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Two-thirds new poor received cash support

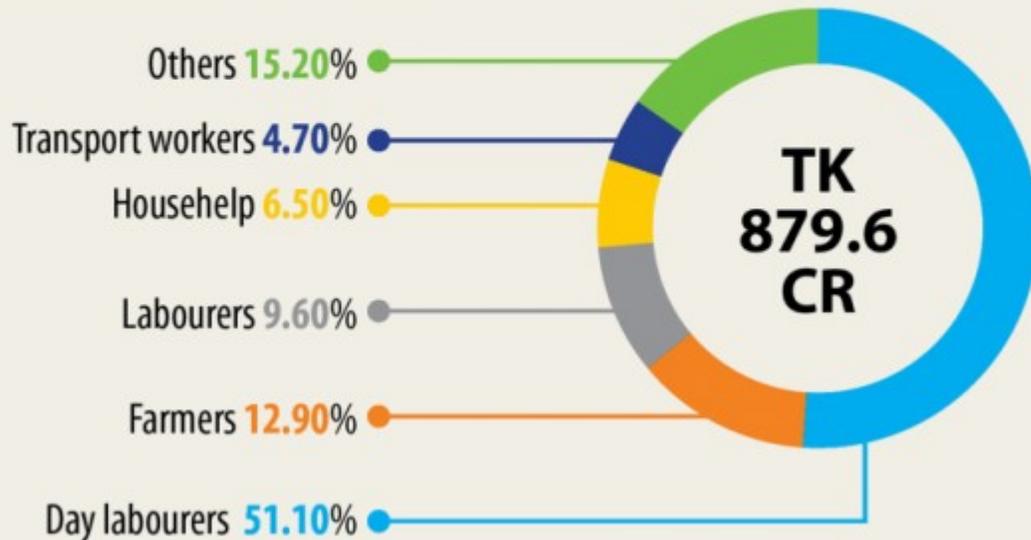
Says finance ministry, which looks to prepare a comprehensive database of the poor by December

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Day labourers got the lion's share of govt's Tk 2,500 cash support

SOURCE: FINANCE MINISTRY



Rejaul Karim Byron

The government has distributed cash support among 35 lakh beneficiaries rendered poor because of the coronavirus pandemic after preparing a database through multi-layer scrutiny of the people who needed it most.

This means two-thirds of the 50 lakh poor families suffering from the economic consequences of the coronavirus outbreak in Bangladesh received Tk 2,500 each, according to a finance division letter.

After the government put in place the countrywide shutdown on 26 March to slow the spread of the rogue pathogen, millions lost jobs.

This prompted the government to allocate Tk 1,250 crore for the 50 lakh poor families whose breadwinners were rendered unemployed.

Rickshaw and van-pullers, day labourers, construction workers, agriculture farmers, employees of shops, people employed at small businesses, poultry labourers and transport workers were supposed to be the targeted beneficiaries.

Prime Minister Sheikh Hasina inaugurated the government-to-person fund disbursement on May 14.

But the government faced a real challenge when it came to reaching genuine beneficiaries as it did not have a comprehensive database.

Bangladesh's safety net schemes are historically marred by fragmentation, weak targeting and inefficiency and the weaknesses were again manifested at a time when the poor have been facing possibly the worst crisis in their lives.

The information and communications technology division compiled a list of potential beneficiaries from across the country using inputs from the field-level administrations and scrutinised them through the central aid management software. It sent a list of 49,30,154 people to the finance division in three phases.

The finance division cross-checked it against the databases of the national identification (NID) card of the Election Commission, the Department of National Savings, the post office, the social safety net programmes (SSNPs), pensioners and public sector employees.

It also took the help of the National Telecommunication Monitoring Cell and the Bangladesh Telecommunication Regulatory Commission.

The finance division struck the names of the 14,32,801 off the list for flaws.

Subsequently, the finance division allocated Tk 89.58 crore among 34,97,353 people through electronic fund transfer, according to a letter of the finance ministry to the Prime Minister's Office.

Of the sum, Tk 34.48 lakh involving 2,331 people came back as the related mobile phones were not active.

The database was prepared under the finance ministry's project on strengthening public finance management to enable service delivery. The PMO directly supervised the whole work.

The beneficiaries comprise of mostly new poor and they don't receive any support from the existing SSNPs.

When the initiative was rolled out, mobile financial services Nagad, bKash, Rocket and SureCash were each given the responsibility to transfer the funds to 17 lakh, 15 lakh, 10 lakh and 8 lakh account-holders.

Nagad distributed Tk 324.47 crore among 12.9 lakh beneficiaries. Bkash channelled Tk 233.99 crore among 9.3 lakh beneficiaries, Rocket Tk 177.44 crore among 7.05 lakh recipients and SureCash Tk 120.79 crore among 4.8 lakh beneficiaries.

Banks wired Tk 22.88 crore among 90,980 beneficiaries.

Of the beneficiaries, 26,38,899 were male and 8,58,454 female.

The age bracket of 31 to 40 years was the largest beneficiary segment at 33 per cent.

Some 13.64 per cent of the beneficiaries were less than 30 years of age and those in the age bracket of 41 to 50 years made up 26.44 per cent of the beneficiaries.

Those aged 51 to 60 years were 16.68 per cent of the recipients and those aged 61 to 70 accounted for 7.34 per cent of the beneficiaries.

The government has not decided yet whether it would go for distributing the cash support among the rest of the targeted people, said a finance ministry official.

The new database gave the government a basis to come up with a comprehensive list of beneficiaries.

The government is looking to come up with the database by December, Finance Minister AHM Mustafa Kamal told The Daily Star last week.

The database would help distribute support accurately to the targeted groups, he said.

Shubhasish Barua, an assistant professor of the Department of Development Studies at the University of Dhaka, yesterday said it has to be looked into whether those who need it the most received the support.

A board under the PMO should be formed to manage the database and update it regularly so that it could be used in the future if required, he said.

The board would manage the country's SSNP, said the researcher.

The Bangladesh Bureau of Statistics is preparing a database of ultra-poor people. The people who are already on the list of the SSNPs would also be included in the list.

One of the obstacles that stood in the way of distributing the support was that not all potential beneficiaries have had NID cards.

The Election Commission is already working to give NID to all citizens in the country.

Distributing the cash support among the affected people through the government to person system within a short time was a major challenge, the finance ministry letter said.

Although the target to support 50 lakh affected families could not be reached, identifying the real recipients through multi-stage scrutiny, distributing the funds among them within the shortest possible time and executing the whole process without any controversy is an achievement of the government, it said.

The recent nationwide closure of all economic activities has doubled extreme poverty in Bangladesh, raising the number of the ultra-poor from 10.5 per cent of the population to 20.5 per cent as of June, the planning commission said.

As a result, the incidence of poverty increased from 20.5 per cent to 29.4 per cent as a considerable number of people lost their income due to the coronavirus fallout.

Due to the income shock emanating from the pandemic, 77.2 per cent of the vulnerable non-poor fell below the poverty line, according to a study of the Power and Participation Research Centre and the Brac Institute for Governance and Development.

About 13 per cent of the people have become unemployed in the country due to the pandemic, a survey of the Bangladesh Institute of Development Studies showed.

As per findings, 19.23 per cent of participants with income less than Tk 5,000 reported that their income was reduced by 75 per cent.

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