

Policy Brief

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Estimating Gap of the Social Safety Net Programmes in Bangladesh

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Highlights

- Around 30 per cent of old aged and 33 per cent of widows are ineligible to receive the OAA and WA benefits.
- Non-eligible beneficiaries (old aged and widow) receive around BDT 1,500 crore per year.
- About 33 lakh old aged and about 25 lakh widow population still eligible but are currently non-beneficiaries.
- In total, 40 lakh old aged and 16.58 lakh widows are eligible for benefits. The leakage amount could cover around 25 lakh old aged and widows who are eligible but non-beneficiaries.
- To lessen the leakage and improve the targeting mechanism, the following measures need to be taken into consideration; redefining the eligibility criteria, single ID household database, community involvement for beneficiary selection, the inclusion of marginal, tribal, hilly, and char communities, raising awareness in terms of selection and payment process.

1. CONTEXT

Social Safety Net Programmes (SSNPs) in Bangladesh are public interventions aiming to protect the poor and vulnerable against different risks and shocks (Hebbar & Shehab, 2020). The SSNPs target different needs of poor and vulnerable cohorts such as older adults, widows and husbands deserted destitute women, students at different educational levels, lactating mothers, transgender, 'bede' (snakecharmers) communities, beggars, underprivileged marginalised communities, etc. However, the existing beneficiary selection process often deviates due to the time of selection and faulty criteria (Rahman, et al., 2021). The targeted programmes are designed with a set of eligibility criteria on socio-economic and demographic issues. Despite those criteria, there remains leakage. Leakage is a significant problem ranging from 10 to 40 per cent of the total budget (The World Bank, 2020).

This study aimed to estimate the gap in terms of targeting the beneficiaries, coverage, access, and coordination-related issues. The gap or leakage ratios were estimated based on those socio-economic criteria. Besides, the study focused on identifying the needs of the beneficiaries and the required resources at the government end in order to fulfil those gaps.

Despite having different types of SSNPs, this study emphasises three specific programmes aligned with the life cycle of a human being. Those are primary education stipend programmes (PESP), old age allowance (OAA), and widow allowance (WA). Three different programmes at three stages of human life: childhood, adulthood, and elderhood complement the entire life cycle. The OAA, WA, and PESP have beneficiaries of around 2.22 crore (MoF, 2022).

The study was conducted based on secondary and primary sources of information. A quantitative survey was conducted on existing and potential SSNP beneficiaries of 486 respondents from 29

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Upazillas under 15 districts of eight divisions. The study also conducted 25 FGDs and 29 KIIs to collate the demand and supply side issues. Following those, a report was prepared. This document is a summarised version of the final report on estimating gap of SSNPs in Bangladesh. Also, this brief is prepared to present a set of suggestions derived from the report.

2. BENEFICIARY SELECTION PROCESS AND LEAKAGES- FINDINGS FROM THE SURVEY

2.1 Old Age Allowance

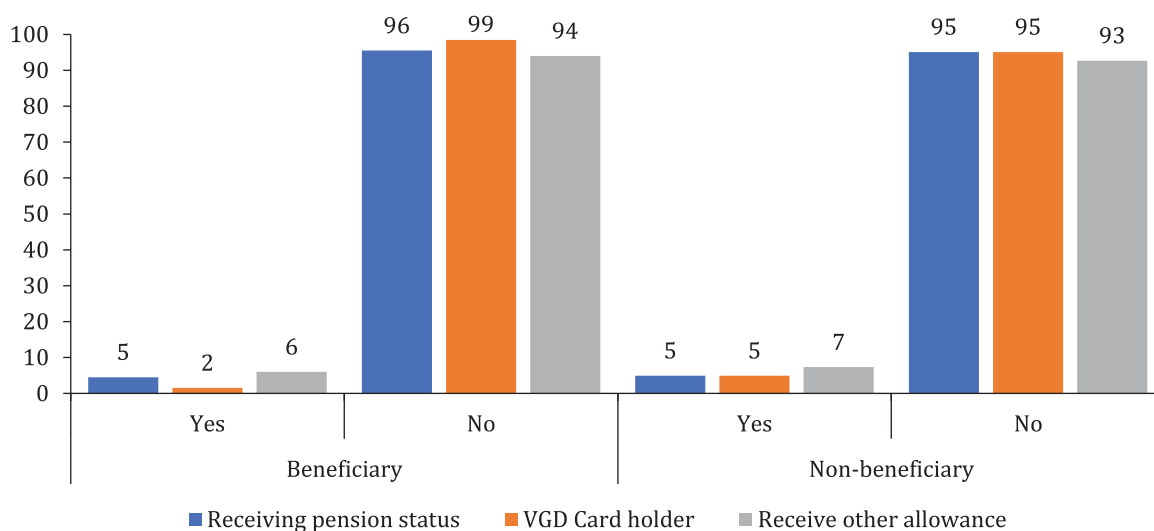
Beneficiary: Around 30 per cent of beneficiaries believe they are not eligible for any safety net benefits. The ratio is higher in Dhaka, Rajshahi, and Barishal regions. On the contrary, 100 per cent of beneficiaries from Mymensingh and Chattogram believe they are eligible for the safety net benefits. From a cross-checking question, it has been found that around 55 per cent of the elderly beneficiaries replied their land amount is less than five decimals. This indicates that around 45 per cent of beneficiaries receive allowance despite having more than five decimals of land. Although, in the eligibility criteria, it has been mentioned that landless/homeless will be prioritised.

According to the eligibility of the SSNPs, beneficiaries are allowed to get benefits not more than one scheme. It was found that old age allowance beneficiaries of Chattogram, Khulna, and Mymensingh regions received a pension or inherited pension. However, according to the eligibility criteria, they are not eligible for the old age allowance. In addition, around two per cent of beneficiaries also have Vulnerable Group Development (VGD) cards. But among the existing beneficiaries, around six per cent receive multiple benefits (Figure 1).

Non-beneficiary: Around 56 per cent non beneficiaries have income less than BDT 1,000 per month. Despite living under the poverty line, they are deprived of the safety net benefits. Around 95 per cent of non-beneficiaries do not receive any other allowance, pension, or VGD benefits. Despite having poor earnings and being almost landless, they are entitled to these benefits, but they are yet to receive any of those.

Although it is mentioned that priority will be given to the landless cohort, which is optional, it has been found that several beneficiaries are receiving this benefit despite being landowners. However, 34 per cent of non-beneficiaries have

Figure 1 Other allowances/benefits receiving status among the beneficiaries and non-beneficiaries



Source: Authors' analysis from field survey, 2023.

lands below five decimals and are not receiving this benefit, who should be covered under this programme.

2.2 Widow and Husband Deserted Destitute Women

Beneficiary: Around 33 per cent of beneficiaries believe they are not eligible to receive any safety net benefits. Almost all the beneficiaries from Mymensingh, Rangpur, and Chattogram regions believe they are eligible to receive the benefits.

Around 11 per cent of respondents have VGD cards, mostly in Mymensingh, Rajshahi, and Chattogram regions. Around five per cent of respondents receive other allowances, including the widow allowance, and they are mostly located in Rajshahi, Barishal, Dhaka, and Sylhet (Figure 2).

Non-beneficiary: According to the criteria, 25 per cent of widows should be prioritised to get this benefit. The criteria suggest emphasising the land and homeless people for this benefit. However, they are out of coverage now.

On the other side, 97 per cent of non-beneficiaries are not receiving any VGD benefits or any other types of allowances;

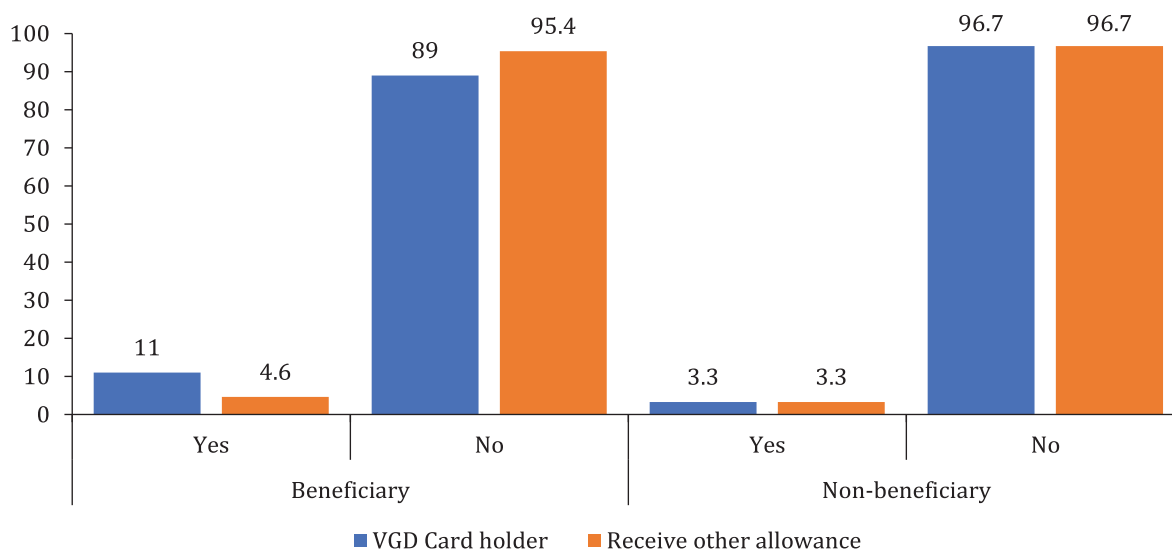
henceforth, they should be covered. It is the faulty selection process that has distanced numbers of eligible widows from the benefit programme coverage.

2.3 Primary Education Stipend Programme

Beneficiary: To some extent, the primary education beneficiary selection process gets hindered due to documentation-related problems. The problems vary from documentation to communication, transportation, hostel facilities, lack of incentives, etc. The challenges also differ in plainland, hilly, Char and remote areas.

Non-beneficiary: The PESP programme does not disqualify any recipient if the beneficiary has VGD cards or receives other allowances. Since this is for students of primary level, and families of all school-going children are entitled to this benefit, they can also avail of other safety net programmes. A number of beneficiaries were cut off from the programmes due to not fulfilling the eligibility criteria. This can be observed in Barishal, Rajshahi, Dhaka, and Chattogram regions.

Figure 2 Beneficiaries receiving other allowances/benefits



Source: Authors' analysis from field survey, 2023.

3. ESTIMATION OF LEAKAGE AND GAPS TO BE COVERED

According to the eligibility criteria, such as being homeless and having income less than BDT 1000 per month, the number of old age or widow people is less than the current recipients. This indicates that current beneficiaries receive an allowance without fulfilling the necessary criteria. Those are considered non-eligible or non-poor (Figure 3).

Considering the eligibility criteria like income and asset ownership, including getting benefits from other allowances, it has been estimated that around 30 per cent of old age and 33 per cent of widows are ineligible to receive these benefits. The percentage has been retrieved from their perception of eligibility for the benefits. It has been found that around 30 per cent of old aged and 33 per cent of widows believe they are not eligible to receive any. Additionally, around 13 per cent of old aged and 16 per cent of widows receive multiple benefits like VGD and other safety nets and inherited or receiving pensions. The ineligibility rises to 48 per cent when maximum land ownership status is examined. The following table compares the leakage ratio found

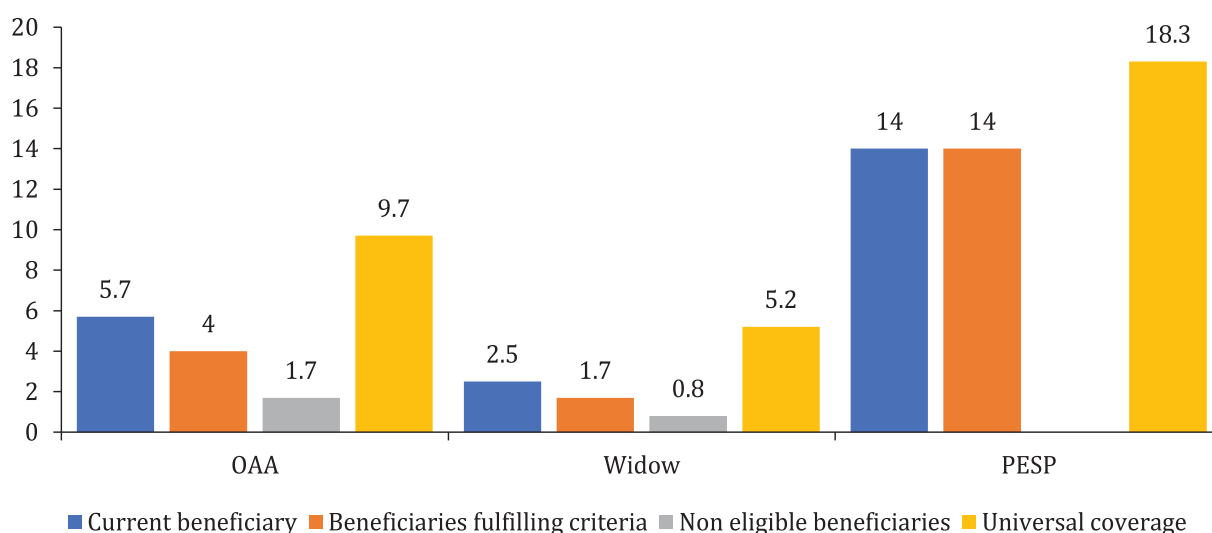
from the field survey and estimated by other studies from the World Bank and BIDS. Based on the socio-economic criteria and non-eligibility and vulnerability status, the ratio varies significantly. However, the leakage ratio found for OAA and WA is close to the estimation of the World Bank.

It is important to note that the leakage ratios of the OAA and WA are in a downward trend. In 2013, the ratio was around 50 per cent, whilst in 2019, it has been reduced to 40 and 36 per cent, and finally, in 2023, the ratio slipped to 30 and 33 per cent, respectively. The credit goes to the government policies and digitalisation of the payment process. However, a large number of ineligible beneficiaries are also included, which need to be phased out.

Nearly 40 lakh old aged and 16 lakh 58 thousand widows are eligible for these benefits. However, if the government aims to expand and cover all the old aged and widow people, regardless of their financial solvency, it is estimated that around 97 lakh old aged and 52 lakh widows in total can receive these benefits. The PESP does not have any ineligible beneficiaries since the programme is universal.

Figure 3 Additional beneficiaries to be covered, considering eligibility criteria

(in million)



Source: Authors' analysis from the primary survey, Housing census, MoF, UNICEF, and DSS data.

4. ESTIMATION OF ADDITIONAL RESOURCE REQUIREMENTS

The table represents the number of old aged, widows, and primary students receiving the safety net benefits. It also highlights the required resources and the number of additional beneficiaries to be covered. The estimation has been calculated based on the current amount that a beneficiary receives. For OAA and WA, each beneficiary receives an allocation of BDT 500 per month, and a primary student receives BDT 150 per month. It has been found that the non-eligible beneficiaries (OAA and WA) are receiving around BDT 1,500 crore per year due to the poor target of beneficiaries and administrative weaknesses.

This leakage amount could be utilised to include the eligible but non-beneficiaries. It has been estimated that 33 lakh old aged and 25 lakh widow populations are still eligible but non-beneficiaries. The leakage amount could cover around 25 lakh old aged and widow-eligible non-beneficiaries.

As mentioned, the allowance amount has been proposed to increase to BDT 2,500 for the elderly population and BDT 2,000 for widows. In cognisance of this proposal, a total of BDT 27,958 crore will be required to cover the eligible but non-beneficiaries. In total, the required amount will be BDT 88,824 crore.

Since the revenue sector funds the programmes, the tax money is being financed to ensure the social protection of these vulnerable groups. Therefore, the funding source should also be managed from the additional tax sources. This amount of money could be financed from the yearly tax loss amount in Bangladesh (Moazzem, et.al., 2023). Moazzem, et.al., (2023) found that total tax loss in the economy is as low as Tk 41,800 crore to as high as Tk 223,000 crore in a year. This huge amount of resources could be captured in order to finance the benefit of the poor and vulnerable communities. Prevention or protection against tax loss could contribute the social justice as the loss amount could be allocated for the benefits of eligible widows, old aged people, and primary school-going children for their needs.

5. FULFILLING THE GAPS OF SSNPs- RECOMMENDATIONS

The government should develop a mechanism to identify the right beneficiaries and lessen the challenges of availing the benefits. In this regard, the following mechanisms can be adopted:

5.1 Old Age Allowance, Widow and Husband Deserted Destitute Women

- (a) Redefining the eligibility criteria: The eligibility criteria must be re-examined. The income of the eligible beneficiaries is now higher than BDT 1,000 per month. Besides, the beneficiaries have more land than the stipulated minimum amount. Given the current context, it is high time to redefine the definition of eligibility for OAA and WA.
- (b) Development of a single ID household database: A comprehensive MIS system should be developed where the profiles of the beneficiaries will be uploaded and will contribute to reducing the leakages. Additionally, the NID database should be updated with the required other information and integrated with the household database. Also, the online database should be made public for smooth access.
- (c) Beneficiaries selection: Local government officials like UNO should crosscheck the list of beneficiaries prepared by respective ward members. The government can include NGOs (not the microfinance-based NGOs) in the selection committee or outsource the service from NGOs who can cross-check the list. Besides, a community-based selection process should be developed. A social mapping can be conducted to initiate the process. Engagement of communities or eligible beneficiaries/non-beneficiaries should also be included. Raising awareness among local community and tribal people and ensuring their engagement to identify the right beneficiary, allocate fund, and monitor the processes and progress, as well.
- (d) Inclusive payment system: The current G2P system has a number of challenges, like losing or forgetting PIN numbers, having no mobile phone or sim cards, and fraudulent activities like withdrawing money without notifying the beneficiary,

etc. However, transactions through the banking account had fewer problems. The government can rethink the banking payment system along with the MFS. Added to that, the beneficiaries should have a phone and a sim card of their own to avoid leakage.

In order to reduce fraudulent activities, facial recognition or biometric (palm print-based) identification mechanisms should be established. Fingerprint identification is ineffective since, for elderly beneficiaries, their thumbprint gets erased after a certain age level.

- (e) Increasing the allowance amount: As suggested by the upazilla social welfare officer, UP officials and beneficiaries, the amount should be increased significantly as now the livelihood expenses getting dearer. Given the current context, the allocated amount should be around BDT 2,000 (per month?). However, the amount can be specified by different location and their needs.
- (f) Scaling up the programmes in urban areas: It is important to scale up the SSNPs in urban areas since fewer SSNPs cover the urban poor and most of them are excluded from OAA and WA. However, the government has a different stance on expanding the programmes in the urban areas. The government believes that rural-to-urban migration will increase drastically if the programmes are expanded to urban areas. This argument is untrue since the allowance amount is too poor to support their livelihoods based on urban standards.
- (g) Inclusion of marginal communities: The government should expand the programmes towards the inclusion of marginal communities like street people, floating people, sex workers, and transgender. These communities face a number of challenges regarding enlisting their names in the allowance programmes. Those challenges include age barriers, absence or no access to NID, missing information in the NID, etc. Currently, the government has brought 402 sex workers in Jashore and Kushtia under the safety net benefits. The number should be increased significantly.
- (h) Raising awareness among the beneficiaries: In hilly areas like Bandarban, the local government should raise awareness among the existing and potential groups since they remain unaware even after being enlisted as allowance recipients.
- (i) Training on moral and ethical standards among the UP officials: Public representatives should be made aware and trained about moral, ethical and technical issues.

- (j) Identifying the right information on widows and their husbands: In Haor areas, the beneficiaries hide information like the death-related information of their husbands. Therefore, UP officials should be certain about the information of Widows and their marital husbands.

5.2 Primary Education Stipend Programme

- (a) Allocation of funds for boats in the rainy season: For school-going children, many of the government primary schools are in remote areas where communication turns a challenge during the monsoon. It is important to disburse necessary funds for equipping the schools with boats and manpower to operate those on the school premises (especially in the char areas during the rainy season).
- (b) Hostels and transportation facilities for students and teachers: Challenges in hilly areas are different since transportation and roadways are limited. Therefore, the arrangement of a hostel for students and teachers is necessary, along with transportation and roadways. People in the hilly and char areas lack interest in educating their children due to the transportation crises and lack of proper examples in their community. Teachers in char and hilly areas should be compensated with additional housing and transportation allowance.
- (c) Increasing the allowance amount up to BDT 2,500: The allowance amount should be increased significantly since the current allocation amount is poor and insufficient to address the needs of the students. Now, BDT 150 is provided which is quietly insufficient to compensate for purchasing educational materials, uniforms, etc. The survey and the FGDs found the allocation amount should be at least BDT 2,500 to supplement the students' needs.
- (d) Inclusion of marginal communities: The stipend programme should be expanded for primary students in the urban slums, camps, and other areas where government schools are absent, and children from marginalised communities' study in different types of private schools.
- (e) Providing double benefits to especially-abled students: Especially-abled students receive only one stipend, but they do not receive any allowance that is targeted toward their livelihood. Despite being eligible, they do not get any

livelihood-related allowance if they receive an education stipend. However, if any family members of a school-going child receive any allowance, their child is also eligible for receiving stipends. Therefore, there is discrimination that is being made to the students with disability. This should be resolved and the especially-abled students should enjoy the double dividends.

- (f) Upgradation of the server, recruiting IT manpower and technical training arrangement: The PESP server should be upgraded as the number of troubleshooting rates is higher. The upazilla education officers struggle to maintain the database. It is also difficult for them to update the database and understand the technical issues to resolve them. Therefore, dedicated IT specialist should be employed in order to reduce the technical issues and provide technical training among the upazilla education officials to understand and resolve those.
- (g) Hiring data entry operator at school and upazilla level: The primary schools and upazilla education office lacks data entry operator. The role is usually played by the teachers and education officers. However, the teachers and education officers are not technically sound and makes mistake during the beneficiary information input, and this makes the remedial process lengthy. Therefore, data entry operator should be employed at the upazilla education offices in order to smoothen the listing process.
- (h) Training arrangement for the guardians on withdrawal of the stipend money: The guardians are often foxed by hackers or mobile banking agents during the withdrawal of the stipend money. This can be prevented by raising awareness-related programmes and providing hands-on training to the guardians at the school premises.

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