
SOCIAL SECURITY

I N B A N G L A D E S H

LEAVING NO ONE BEHIND



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Social Security in Bangladesh

Leaving No One Behind

Introduction

Social security has a long history of innovation and transformation in Bangladesh. A system of Social Safety Net (SSN) grew out of the country's early food and emergency relief schemes in the 1970s. SSN made considerable progress in terms of bringing the extreme poor of the society under its extended coverage and gradual increase in the allocation of resources from the national budget. Over the last 10 years, Bangladesh has seen sharp decline in poverty rate and extreme poverty rate. Owing to a comprehensive social safety net, millions have been lifted out of the grip of poverty.

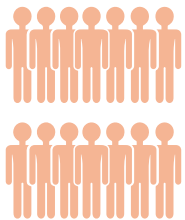
Awami League Government has put utmost importance on social security. In the last 10 years, allocation for social protection, both in terms of coverage and amount, has been increased manifold by the government to ensure financial inclusion and welfare of the disadvantaged and vulnerable communities living in the country. The allocation for social protection in 2017-18 was \$ 6.45 billion which was \$2.01 billion in 2008-09. The government now operates a large number of social safety net programs (SSNPs). In the fiscal year 2017-18, a number of these have seen expanded coverage in terms of the number of beneficiaries as well as total allocation. The SSNPs contributed significantly in fighting poverty (in terms of protection and promotion), creating access to education, basic health care, nutrition and financial services for the people living in the lower strata of the society.

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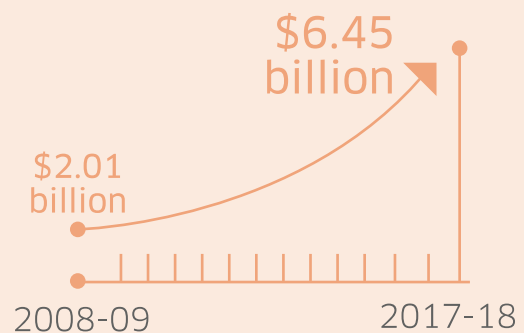
Safety net beneficiaries



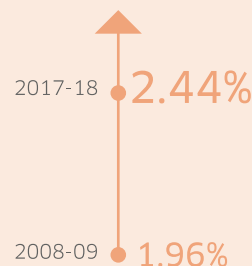
6.7 million
people received
allowance from safety
net schemes in
FY 2017-18

Safety net and social protection is being seen as a mainstream development concern (not just as poverty and risk mitigation strategy) by the current government. Current safety net system gives special consideration for the vulnerable groups within the poor. These groups include aged poor people, widowed or deserted women, disabled persons and others (tea-garden labourers, cleaner, dalit, gypsy, small ethnic groups, fisherman community etc.). Support comes in the form of cash, food, asset, wage-employment, training, savings and community support. More than 6.7 million people received different kinds of allowance from safety net schemes in the fiscal year 2017-18. Government extended the coverage to 10 million in the budget of 2018-19.

Allocation for Social Safety



GDP



Programs



Major successes

Overall, the structure of the Social Safety Net (SSN) in Bangladesh indicates that poverty reduction and social protection of the poor have been well linked with growth facilitation through infrastructure and human capital development, employment and income-generating activities.

Success of its Social Safety Net Programs (SSNPs) greatly contributed to the reduction of poverty and inequality across the country. According to the findings of Household Income Expenditure Survey (HIES) 2016, poverty reduced substantially between 2010 and 2016. In 2010 the poverty head count rate, using upper poverty line was 31.5% which reduced to 24.3% in 2016. Using lower poverty line, head count ratio also reduced, it was 17.6% in 2010 which reduced to 12.9% in 2016. The employment-generation programs have generated additional employment.

The various stipend projects led to increased school enrolment and closing the gender gap. The School Feeding Program achieved its desired objectives of increased enrolment and attendance and improved nutritional status of children attending schools. The country's net enrollment rate at the primary school level increased from 80 percent in 2000 to 100 percent in 2015. Furthermore, the percentage of children completing primary school is more than 80 percent and the country achieved gender



parity in access to primary and secondary levels. School enrolment of children (6-10 years) from poor households increased to 90 percent in 2016 which was 78 percent during 2010.

Uptake of maternal and reproductive services over the past decade resulted in increased access to, and utilization of, maternal health services by poor pregnant women and those in the hard-to-reach areas. Significant progress has been made in reducing maternal mortality ratio from 319 (per 100,000 births) in 2005 to 176 in 2015. In last eight years, under five mortality decreased from 64/1000 to 34/1000 births. While infant mortality rate fell from 49/1000 to 31/1000 births. Number of vaccine receiver children under one year has also increased, which reached 99% in 2015.



Poverty head
count rate

reduced to 24.5 %
from 31.5 %
in the last 6 years



Enrollment rate at the
primary school level

increased from
80 % in 2000 to
100% in 2015



Enrolment of children
from poor households

increased to 90 %
in 2016 from 78 %
during 2010



Maternal mortality
ratio reduced

from 319
(per 100,000 births) in
2005 to 176 in 2015



Under five
mortality
decreased from
64 to 34
(per 1000 births)
during last 8 years

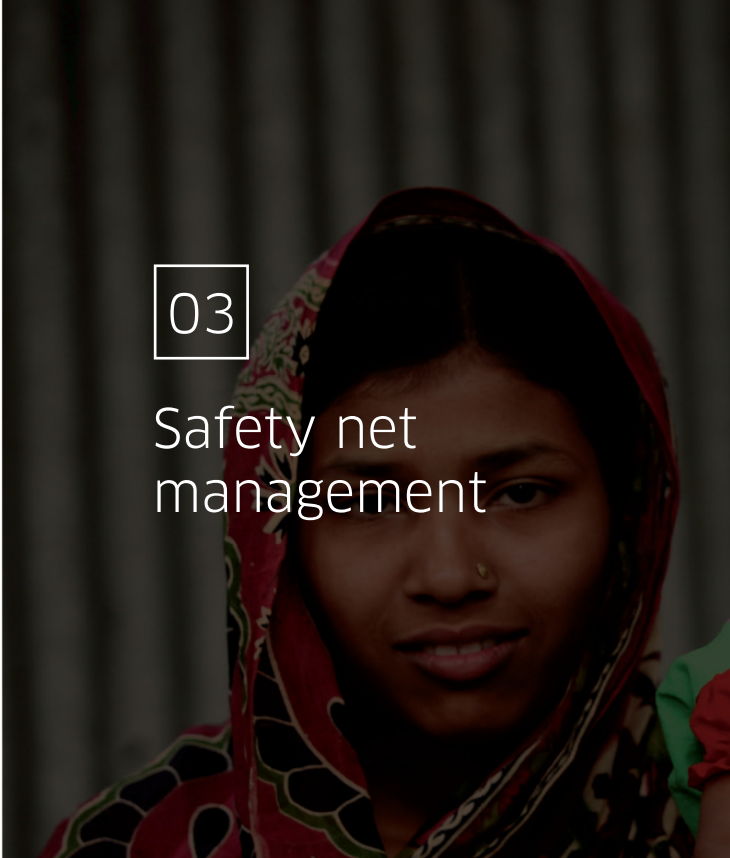


99% children
under 1 year receive
vaccine in 2015



03

Safety net management



In Bangladesh, currently there are 145 programs under the safety net system financed through national budget. Ministry of Disaster Management & Relief (MoDMR), Ministry of Food, Ministry of Finance (MoF), Ministry of Women and Children Affairs (MoWCA), Ministry of Local Government and Rural Development & Cooperative (MoLGRDC), Ministry of Social Welfare (MoSW) and Ministry of Primary and Mass Education (MoPME) are operating most of these programs.

Many of the country's existing SSNPs are implemented by the local government units. Union Parishad (UP) chairmen and members are tasked with the responsibility of managing major SSNPs like Vulnerable Group Development (VGD), Vulnerable Group Feeding (VGF), Food for Work (FFW), Test Relief (TR), Gratuitous Relief (GR) etc. MoDMR is currently developing an integrated system of safety net administration that focuses on improved targeting, and efficient and transparent implementation under a project called Strengthening of the MoDMR Program Administration (SNSP-DDM). As part of the project, two separate but fully integrated information systems are currently under development - a Social Safety Net System and a National Household Database (NHD) for Bangladesh Bureau of Statistics (BBS) to better target the poor.



Government with the assistance from the World Bank has undertaken Cash Transfer Modernization Project (CTMP) which will help the Department of Social Services under the MoSW, modernize some of the country's largest cash transfer programs targeted at the poor. The project will help upgrade the Department's management information systems as well as build human resource capacity and improve citizen engagement.

Social protection and human development



A large number of Social Safety Net Programs (SSNPs) promote human development through access to basic health, education and nutrition services.

4.1 Access to education

Current government runs a number of projects under safety net to promote education among the children of poor families. These projects resulted in increased net enrolment, attendance and gender parity in primary education. Projects i.e. Primary Education Stipend Program (PESP), School Feeding Program (SEP) in Poverty-prone areas and Reaching Out-of-School Children Project (ROSC) supported by the World Bank are operational to support children of poor families. More than 13 million primary students now receive stipend disbursed directly to their mothers' bank accounts. At secondary and higher secondary level, 4.5 million students (2.7 million girls) received \$ 90 million as stipend in 2017.

Eighty thousand students with disabilities have been receiving stipend since 2017. Students of disadvantaged communities like Dalit, Cleaner, Gypsy receive monthly stipend as incentive for education. More than 31 million students are currently receiving food-support under School Feeding program operational in 104 sub-districts (government finances in 85 sub-districts). About 98,211 students (previously dropped-out) passed primary school completion examination from 2009 to 2012 during ROSC-I. During ROSC-II, another 45,763 students passed the exam in two years.

13 million

primary students
now receive stipend

4.5 million

secondary and higher
secondary students
including **2.7 million**
girls now receive
stipend

80,000

students with disabilities
have been receiving
stipend since 2015



4.2 Improved healthcare

16,438

Community Clinics built in the last 10 years

150,000



women receiving Maternal Health Voucher

200,000

working lactating mother receiving allowance

11

number of vaccines increased in 2015

\$615 Million

for family planning for 2017-21

Government is keen to ensure basic health service to the people at the community level through various public health facilities. Government enacted Health Policy 2011 and built a three-tier health infrastructure at village, union and sub-district, enabling people at grassroots to avail health care free of cost. It introduced several Social Safety Net Programs (SSNPs) to address health related needs of both rural and urban population of all age groups. In the last 10 years, government built 16,438 community clinics to enhance basic health care at grassroots. Some 10,660 beds were added to the public hospitals across the country in the last 10 years. Government has launched Maternal Health Voucher allowance which served 150,000 persons/families during 2017-18. The number of beneficiaries for working lactating mothers now stands at 200,000.

Bangladesh also expanded its free-immunization program in terms of number of vaccines as well

as coverage. The number of vaccines increased to 11 in 2015 which was 6 when it began in 1979. Beside child and maternal health care facilities, government has launched Reproductive Health (RH) Services for adolescent and youth. The county has committed \$ 615 million on family planning under 4th health sector program for 2017-2021. The amount is a 67% increase in allocation from that of the pre-2017 program.

4.3 Nutrition service



Government delivers a comprehensive package of nutrition services through health and family welfare facilities to nutritionally vulnerable people. Management facilities for Severe Acute Malnutrition (SAM) have been developed in all upazila (sub-district) health complexes, district hospitals and medical college hospitals across the country. A total of 200 SAM units have been established at district and sub-district levels. At the community level, Integrated Management of Childhood Illness (IMCI) program has been expanded which also aims to improve childhood nutrition.

Combating poverty



Current government considers safety net as crucial to a sustainable anti-poverty strategy. To address poverty and vulnerability, the government has been implementing a large number of Social Safety Net Programs (SSNPs).

5.1	Livelihood and income generation for the poor
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The country is globally recognized as successful innovator in large-scale livelihood promotion programs which have lifted lives of millions out of poverty. Some of the current SSNPs have been providing support like household level asset accumulation, training, micro-enterprise development and employment.

Food for Work (FFW), one of the oldest programs in the country, is specially targeted for the employment of the poor and day laborers. They

get work in rural infrastructure development activities. During FY 2017-18, about 2 million people got work. Next, there is Employment Generation Program for the Poorest Project (EGPP) which provides short-term employment during lean seasons over two cycles (March to May and October to December). More than .83 million people worked under this program (allocation worth \$ 197 million) in FY 2017-18.

Test Relief (TR) program is targeted for maintenance of rural infrastructure projects. About 1.8 million people found work in FY 2017-18 from this program (allocation of \$ 155 million). Vulnerable Group Development (VGD) enables the poorest rural women and their family members to overcome food insecurity and poor social and economic status. During 2017-18, over 13.7 million people got work (allocation was worth \$ 167 million).

One prominent scheme undertaken by the Awami League government is the One House, One Farm project. This project has enabled the rural poor to find self-employment opportunities with the physical and financial supports offered by the project. Recently, government revised the 'One House One Farm' project for the 3rd time which was introduced back in 2009. Over 3.3 million families have been supported under this program.



2017-18 • **18.3** million people received employment under 4 social safety net programme

2.0
million

under *Food for Work*

1.8
million

under *Test Relief*

830,000

under *Employment Generation Program for the Poorest*

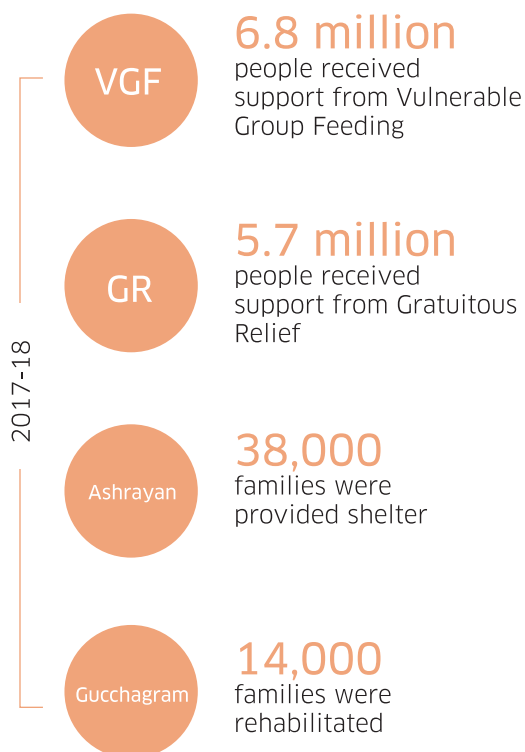
13.7
million

under *Vulnerable Group Development*

3.3
million

families supported under *One House One Farm* project

5.2	Assistance for the people vulnerable to disasters and risks
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Safety nets have shown a positive impact on mitigating both seasonal and non-seasonal food deprivation by supporting population of some specific demographic location such as flood affected, famine-prone, wet land and off-shore areas. Food security and rehabilitation, housing assistance, etc. are offered through these programs. These programs have significant positive impact on household food consumption and calorie intake.

Vulnerable Group Feeding (VGF), the first SSNP of Bangladesh introduced during the famine of 1974, was designed as a mechanism for mitigating the consequences of disasters like floods, cyclones, and other natural calamities. It provides food grains to the poorest households and covers all regions of Bangladesh. More than 6.8 million people received support (allocation of \$ 195 million) during FY 2017-18 from this program. Gratuitous Relief (GR) helps households

affected by natural disasters. Awami League government started it during the flood of 1998. About 5.7 million people received benefit (allocation of \$ 58 million) in FY 2017-18 under this program.

There are projects like Ashrayan and Gucchagram which provide housing facility to victims of disaster and other types of shocks. In 2017, a total of 38,000 families were rehabilitated under Ashrayan project. Another 14,000 families have been rehabilitated under the Gucchagram Project during that period.

Open Market Sales (OMS) is another significant initiative to enhance the purchasing power of the vulnerable group and to stabilize market price of food crops. The program covered the vulnerable that are unemployed, urban poor and industry workers. Essential groceries are sold in less than market price. About 22 million people have benefited in FY 2016-17.

5.3 Labour welfare



Government has undertaken number of measures for ensuring the welfare of workers. A fund of \$ 27.5 million (Tk.220 crore) has been generated and is being spent for workers' welfare. In addition, a five-year group insurance scheme has been undertaken for social safety of workers with the fund. About 2,500 workers have already been brought under the scheme. To create accommodation facilities for women workers of Ready Made Garments and other industries, 10-storied hostel buildings are being constructed in Chasara, Tongi and Tejgaon.

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Welfare allowances



Safety net programs in Bangladesh give special consideration for certain vulnerable groups within the poor. Currently, an enlisted senior citizen receives approximately \$ 90 per year (Tk. 600 per month). During 2017-18, more than 3.5 million senior citizens received allowance from a total allocation of \$ 250 million. The Old Age Allowance has increased more than five times in the last ten years. Widowed, deserted and destitute women receive monthly allowance; currently the amount is Tk. 600 (more than \$ 7) each month. More than 1.26 million women received \$ 90 million from this scheme during 2017-18. During the same period, .83 million disabled persons received monthly allowance of Tk 600 (more than \$ 7) out of the total allocation of \$ 82.5 million. Another \$ 43 million was distributed among 0.6 million poor pregnant women as maternity allowance in FY 2017-18. Allowance (\$ 1.4 million in FY 17-18) for third-gender people has been raised by around 25% in the current fiscal year.

The Awami League government has introduced several schemes to improve the livelihood of fishermen, tea-garden labourers, gypsies and other backward communities. An allowance of Tk. 600 (more than \$ 7) is being given to gypsy community people. Recently, grant for tea workers have been increased to \$ 1.8 million (Tk. 15 crore) from \$ 1.25 million (Tk. 10 crore). The



government has launched Fishermen Registration and Identity Card Issuing Project in 2012 involving \$ 10.2 million (Tk 81.8 crore). So far it distributed ID cards to about 1 million fishermen to avail the incentives and other facilities.



2017-18

3.5 million

senior citizens
received
allowance

1.26 million

women received

\$ 90 million

as destitute allowance

600,000

poor pregnant women
as maternity allowance

830,000

person with disability
receiving allowance

07

Social security: Policy and strategy



Social Security is a 'constitutional obligation' for Bangladesh. The constitution spells "the right to social security that is to say, to public assistance in cases of undeserved wants arising from unemployment, illness or disablement, or suffered by widows or orphans or in old age or in other such cases." It is our constitutional promise that Bangladesh shall adopt effective measures

to remove social and economic inequality and ensure the fair distribution of wealth among citizens and create opportunities in order to attain an inclusive development throughout the country.

Perspective Plan 2010-2021 and the Vision 2021, formulated by Awami League government, laid a roadmap for achieving priority national targets of economic and social progress by the year 2021. Building a national social security strategy and extending social safety measures for all deserving citizens are central to the Vision 2021.

Government is currently implementing the Seventh Five Year Plan (SFYP) 2016-2020, the second phase in the attainment of our long-term vision for inclusive growth and eradication of poverty, inequality and deprivation. The SFYP takes on board the basic strategies of growth, employment and poverty reduction. The SFYP recognizes social protection as one of the basic strategies for attaining the vision.

Present Awami League government formulated the National Social Security Strategy 2015 to create a social protection system that is inclusive, responsive to lifecycle risks and prioritizes the poorest and most vulnerable.

National Social Security Strategy 2015

Bangladesh's National Social Security Strategy (NSSS), the first life-cycle based approach, envisions to bring more than 30 million people under social safety net programs. NSSS aims to ensure more efficient use of resources, strengthen delivery systems, and move towards social security that tackles risks and priorities the poorest and most vulnerable members of the society. The NSSS is inclusive of all population irrespective of race, religion, profession, location or ethnicity. It seeks to modernize the Bangladesh social security by combining tax-funded safety net programs with contributory social insurance and employment regulations to protect the workers.

The implementation of the NSSS will be a major initiative for reducing extreme poverty. In addition, it will lead to future restructuring of

social security system in Bangladesh. It seeks to improve the administrative arrangements for social protection programs by consolidating complementary programs, strengthening staffing and institutions, instituting a modern MIS system, gradually replacing food-based transfer payments with cash-based payments using the financial sector based G2P (Government to People) system, introducing a grievance redressing mechanism and installing proper results-based M&E system.

As part of implementation of the NSSS, a Technical Assistance project called Social Security Policy Support (SSPS) is undertaken jointly by the Cabinet Division and the General Economics Division (GED) of the Planning Commission. The project supports implementation of a robust social security system and delivery mechanism of social protection.





08

Challenges

Due to targeting errors/faulty selection criteria, few people are still not getting the benefits of the social safety net. It is evident that there are some weaknesses in the current process for selecting recipients for social security schemes. Moreover, due to some shortcomings and administrative weakness, SSNPs sometimes fail to reach the poorest. Next, SSNPs are mainly targeted towards the rural population and coverage in urban areas remains comparatively low. Given the rapid expansion of urban populations and the inadequacy of services provided to this population, significant urban social problems are emerging. Lastly, the lack of coordination among the tiers of implementers poses a risk for program effectiveness. The multiplicity of resultant programs amongst a wide range of implementing agencies requires greater coordination. There is also scope for improvements in the design, operations and overall management of SSNPs.



Conclusion

The current government succeeded in creating an umbrella of safety net that has to a large extent solved the problem of acute poverty and vulnerability of a large section of the population. Strong political commitment for social security is evident from the government's development vision. Each year, the budgetary allocation has been increasing along with the rise of the number of beneficiaries. Government brought another 10 million people under various life-cycle based programs in FY18-19. The future of SSNPs looks brighter than ever before. The upcoming reforms will be instrumental in eliminating leakages, improving targeting, increasing the average value of the transfers, lower the risks faced by the vulnerable population, reduce poverty and income inequality and build social capital.

SOCIAL SECURITY IN BANGLADESH



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Published by Centre for Research and Information(CRI), **September 2018**

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