and promote cross-governmental coordination and monitoring of performance; (b) strengthening payment mechanisms to minimise leakage and to use the social security system to promote financial inclusion, in particular among the poor; and (c) establishing an effective grievance redress system so that all citizens have recourse to appeal decisions on selection and can notify the competent authorities about instances of misconduct and failures in the delivery of the promised benefit.

The government will continue deepening the partnership with different stakeholders in the area of delivering social security services based on the NSSS. NGOs can be helpful in piloting innovative ideas for possible scaling up, identification of potential beneficiaries, especially those that are hard to reach because they live in remote areas or belong to marginalised or vulnerable social groups of the population, and helping redress grievances and disputes relating to the implementation of the NSSS.

Bangladesh now has a roadmap to a social security system that is inclusive, focused, as well as coordinated enough to achieve the objectives and get the maximum value of public money. The targeted, focused and coordinated approach will ensure that we do not embark on a fragmented implementation, with both duplication and under-coverage resulting from improper targeting, leakages and lack of inter-ministerial coordination. With a comprehensive strategy, our task in the future is to make sure that the roadmap is followed for further reduction in poverty.

*The writer is Member (Senior Secretary), General Economics Division, Planning Commission. He can be reached at [sabau47@yahoo.com](mailto:sabau47@yahoo.com).*

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