

Citizen's Agenda 2023

Towards a Different Bangladesh



Citizen's Platform for SDGs, Bangladesh
এসডিজি বাস্তবায়নে নাগরিক প্ল্যাটফর্ম, বাংলাদেশ



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Promoting Universal Social Protection System and the Need for Targeting Disadvantaged Groups

The Initiative

Preparation of the Policy Briefs builds on a wide range of activities undertaken over the past two years (2022-2023) by the Citizen's Platform for SDGs, Bangladesh. These activities sought to capture the views of the country's left-behind stakeholders at the subnational level as regards Bangladesh's dominant development narrative. Citizen's Platform's engagements in this connection included stakeholder dialogues, town hall meetings, focus group discussions, perception surveys and consultation with the media. Also, a Public Hearing was organised at the national level to create opportunities for the disadvantaged people to voice their concerns and aspirations in the presence of high-level policymakers and opinion builders.

It emerged from this exercise that a significantly large number of citizens and certain communities in Bangladesh have continued to remain vulnerable to various risks, which relegated them to the "left behind" situation in the revealed process of economic development. However, the *Leave No One Behind* spirit of the Sustainable Development Goals (SDG) requires that all citizens, without exception, are ensured an equitable share in the country's development outcomes. Consequently, appropriate actions are needed to address these overarching national concerns to advance the interests of the country's vulnerable citizens and communities.

Accordingly, through country-wide interactions with spokespersons of key stakeholder groups, Citizen's Platform identified 11 themes requiring urgent attention for immediate action. As a follow up, now a series of Policy Briefs has been prepared with a set of concrete recommendations in each of the identified areas, underpinned by the specific context and contestations concerning the articulated theme. In each of these cases, the concerns and interests of the vulnerable groups have informed the suggestions for reforms and policy uptakes.

Each of the Policy Briefs in the series has been prepared by a dedicated team of experts of high national and international repute. Each Policy Brief Team had an eminent personality as the Chair to lead the process, with a recognised professional as the Penholder Expert to prepare and finalise the successive drafts with input from the team members. Each team got together several times, reviewed the notes of the sub-national discussions and the FGDs, and consulted relevant resource materials. A 22-member Advisory Committee, which included eminent professionals and leading personalities, provided guidance to the Policy Brief initiative.

The initiative was led by *Dr Debapriya Bhattacharya* and *Professor Mustafizur Rahman*, Distinguished Fellows at the Centre for Policy Dialogue (CPD). CPD, as the Secretariat of the Citizen's Platform, provided all necessary support for the smooth implementation of the initiative.

Disclaimer

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1. Background and Context

Bangladesh has made remarkable strides in terms of socio-economic advancement indicators, sustaining an average yearly GDP growth of close to 6 per cent since the early 1990s, accelerating the pace in recent times, and markedly reducing poverty incidence from nearly 60 per cent to about 18.7 per cent in 2022. However, significant challenges remain in tackling poverty and addressing the manifold vulnerabilities that inform the growth narrative. To recall, only 28 per cent of the country's population is covered by at least one social safety net programme. In urban areas, social protection coverage is even lower, at only about 10 per cent according to the Household Income Expenditure Survey data of 2016. Additionally, the onslaught of the COVID-19 pandemic of the recent past has exposed major weaknesses in the prevailing social protection system in Bangladesh. Extensive job cuts triggered by the pandemic revealed significant shortcomings in the system as it failed to offer proper assistance to individuals who became suddenly jobless.

People belonging to the marginalised groups suffered the most in this backdrop. Whilst the pandemic is now behind, this time it is the rising inflation which is affecting the lives and livelihoods of particularly the low-income households and vulnerable groups. They are struggling to keep up with the increasing cost of daily commodities; many have to stand in long lines for government food support programmes. In addition to the above, Bangladesh remains prone to climate-induced challenges that have significant adverse implications for climate-stressed regions, with the difficulties no doubt being more pronounced for marginalised groups.

In the above backdrop, more specifically in view of the Sustainable Development Goals (SDGs), which has the “Leave No One Behind” (LNOB) spirit at the centre of focus, the case for establishing a Universal Social Protection system (USP) in Bangladesh has emerged as a key deliverable that demands urgent attention and action on the part of policymakers. Indeed, Bangladesh's commitment to social protection is enshrined in the country's constitution. Article 15 of the constitution stipulates that securing the right to social protection is a fundamental state responsibility.

As Bangladesh aims to become a developed country by 2041, establishing a USP system ought to be seen as a key component of its development agendas. To note, in developed countries such as Finland, Canada, Japan, and the UK, more than 90 per cent of the population is covered under social protection support system.

The introduction of the USP system will allow Bangladesh to strengthen social protection across four broad aspects: universal coverage, comprehensive protection in terms of risks covered, adequacy of protection across the life cycle, and sustainability of the social protection system.

While Bangladesh has a long history of providing social protection support through dedicated schemes, the adoption of the National Social Security Strategy (NSSS) in 2015 ought to be seen as an important milestone in re-energising the country's social protection system. The NSSS lays out several reform priorities towards a USP system in Bangladesh. It is important to note that the concept of “universal” social protection goes hand in hand with the aspiration of building an inclusive society in Bangladesh, which is at the centre of the NSSS.

Having a clear understanding about the core elements of USP, in line with the NSSS, is a necessary first step to ensure that no one is left behind. The core ideas informing USP, in line with the concept of a welfare state, need to be appropriately understood. It is pertinent to examine each element of what defines a “universal” social protection system:

- USP refers to a system of policies and programmes which provide equitable access to social protection to all citizens and support them throughout their lifespan to deal with deprivations and risks to their livelihood and well-being.
- A universal system should ensure 100 per cent coverage, i.e., everyone will be entitled to social protection in consideration of their particular level of vulnerability.
- The next element is comprehensive protection in terms of risks covered, which implies that a USP system should be cognisant of the various risks that may affect the lives and livelihoods of citizens from the pre-natal period to old age. This expands upon the traditional view of social protection (as defined in the constitution) and includes addressing a wider range of issues such as climate risk, socio-economic marginalisation, and overall well-being.
- The USP system refers to “adequacy”, which means that the protection provided should be adequate to address the specific challenges which originate from specific vulnerabilities.
- The USP system needs to be sustainable, meaning that they do not exacerbate resource constraints, but rather ensures a financing structure aligned with the government's fiscal and macroeconomic objectives and geared towards sustainability.
- USP entails ensuring that every individual is adequately safeguarded against various risks across their entire lifespan. However, it is important to note that this does not necessarily imply that everyone should receive benefits on a continuous basis, as is the case with the Universal Basic Income (UBI). The idea is also to help the target population graduate out of the scheme by creating opportunities for a decent income.

It is important to note that countries have chosen a diverse range of ways to achieve USP. A number of countries provide universal social protection for children through either a single universal child grant or a blend of multiple programmes. For instance, in Argentina, over 80 percent of children benefit from a combination of different programmes, which include the followings:

- Social Assistance: Financial aid and support provided to individuals or families facing economic hardships and vulnerabilities, typically funded by the government and/or charitable organisations.
- Social Insurance: A system in which individuals and employers make regular contributions to a pooled fund, and in return, individuals are entitled to benefits such as healthcare and pension, when specific life events such as illness or retirement occurs.

It is thus worth noting that there is no *one size fit all* approach to establishing a USP scheme. Bangladesh's socio-economic context and specific vulnerabilities will need to be considered while rolling out the USP system. To this end, the spirit of the SDGs, “Leave No One Behind (LNOB)”, should serve as one of the key guiding principles that inform the USP framework. The LNOB concept will also help identify the most vulnerable communities, and hence the most in need, in view of social

protection. There are many disadvantaged groups in the country, such as the persons with disabilities, ethnic communities, sex workers, transgender community, etc., who suffer from specific vulnerabilities. It has been observed that these groups tend to be left far behind due to a combination of social, economic, political and cultural factors which expose them to accentuated risks. Designing a USP scheme with an LNOB lens will allow the government to ensure that social protection reaches everyone who needs it and to the extent they need it.

In light of these, this Policy Brief puts forward several actionable recommendations, expected to pave the way for launching a comprehensive USP scheme in Bangladesh that will enable vulnerable citizens to address various shocks they are likely to face across lifecycle phases.

2. Recommendations

Conduct a comprehensive needs assessment by keeping vulnerable groups in the focus, with help of community-based and participatory approach.

As was noted, Bangladesh has a range of vulnerable groups, each struggling with unique challenges in terms of vulnerabilities. However, the current social safety net programmes (SSNPs) have proved to be inadequate to tackle the situation. For example, the per capita benefits under cash transfer programmes are inadequate and arbitrarily determined. Also, it is important to note that the proliferation of fragmented programmes, as is the case now, is not good value for the money spent. There is a need for a holistic approach. A pragmatic approach over the short term would be to enhance and expand existing programmes to accommodate the needs of the disadvantaged groups. This could lay the foundation of the USP scheme over the medium term. For designing an appropriate USP scheme for Bangladesh, there is a need to carry out a thorough needs assessment for each vulnerable community at a disaggregated (e.g., district) level. Such assessment must take into cognisance inputs offered by community leaders and members through participatory social dialogues and consultations, both at national and grassroots levels. This will help design a more inclusive and responsive social protection system that considers the specific needs of a diverse range of vulnerable communities and a broad range of vulnerabilities. The results of the needs assessment should inform the policy decision to scale up and expand existing social protection programmes and innovate new ones.

It is also important to note that such an exercise will help enhance social protection floors, i.e., the basic set of social protection guarantees provided to citizens according to international best practices. Effective social protection floors, in general, are found to ensure four guarantees:

- Essential healthcare services
- Income security for children
- Income security for the unemployed, underemployed, persons with disabilities, sick and the poor
- Income security for the elderly

Adopt and implement a pragmatic action plan by taking advantage of the needs assessment findings and engaging stakeholders through social dialogues.

A well-running USP scheme would entail rolling out an action plan. This will need to be designed by engaging with a range

of stakeholders and by making critical policy decisions to be implemented across multiple years. In order to ensure that the programmes meet their intended purpose and are truly inclusive, social dialogues with key stakeholder groups, particularly with vulnerable and disadvantaged groups and communities, will be crucially important. Appropriately implemented, such social dialogues can form a fundamental building block for an LNOB-centred USP scheme.

With the help of such an inclusive and participatory approach policymakers will be able to identify and prioritise adaptation tools, legal frameworks, financing modalities, monitoring and evaluation methods and data requirements for introducing a comprehensive USP in Bangladesh. This will also help them to undertake sustainable and responsive initiatives. Informed by this, specific programmes may be designed and subsequently integrated with relevant national policies, plans and strategies.

Key stakeholders who will need to be involved in the process of consultations include, but are not limited to:

- Direct beneficiaries of the programmes.
- High-level policymakers, representatives of political parties and Members of Parliament.
- Local-level government functionaries such as Deputy Commissioners and local-level elected representatives such as Zila, Upazila and Union Parishad Members.
- Implementation facilitators include Ministry officials and other actors such as enlisted distributors of the Trading Corporation of Bangladesh's Open Market Sales programme.
- Civil Society Organisations and Rights Groups, particularly those advocating for the rights of vulnerable groups and communities.

Formulate appropriate and sustainable financing mechanisms for the USP scheme.

Once the fundamental principles of social protection are established in line with the constitution and national strategies and agendas, a clearly articulated mechanism for financing of the scheme will need to be framed. While many social protection schemes were implemented over the years, the reality of fiscal space has constrained the ability of the government to scale them up and raise entitlements. In this backdrop, it is critically important that a well-thought-out roadmap for financing the USP scheme is prepared which is able to operate on a sustainable basis.

According to an estimate carried out by the Friedrich-Ebert-Stiftung, an international organisation, Bangladesh will need to invest an additional 3.5 per cent of GDP in social protection to help close the existing income and health gaps. While this may not be a precise estimate, it does provide some indication about the range of resources required for implementing the proposed USP scheme.

Bangladesh's social protection system is, for the most part, tax-financed. The amount spent is equivalent to about 2.52 per cent of the GDP. The government (as per the Perspective Plan Bangladesh Vision 2041) intends to increase the tax-GDP ratio to 19.6 per cent by FY2031 and 21.9 per cent by FY2041, compared to the 9.99 per cent targeted for FY2024. If these targets are achieved, fiscal space will be created. Thus, it is important that the government gives the highest priority

to domestic resource mobilisation to create the required fiscal space. The government can set annual targets for social protection allocation, as per cent of GDP, for each fiscal year. This can be done through a gradual increase in allocation, as a percentage of the budget and the GDP, in line with the targeted rise in revenue collection.

It should also be noted that, ideally, a USP system should aim to strike a balance between tax-financed and contributory programmes, with contributory schemes going beyond unemployment and healthcare insurance and addressing such vulnerabilities as crop failure and climate risks. A clear framework for deciding which programme should be tax-financed and which should be contributory needs to be decided. International experience may be studied to this end. A research study suggests that a “risk-layering approach” to financing may be a good way to proceed in this connection. The risk layering approach stipulates that risks that have a high impact on economic and social outcomes (i.e., severity of shocks and risks) but a low frequency (perhaps only a few times throughout an individual’s lifetime), such as healthcare insurance for fatal diseases, should be contributory. On the other hand, risks that occur with high frequency but with lower severity, such as minor health issues, can be tax-financed. In addition to designing a framework for deciding which programmes should be contributory and which should be tax-financed, the government should also assess the viability of involving the private sector through contributions from Corporate Social Responsibility (CSR) funds to underwrite specific elements of the USP scheme.

Establish and mobilise district job centres to connect left-behind groups to productive jobs.

Connecting marginalised populations to job opportunities is expected to have a transformative impact by helping to lift such groups out of poverty and deprivation through income-generating activities on a sustainable basis. Although Bangladesh is implementing various public works programmes, the per capita benefit is rather low, and the skills acquired can hardly be used for integration into the mainstream workforce. In addition, issues such as youth unemployment, skills mismatches, and a significant informal workforce remain key challenges in view of the country’s labour market dynamics.

Establishing district job centres could play an important role in incentivising productive employment. This could lay the foundation for a USP system through active labour market policies. The aforesaid centres can offer three different types of support: labour-market responsive training, job placement counselling, and start-up/entrepreneurship support. Support of development partners can be leveraged to establish these job centres. The centres can also engage with the local private sector and enterprises to provide in-demand and labour-market responsive training and placement support. Such centres can also help generate the necessary labour market data and help build a comprehensive data bank on labour market information, catering to both the demand and supply side. Such an approach will help harness the productive capacity of the workforce and generate employment opportunities to help the marginalised groups graduate out of vulnerabilities. Such an approach is also in line with the SDG localisation approach, which takes into account spatial dimensions of vulnerabilities and job market needs.

Put the needed legal frameworks in place for introducing the USP scheme.

To provide universal social protection on a sustainable basis, it is important to put in place effective legal frameworks. This could be in the form of a comprehensive Social Security Act or through separate acts for social security, social insurance, and others. Legal frameworks in place in other countries may be studied in this connection. Legal frameworks play an important role by delineating the responsibilities of various stakeholders and providing a sound legal foundation to secure the rights of citizens and their entitlements. Legal frameworks also provide predictability in this backdrop.

A well-designed and legally framed USP will bring several advantages to the table. This would ensure clarity, equity, legality and stability by defining explicit rules and guidelines for entitlements, and for implementation of the USP scheme. It will guard against discrimination, ensure sustainable financing, and promote transparency and accountability. A sound legal structure will safeguard the rights of beneficiaries, facilitate coordination involving programme implementors, and allow for the necessary adaptation of programmatic interventions to address evolving societal and economic needs.

Address data limitations towards better USP implementation.

The NSSS has rightly identified the need for a comprehensive and sound database to implement social protection programmes. However, the database is yet to be established. To note, at present, there is no integrated Management Information System (MIS) for the 113 social protection programmes in place. The Bangladesh Bureau of Statistics (BBS) has taken an initiative to establish a National Household Database (NHD) by digitising household-level data to feed into the social protection targeting system. However, this has yet to materialise. Lack of an integrated MIS means that programmes have to rely on traditional means of targeting, such as Proxy Means Tests (PMTs) or community-based selection with the help of local government agencies. The latter, in particular, exposes the existing social protection system to leakages and mistargeting, thus undermining its effectiveness. Lack of reliable and up-to-date data creates opportunities for relatively better-off individuals to receive benefits earmarked for the disadvantaged. These issues can be mitigated through the implementation of a sound MIS. A dynamic MIS will need to incorporate changes in household status on a regular basis. If this can be done, targeting and selection of social protection programmes will be more accurate, and leakages and wastages will be significantly reduced. Such a database will be a good foundation on which to build an inclusive, universal and comprehensive USP scheme in Bangladesh.

Strengthen and scale up the USP in alignment with the lifecycle framework proposed in the NSSS.

The NSSS envisages consolidation of the social safety net programmes in alignment with life cycle demands. The goal is to minimise leakages and enhance efficiency by streamlining and merging the disparate programmes and the various initiatives undertaken by the line ministries and agencies. This is important since, as was noted earlier, social protection system in Bangladesh includes a significantly large number of programmes that are scattered across various implementing entities. This has led to a structure that is spread too thin and over too many programmes. The adverse implications of

this uncoordinated system are manifold: efficiency of social protection programmes is adversely impacted because of duplication, widespread leakages, selection and targeting bias, and, in general, makes the system difficult for the beneficiaries to access and take advantage of. Efforts towards consolidation of the various programmes have, till now, been mostly ad hoc. However, to note, although this is an exception, the Child Benefit programme is being implemented at present by merging the Maternity Allowance programme and Lactating Mother's Allowance programme (renamed as the Mother and Child Benefit programme). Key areas identified for consolidation include the merging of small schemes and special programmes, priority schemes to protect against lifecycle risks, and consolidation of the various food transfer programmes under the Ministry of Disaster Management and Relief.

Introduce an effective grievance redressal system.

It is high time to put in place a transparent grievance redressal system for effective execution of social protection programmes. A dedicated and widely advertised toll-free helpline should be introduced to enable citizens, particularly the marginalised LNOB groups, to report any irregularities and register complaints to relevant authorities directly, as regards concerns about implementation of social protection programmes. Past experience with respect to dedicated hotlines using the number 333 during the COVID-19 pandemic and cyclone disasters has been highly positive. The redressal system must articulate clear timelines for addressing grievances and ensure that these are dealt with effectively and promptly. Periodic audits should be undertaken to establish accountability and ensure responsibility.

Establish a monitoring and evaluation system to assess the efficacy of the USP scheme.

Along with the implementation of the USP schemes, a rigorous monitoring and evaluation (M and E) system should be put in place. Regrettably, rigorous post-roll out impact assessment of projects by government agencies is largely absent. As a result, it is difficult to know if the programmes being implemented are achieving their objectives. This also limits the scope for ex-post cost-benefit analysis of programmes, meaning that it is difficult to judge whether social protection programmes are making use of the public money effectively. It also exposes the programmes to risks when attempts are made to scale-up; embedded weaknesses of programmes create new bottlenecks when this is attempted. A sound M and E system will help identify weaknesses, adapt interventions, undertake mid-course corrections and ensure accountability. M and E exercise should cover activities at all levels, from the ministries to the local-level functionaries involved with implementation of the USP scheme and cover all aspects of implementation. Not only is this crucial to raising efficacy of interventions but this will also ensure inclusivity if citizens and beneficiary groups are involved in the M and E exercise.

Deploy technology to improve efficacy of USP implementation.

Cross-country experiences of implementing social protection programmes bear out that smart technologies are being used in an increasing manner to enhance efficiency and reduce leakages in social protection schemes. Bangladesh should draw appropriate lessons from this experience and should take advantage of the advanced technologies and put in place similar systems. Indeed, deployment of technology should be embedded in the USP design to make the scheme more

effective. For example, use of advanced smart technology can help identify, in real time, communities and individuals who are at risk in view of shocks such as natural disasters. Geographic Information System (GIS) could help the providers to adapt and modify social protection schemes speedily in view of changing needs of the affected groups. Technology can also be used to predict shocks and their severity. This would allow the government to effectively assess coverage, range and depth of support to be provided. Indeed, technology can be integrated along the entire delivery chain of the USP—identification of target groups, registration and enrolment, delivery of services, M and E and grievance redressal. The introduction of a modern USP scheme in Bangladesh will need to be founded on the advantages of modern technology.

3. Concluding Observations

As has been noted, promoting the cause of the USP scheme in Bangladesh is highly commensurate with Bangladesh's aspiration of transitioning to a developed and socially inclusive country by 2041. The country's commitment to social protection is outlined in its constitution which puts emphasis on provisioning of basic necessities, right to work and right to social security.

To strengthen social protection system in Bangladesh, establishment of a USP system should be seen as the next important step for Bangladesh in going forward. However, this will need to be done by not reaping the mistakes of the past. The task can begin with conducting a thorough and evidence-based demand assessment of various marginalised groups as part of reforming the existing schemes. Existing programmes should undergo a thorough impact assessment to ensure effectiveness, minimise leakages and establish a transparent accountability system. Available benefits should be increased gradually through a sustainable and robust financing mechanism. Gradually, a well-designed USP scheme can be put in place through a blending of tax-financed and contributory programmes. Allocations must be increased by following a transparent and well-planned timeline. Potentials of private sector contribution, through Corporate Social Responsibility (CSR) funds, should be adequately assessed. Establishing district job centres could help tackle various labour market challenges and provide employment support to different marginalised groups, enabling them to graduate out of social protection schemes. Creation of decent job opportunities for the disadvantaged groups must be seen as a key anchor for providing universal social protection in Bangladesh.

A reliable database, with real-time information for proper targeting and appropriate selection, is critically important for USP implementation. Advanced technological tools will need to be taken advantage at each stage of implementation of the USP scheme. In order to advance the cause of the USP, it is important to put in place the necessary legal framework. This would entail the formulation of a comprehensive social security act to provide legal coverage to a sustainable system which is based on the notion of rights and entitlement of citizens. By implementing the USP scheme, Bangladesh can pave the way for a more inclusive and equitable society by leaving no one behind. A USP scheme should be seen as a key deliverable from the perspective of attaining Bangladesh's aspiration of transitioning to a socially inclusive developed country by 2041.

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4. Ensuring Affordable and Clean Energy for All

Social Cluster

5. Triggers to Ensuring Quality Primary Education
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8. Dealing with the Manifestation of Localised Vulnerabilities of Climate Change

Governance Cluster

9. Effective Implementation of Laws and Judicial Process for Eradicating Gender-Based Violence and Discrimination
10. Access and Justice for Ethnic and Religious Minorities
11. Giving Voice to the 'Silent' and Establishing Democratic Accountability

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