

## Diagnostic Study

# Harmonization of Small Social Security Programmes: Issues and Policy Options

### Background

The NSSS viewed small programme consolidation as an effective means for reducing administrative costs and increasing coordination in programme implementation. As such, the strategy prescribed for harmonising the small SSPs along the lifecycle risks based major programmes. Despite of NSSS stipulation the progress on small programme consolidation between 2016-18 has been essentially stagnant.<sup>1</sup> One of the major reasons of such 'no progress' is the lack of clarity in the NSSS in terms of defining 'small programmes'

### Research Objectives

- For profiling the small social security programmes, identifying their salient features, and proposing a framework for effective and efficient harmonisation.

### Methodological approaches

- Desk research for literature review
- (KIIs) with government officials involved in the implementation and administration of small SSPs.
- NSSS report, the drafted NSSS midterm implementation review, corresponding ministries' websites, interviews with programme officials.

### Research Findings

Based on a vivid review, the study identifies four major criteria for a systematic harmonization process of small SSPs that can achieve the long-term vision and goals of the NSSS, namely

- Inclusiveness:** The harmonization should be consistent with the principle of inclusiveness
- Efficiency:** The harmonization should result in more efficient use of resources.
- Lifecycle risks:** The framework should be consistent with inclusive social protection system that addresses the life cycle risks of the people.
- Coherence:** The harmonization should be an adjustment towards a more coherent social security system that strengthens the delivery channel.

By disaggregating the social security budget allocation into lifecycle risks, the action plan shows that the highest 45 percent of the total allocation went to old age people while pregnancy and childhood component shared only 3 percent of the total allocation. This result suggests that there are significant gaps in present allocation that needs to be adjusted considerably for implementing a lifecycle-risk centric social security system.

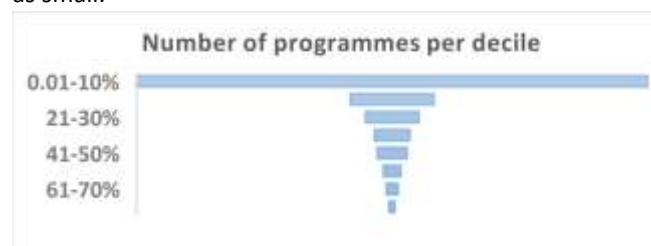
### Portfolio Analysis of the Small Programmes and A Pragmatic Harmonisation Strategy

In accordance with the lifecycle framework, the NSSS suggests that small SSPs should be reshaped or modified as per one of the following procedures:

- Merging with similar types of major lifecycle programmes
- Will be continued, but should be excluded from the domain of social security
- Will be discontinued after the programme expiration date or will be terminated
- Scaling up nationwide depending on the impacts and coverage of the programme

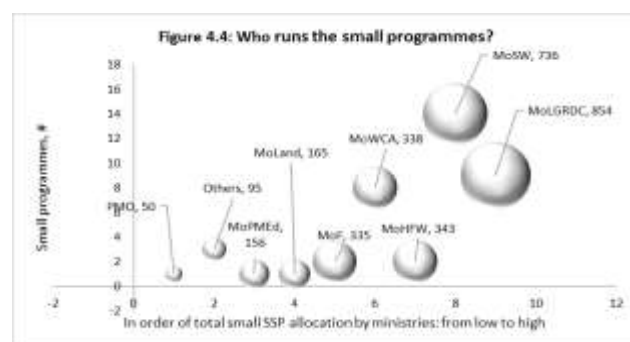
### Definition of Small Programmes

First, all SSPs having less than 0.5 percent of the total budget (equivalent to or less than Tk. 372 crore) can be considered as small.<sup>11</sup> Alternatively, programmes at the bottom decile (in terms of budgetary allocation) can be considered as small programmes. The data reveals that following 0.5 percent cutoff value, 85 social security programmes can be identified as small.



All GoB approved projects or programmes are categorised in two categories based on their source of funds: (i) Revenue budget programmes, and (ii) Development budget programmes.<sup>1</sup>

A close inspection of the programmes reveals that some of the programmes are purely for construction, supply of essential health and nutrition materials or utilities, etc. Essentially, these programmes do not fit in the definition of the 'social security programmes' iconised in the NSSS. Nor these programmes require harmonisation. One interesting feature of the identified small SSPs is that, most of them are operated by only a few ministries.



## Conclusion and recommendations

Despite having multiple political factors associated, harmonisation or consolidation of such programmes in terms of coordination of management and administrative tasks across ministries and stakeholders can significantly improve efficiency of current social security schemes in Bangladesh. Incorporating a close analytical inspection at the portfolio of small social security programmes based on their budget, number of beneficiaries, objectives, eligibility as social security, and their scale of operation this research paper develops an analytical framework to harmonise small SSPs

### Harmonisation recommendation for the Lifecycle risk small SSPs:

Below shows a few examples on how consolidation can be done based on life cycle according to NSSS

#### Programmes for children

The programme objectives of most small SSPs on children's health and nutrition overlap with another large programme implemented by the Directorate General of Health Services, under the Health Service Division of the MoHFW.<sup>1</sup> The Programme, named 'Maternal Neonatal Child and Adolescent Health' (MNCAH), is a large programme as per the definition followed in this study. The programme is being continued since 2011 and will be completed on June 2022. Upon consultations with MoWCA, DGFP and DGHS, the Cabinet Division should prepare a unique programme for Maternal, Neonatal, Child and Adolescent Health Care to be continued from July 2022 onward. Harmonising all these programmes under "Agamir Shishu" can be thought as the pragmatic and optimal strategy to move forward.

#### Programmes for Working age

Small social security programmes such as the Interest free Microcredit Programmes and the Microcredit for women self-employment are quite similar in programme objectives with the microcredit programmes that are in operation by the Palli Karma Sahayak Foundation (PKSF). PKSF provides financial assistance and institutional support to the poor through employment generation. Given the extents of microcredit services PKSF has, all microcredit programmes can be channelled through PKSF. An overview of the skill enhancement programmes for women run by DWA and JMS indicates duplicated number of programme components. Such duplicities in the training programmes can result in inefficiencies. These programmes can also be considered for integration with the MoF led SEIP programme.

#### Programmes for persons with disabilities

All the eight small programmes for PWDs should be directed from a single source. Based on the review, among all the institutions working with disabilities, Jatiya Protibondhi Unnayan Foundation (JPUF) comes on the top in terms of its experience as well as coverage. Hence, all programmes related to the service delivery and assistance including the medical treatment allowances to the PWDs should be harmonised and convened through JPUF. To do this, the capacity and exposure of JPUF should be strengthened. However, all disability related regular benefits should be channelled through the DSS and the stipend programme for the PWDs should be harmonised with the regular benefit programmes.

## Broad recommendations:

### 1. Small programme harmonization will improve administrative efficiency without much impact on budgetary efficiency

The 41 small social security programmes constitute only 4.13% of the total SSP budget. In addition, some of the small programmes are too small to have any major impact whether they are consolidated or are left to exist as they are. Hence, in terms of budgetary efficiency harmonization of small programmes might not induce significant benefit over the current situation. Due to the duplicity, programmes that are similar in goals, can be consolidated to improve administration and management efficiency by reducing the administrative cost of operation. Also, the programmes that are aligned with the goals of major or large SSPs, can be brought under the same umbrella. The study believes, even though there will be substantial gain in administrative efficiency from consolidation and harmonization of small SSPs, that most budgetary gains from programme harmonisation will come from consolidation of large programmes.

### 2. A formal mechanism should be in place for initiating new SSP

All small programme should have well-developed concept note (business cases) so that the scope of consolidation is known and the reasons for their continuation can be rationalised. If any ministry or division intends to initiate a new SSP, a formal mechanism should be in place. Once the programme rationale is verified through the established mechanism, it can be initiated to promote creativity and tested through pilot programmes. If they are successful, they will have to be duly scaled up to achieve programme objectives.

### 3. Programme consolidation can use a cluster approach to bring group specific interventions under one umbrella

In certain cases, several special small programmes have their relevance and usefulness to address pressing issues that involve insolvent marginal groups of population. This is particularly important when the issue of inclusivity has to be protected and promoted. For example, the programme targeting certain marginal groups as "Bede" and transgender population. One will also have to accommodate political commitments (e.g. to protect certain communities). Programme consolidation can use a cluster approach so that all these group-specific interventions can be brought under an umbrella for programme designs, ensuring coherence across the similar schemes and effective administrative oversight.

### 4. Capacity and efficiency of MoSW should be improved

Another important fact to be noted is that as per the NSSS, from the 2026 onwards, once all lifecycle programmes come under the purview of the MoSW, consolidation tasks will be much easier and more meaningful. Hence, one key priority for now should be, how MoSW gets reformed in order to improve its capacity and improve its operational efficiency for the second phase of the NSSS reforms.

### 5. Steps should be taken to make all SSP related information easily available

One of the major limitations the research team faced while working on this project, was the unavailability of information on several social security programmes. This dearth of available information hinders in conducting a rigorous analysis on the small programme harmonization based on programme efficiency. In order to address this issue, all ministries and divisions should make the SSP related information easily available through their website.