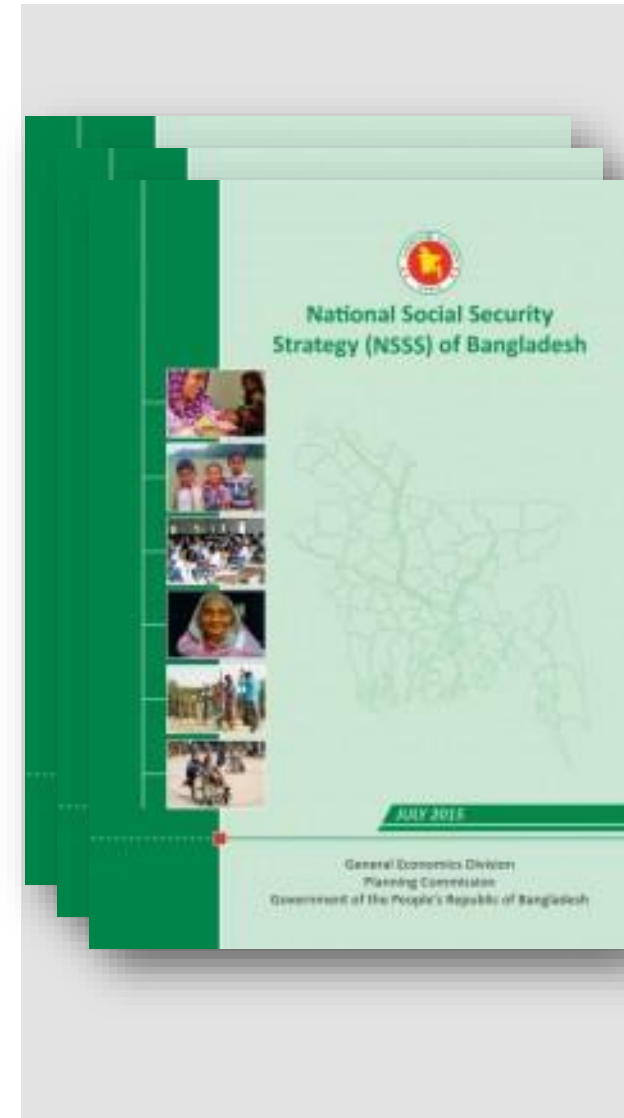
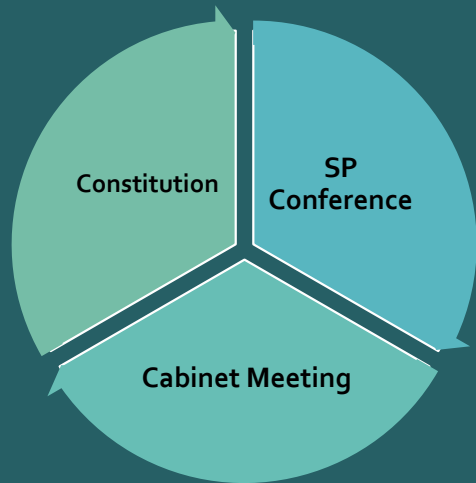


# National Social Security Strategy of Bangladesh: Salient Features

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## NSSS: Origin & Context



- ***The Constitution.*** It shall be a fundamental responsibility of the State to attain, through planned economic growth, a constant increase of productive forces and a steady improvement in the material and cultural standard of living of the people, with a view to securing to its citizens – ... .. (d) **the right to social security**, that is to say, to 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.
- ***Social Protection Conference.*** At a Social Protection Conference in Dhaka in 2011, the Government of Bangladesh announced a commitment to develop a national strategy for social protection in Bangladesh.
- ***Cabinet Meeting.*** The Cabinet meeting held on 10th September 2012 entrusted the General Economics Division (GED) of the Planning Commission to prepare the National Social Security Strategy (NSSS) under the guidance of a Central Management Committee (CMC) for the Social Safety Net Programmes Chaired by the Cabinet Secretary.

## Background Research Papers

*With a view to exploring the evidence, GED prepared 9 Background Research Papers along with a Framework Paper for preparing the National Social Security Strategy of Bangladesh*

1. Framework Paper for Developing the National Social Security Strategy in Bangladesh
2. Poverty, Vulnerability and Inequality in Bangladesh
3. Building a Social Protection System to Address Urban Poverty in Bangladesh
4. Social Protection Strategies to Address Social and Gender-Based Exclusion, Including Disability, High-risk Groups and Minority Groups in Bangladesh
5. Social Protection Financing and Affordability
6. Social Protection Strategies to Address Idiosyncratic and Covariate Risks and Shocks, including Seasonal Poverty, Economic Recession and Natural Disasters
7. State of Governance within Social Protection Sector in Bangladesh
8. Building a Social Protection System to Address the Demographic Challenges Faced by Bangladesh
9. International Best Practice in Social Protection: Implications for Bangladesh
10. A Review of Bangladesh Social Protection System

**GED has published a Book containing the Background Papers**

## Social Security System in Bangladesh Before the NSSS

*During the period the NSSS was being formulated, Bangladesh, a country in economic transition, was in need of a paradigm shift in its social security system*

- A complex system with multitude of programmes (145), most of which are very small both in terms of resources they provide and the number of beneficiaries they cover.
- A fragmented arrangement managed by a large number of Ministries/ Divisions (23) with no formal mechanism for sharing information among them called for better coordination and efficiency.
- Benefits and coverage were not well balanced across the stages of life cycle. Programmes for addressing pregnancy and early childhood (0-4 years) and old age risks had low coverage and low-levels of funding.
- Much of the SSS is focused on addressing the risks faced by the rural poor. Urban poor called for attention.
- There was no formal mechanism for reviewing the performance of the SSS either at the national level or by individual programmes.

## Lessons of International Experience

*The NSSS has benefitted from several lessons from international experiences.*

*Bangladesh got hands on experience from **South Africa, Lesotho and Nepal.***

*SSS of Brazil, Mexico, Ecuador, Kenya, and OECD countries have been consulted*

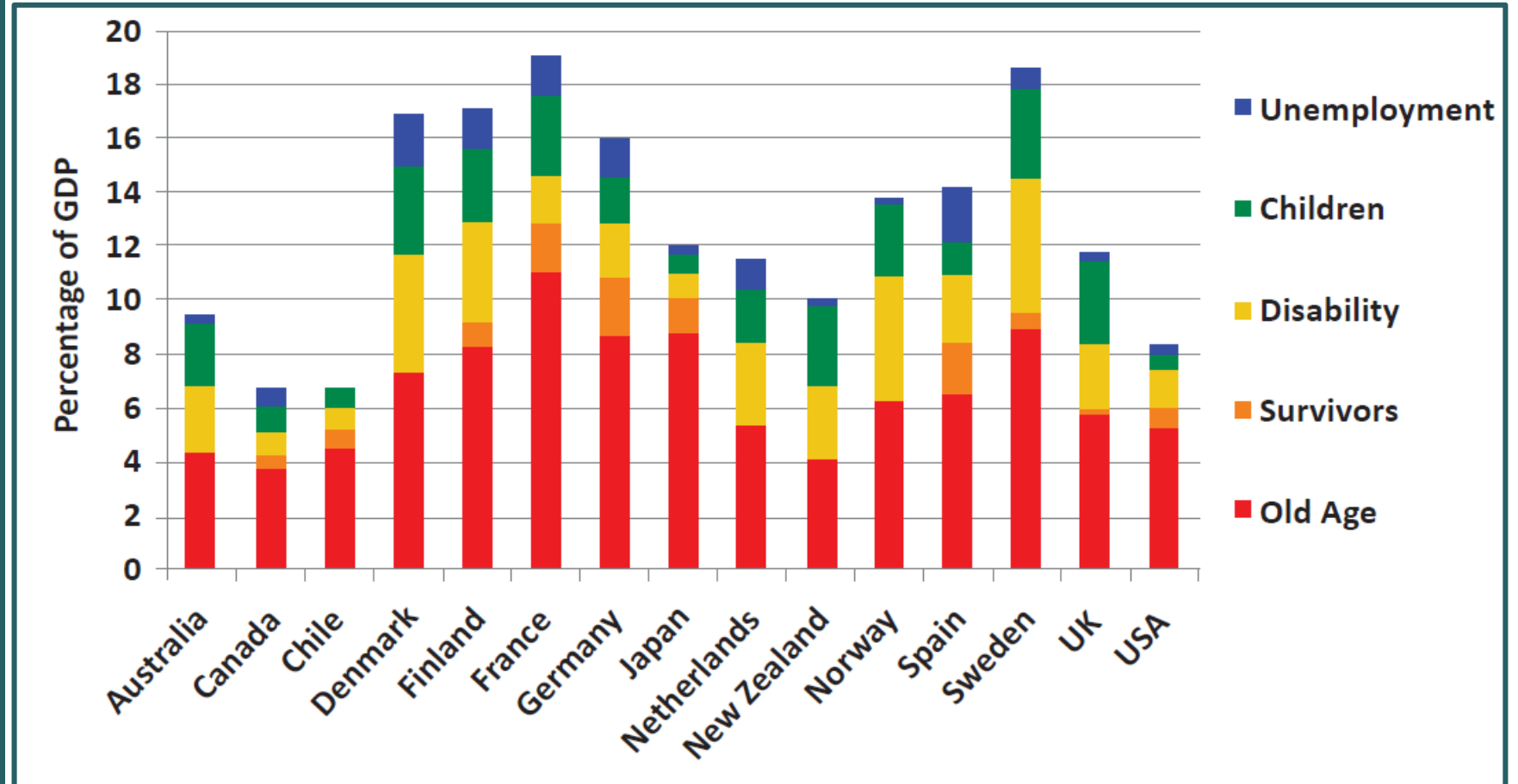
- The value of any social transfer and programme **coverage** will have to be sufficiently large to have a meaningful impact.
- As Social Security systems mature, they are shaped by the need to address the causes of poverty and are designed to address the risks and challenges associated with different stages of the **lifecycle**.
- As countries build their Social Security systems, they need to decide the relative balance between **public expenditure-financed** and **social insurance schemes**.
- Countries have experimented with many different means of identifying the poor including community-based targeting, unverified means tests and proxy means tests but all have relatively high levels of inaccuracy. **Combined approaches** work better than one single methodology.
- Proper administrative arrangements involving a **coordinating agency, strong implementing agencies, professional staff, a sound MIS, a payment system** based on financial institutions, a proper **M&E** and an **appeals system** to resolve beneficiary grievances are all elements of a sound Social Security delivery system.

***The Government got support from UNDP, DFID, DFAT, and other Development Partners in NSSS formulation and implementation***

Lessons of International Experience (continued)

*High Income Countries spend a good sum in terms of GDP in social security activities*

## Spending on Social Security Schemes in Selected Upper-Income Countries



## The NSSS: Vision & Goal



- **Approval.** The NSSS was approved by the Cabinet on 1 June 2015.
- **Vision.** Build an inclusive Social Security System (SSS) for all deserving Bangladeshis that effectively tackles and prevents poverty and inequality and contributes to broader human development, employment and economic growth.
- **Goal.** Reform the national Social Security System (SSS) 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. [over the next five years]

## The NSSS: Priority Areas

*Rooted in a rights based approach, a Social Protection Floor for Bangladesh will initially be prioritized in consideration of institutional capacity, fiscal space, inertia of existing system and administrative structures and the most urgent social and economic needs.*

- A shift from current discretionary to a **targeted universal approach** to avoid leakages and under-coverage.
- **Expanding coverage of core schemes** for the **extreme poor, marginalized and most vulnerable** people of the society, focusing on **mother and child, youth, working age, the elderly and persons with disabilities**.
- 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, in particular as they enter into **motherhood**.



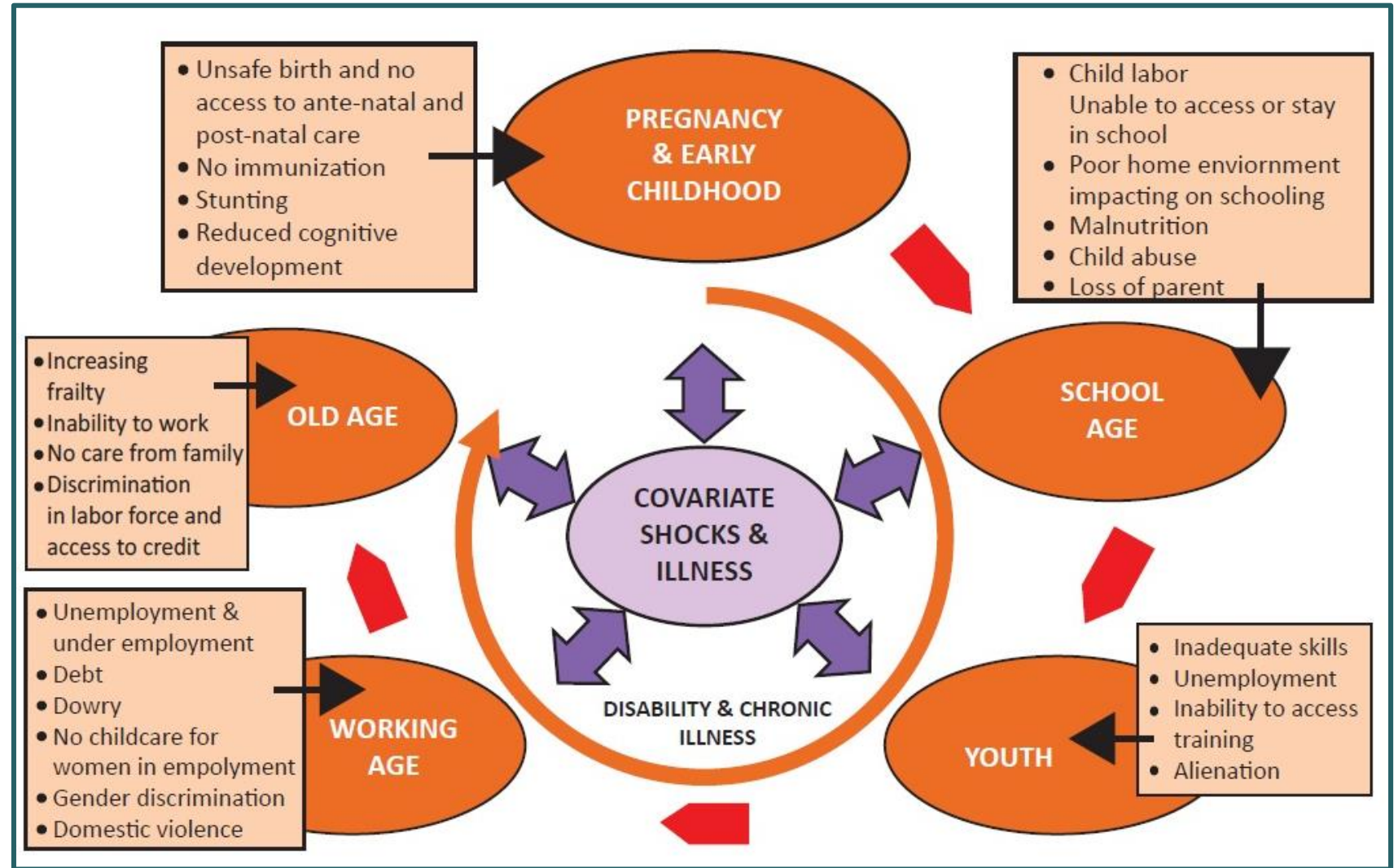
## The NSSS: Priority Areas (continued)

*During the initial years of NSSS implementation, emphasis will be given to **hard-core poor** and the **most vulnerable** sections of the population.*

- Initiating a **social insurance system** that enables people to invest in their own social security.
- Expanding coverage of Social Security schemes to include the poor and vulnerable 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** and **trained professional staff**.
- Expanding the **awareness** of the social security programmes for the beneficiaries and motivating potential contributors.

# The NSSS: Lifecycle Approach

*At the core of the NSSS are initiatives to strengthen the national Social Security System so that it focuses more on the causes of poverty, in particular by consolidating the development of a **lifecycle Social Security System**.*



# The NSSS: Core Lifecycle Programmes

*Maternity*

*Children (1-4)*

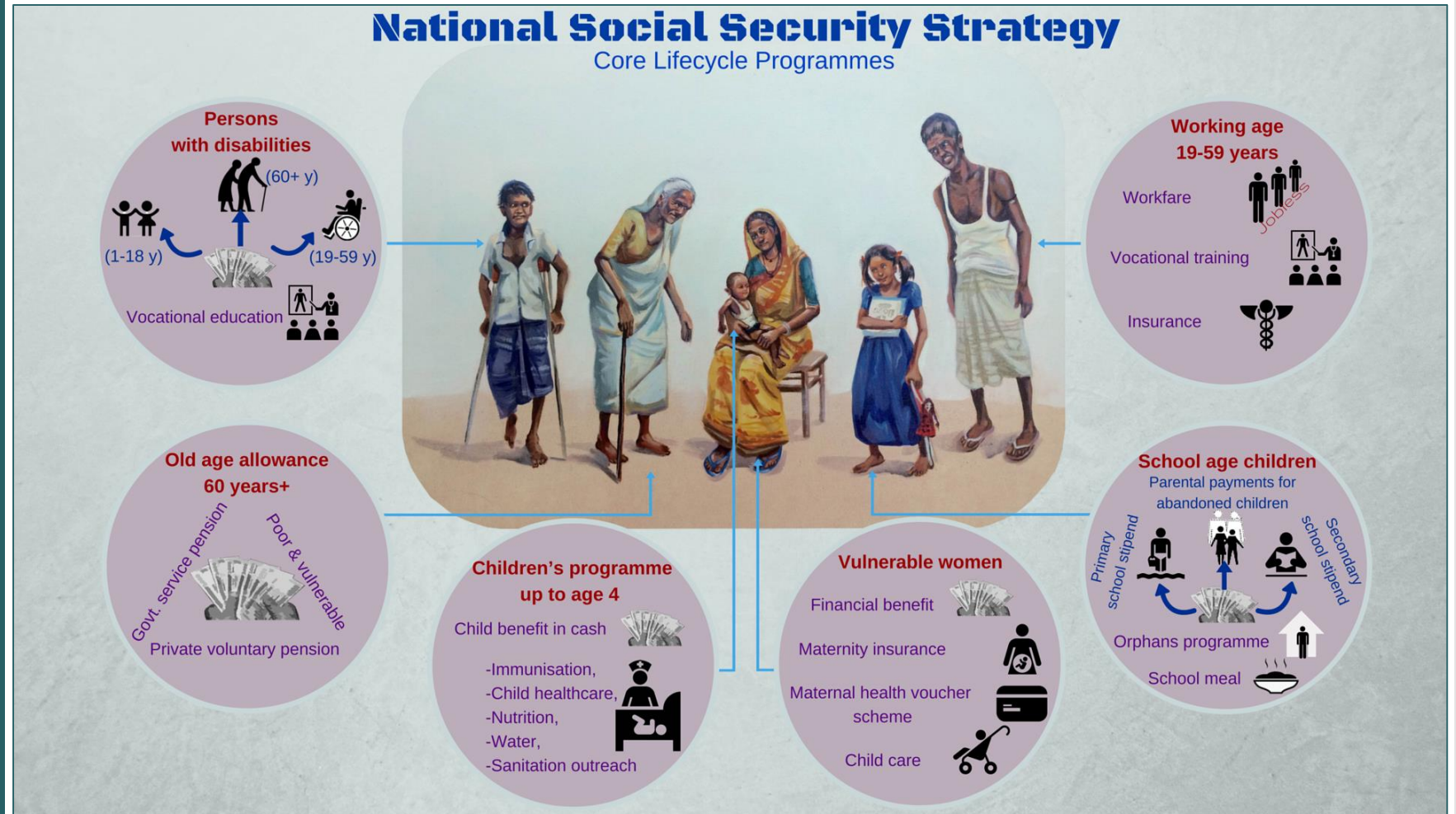
*School Age Children*

*Working Age People*

*Old Age People*

*Vulnerable Women*

*Persons with Disabilities*



## The NSSS: Core Lifecycle Programmes

### *Social Security Support for Children*

- **A Child Benefit for Young Children.** A transfer to around half of all children aged 0-4 years belong to the poor and vulnerable group.
- **Strengthening the School Stipend Schemes.** Coverage will be extended to the 50 percent poorest children in primary and secondary schools respectively, with no distinction by gender.
- **Ensuring Child Maintenance Payments for Abandoned Children.** Enabling care-givers of children to obtain maintenance payments from those parents who have abandoned their children.
- **Complementary Schemes for Children.** The Government will continue to strengthen a range of ongoing initiatives that will provide important complementary benefits for children.



## The NSSS: Core Lifecycle Programmes (continued)

### Programmes for Working Age

#### General

- ***Consolidation of Workfare Schemes.*** Consolidation of various fragmented employment schemes would yield considerable efficiency gains by reducing administrative costs and reducing leakages.
- ***Unemployment Insurance.*** as part of the NSIS there will be a system of unemployment insurance for workers in the organized private sector.

#### Female

- ***Support for Vulnerable Women of Working Age.*** The Government will consolidate the Allowance for Widowed, Deserted and Destitute Women and the VGD scheme into a new Vulnerable Women's Benefit (VWB).
- ***Maternal Healthcare.*** The Government will build on the positive experiences of the Maternal Health Voucher Scheme (MHVS) and expand coverage to all women who need this service
- ***Maternity Insurance.*** The Government will integrate a mechanism for providing all new mothers with maternity insurance within a new National Social Insurance Scheme (NSIS)

## The NSSS: Core Lifecycle Programmes (continued)

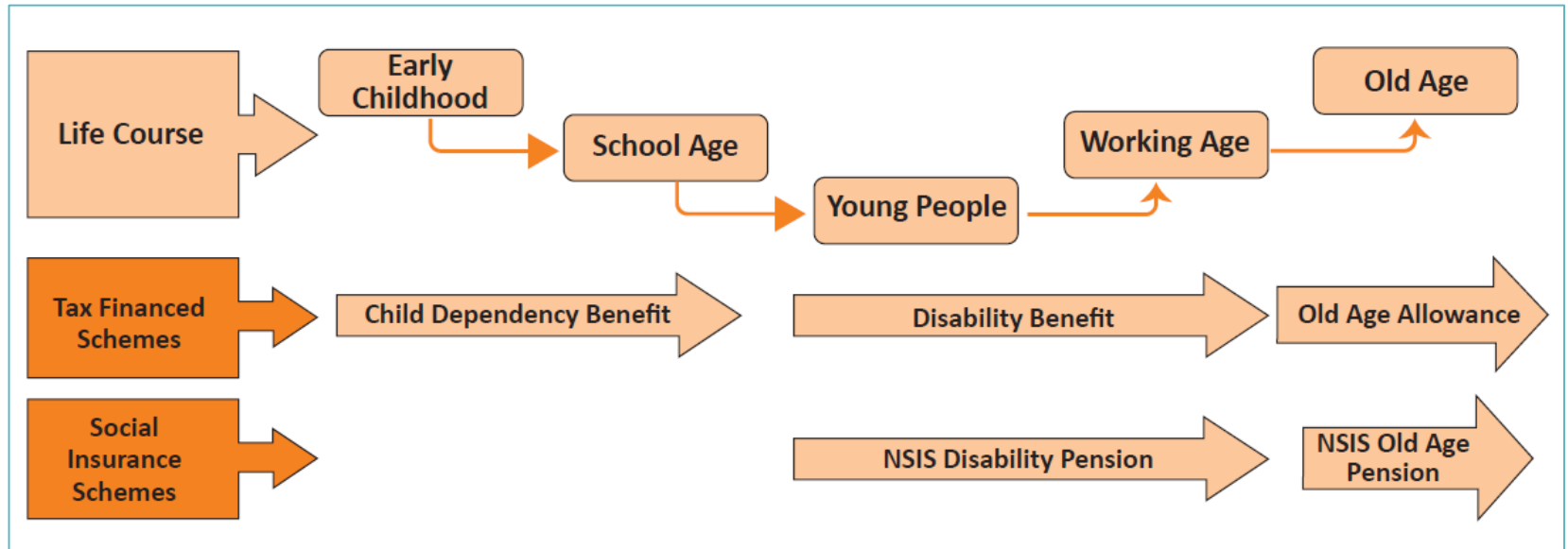
*Programmes  
for the  
elderly*

## A Three Tier System

- ***Tier 01 (Old Age Allowance)***. A public expenditure-financed benefit that provides senior people that belong to the poor and vulnerable group with a minimum income guarantee.
- ***Tier 02 (The National Social Insurance Scheme)***. A contributory pension scheme for the formal sector workers to be explored.
- ***Tier 03 (Private Voluntary Pensions)***. Voluntary pension schemes—managed by the private sector (often employment-based schemes) – into which people can opt if they desire an additional income in old age.

## The NSSS: Special Programmes

### *Programmes for the Persons with Disabilities*



- A Child Disability Benefit for all children with a disability, up to 18 years of age;
- A Disability Benefit for all adults with severe disabilities, aged 19-59 years;
- At 60 years, people with severe disabilities will transition to the Old Age Allowance.

## The NSSS: Institutional Reforms

*CMC led Cluster  
Coordination Approach  
of Implementing  
Ministries*

Cluster	Lead Coordination Ministry	Implementing Ministry
<i>Social Allowances</i>	Ministry of Social Welfare	MoWCA, MoLWA, MoHFW, MoCA, LGD, MoLE, MoCHTA
<i>Food Security and Disaster Assistance</i>	Ministry of Food	MoDMR, MoHFW, MoA, MoWCA, MoFL, FD, MoSW, MoC
<i>Social Insurance</i>	Finance Division for Public Pension; Financial Institutions Division for Private Pension	MoLE, MoHFW, MoSW
<i>Labour/Livelihoods Interventions</i>	Ministry of Disaster Management and Relief	LGD, MoWCA, MoSW, FD, MoFL, MoLE, MoA
<i>Human Development and Social Empowerment</i>	Ministry of Primary and Mass Education	MoE, PMO, MoL, MoLE, MoSW, MoWCA, MoHFW, ICTD, MoEWOE, MoI, MoYS



## The NSSS: Institutional Reforms (continued)

### *Other Reforms*

- Strengthening the Department of Social Services of Ministry of Social Welfare
- Establishing a Single Registry Management Information System
- Strengthening Government to Person (G2P) Payment Systems that Promote Financial Inclusivity
- Strengthening Processes for Selecting Recipients of Social Security Schemes
- Instituting a strong M&E System (Individual Programmes:
  - Monitoring of Individual Programmes within the Strategy
  - Monitoring of the Social Security Strategy Process
  - Evaluation of Impact of the Social Security System
- An Action Plan has been prepared with a view to effectively implementing the NSSS

Thank You