

NATIONAL SOCIAL SECURITY STRATEGY OF BANGLADESH

Mohammad Yunus
Senior Research Fellow



**BIDS CRITICAL
CONVERSATIONS**

2017

Outline of Presentation

- 1. Contexts of National Social Security**
- 2. Features of National Social Security Strategy**
- 3. Financing of the National Social Security**
- 4. Implementation of the National Social Security Strategy**
- 5. Ensuing Challenges**

I. CONTEXTS

1. **Constitution:** Enshrined in Article 15(d) of the Constitution as citizen's right to "social security, that is to say, to public assistance in cases of undeserved want arising from unemployment, illness or disablement, or suffered by widows or orphans or in old age, or in other such cases."
2. **Economic Imperatives:** (a) The rate of moderate poverty has decreased from 31.5% in 2010 to around 24.8% in 2015 and the rate of extreme poverty has in the same period fallen from 17.6% to 12.9%. Even then, a substantial proportion of the population is still poor and is increasing absolute number. (b) *Rising urban poverty* due to rural urban migration (c) A non-trivial section of population (3-4 million) are annually subject to *climate induced vulnerabilities*.
3. **Sustainable Development Goals:** **SDG 1:** End poverty in all its forms everywhere: **Target (1.3):** Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable.

I. CONTEXTS

4. **Human Rights:** Article 25 of the Universal Declaration of Human Rights states that “everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control”.
5. **Political Settlement:** Alliances across social and economic classes influence levels of investment in social protection and the quality of social protection schemes (Hickey, 2015; Kidd, 2015). When social protection programs are inclusive in their design, levels of investment in social protection schemes increase, as do the value of transfers and quality of program delivery. It is therefore critical to ensure the processes and structures which create, sustain and transform the alliances in the social protection over time.

2. FEATURES

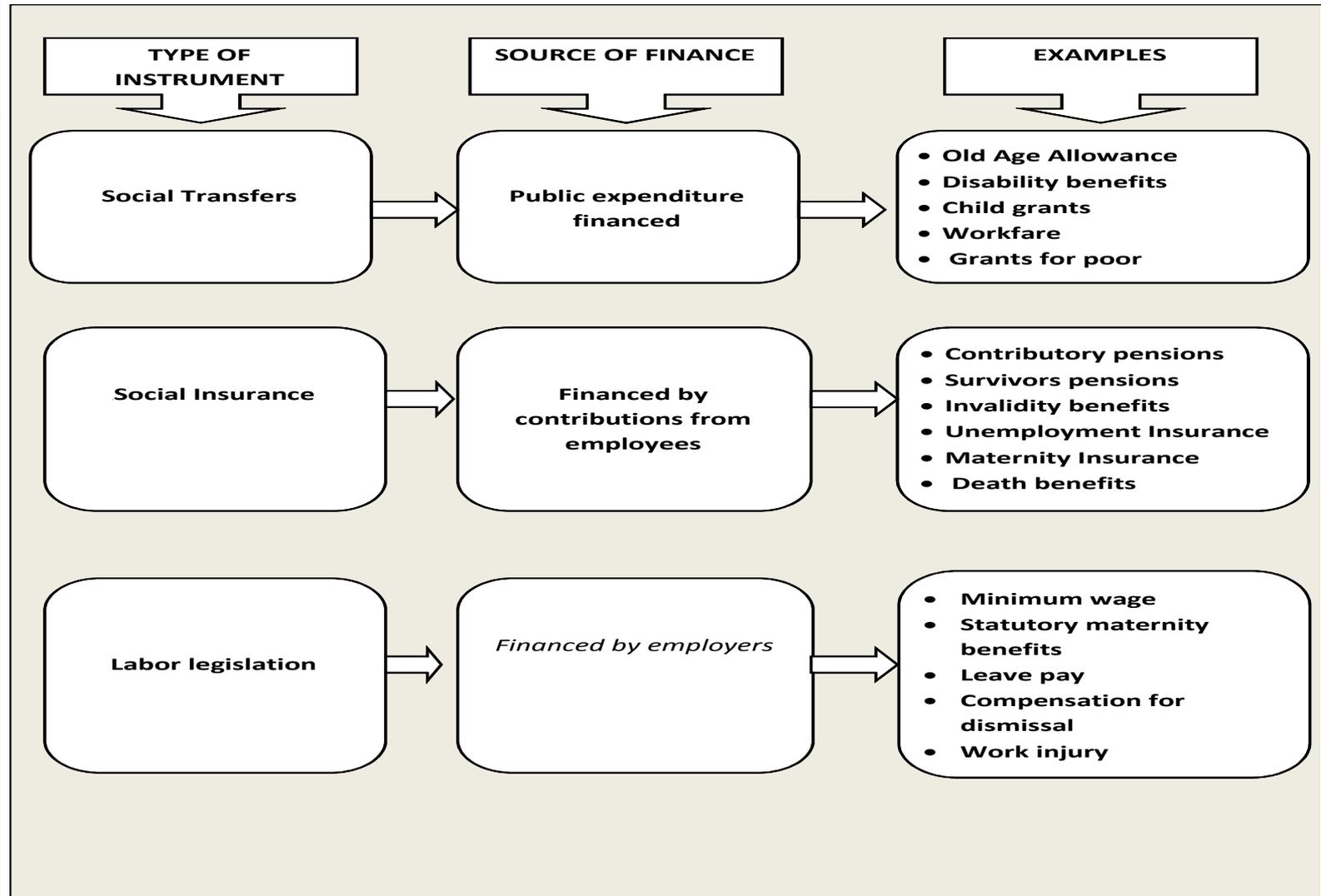
The NSSS broadens the scope of SS from a narrow safety net concept to include employment policies and social insurance to address the emerging needs of a middle income Bangladesh. It contains *five core life cycle programs*:

- 1. Programs for Children:** (i) A child grant for children of poor and vulnerable family up to age 4 (Child Benefit). (ii) A school stipend for all primary and secondary school going children and adolescents belonging to the poor and vulnerable households (**continuation**). (iii) Child Maintenance Payments for Abandoned Children
- 2. Programs for Working Age:** (i) *Support for Vulnerable Women of Working Age* (**consolidating** the Allowance for Widowed, Deserted and Destitute Women and the VGD scheme into a new Vulnerable Women's Benefit. (ii) *Maternal Healthcare* (will build on the positive experiences of the MHVS) (iii) *Maternity Insurance with tripartite contribution mechanism:* (a) government assumes responsibility; (b) the employer assumes responsibility; or, (c) the employee assumes responsibility – jointly with the employer – by accessing maternity insurance (iv) *Childcare for Female Employees in the Formal Sector* (v) *Unemployment Insurance*

2. FEATURES

3. **Comprehensive Pension System for the Elderly:** A three tiered pension system is proposed: **Tier (i):** Public expenditure-financed benefit scheme (**expansion** of Old age allowances), **Tier (ii):** Contributory pension scheme for the formal sector workers-National Social Insurance Scheme (**New**). **Tier (iii):** Private voluntary pension schemes (**New**)
4. **Social Security for People with Disabilities :** (i) Child Disability Benefit for all children with a disability, up to 18 years of age; (ii) A Disability Benefit for all adults with severe disabilities, aged 19-59 years; (iii) At 60 years, people with severe disabilities will transition to the Old Age Allowance.
5. **Young Population (school dropouts and fresh graduates):** This segment of population is largely ignored apart from passing remarks on their skill development.

3. FINANCING



4. IMPLEMENTATION

Five thematic clusters, each with a lead coordinating ministry

- I. Social Allowances:** Lead by Ministry of Social Welfare with 7 other ministries
- II. Food Security and Disaster Assistance:** Lead by Ministry of Food with 6 other ministries
- III. Social Insurance:** Lead by Ministry of Finance (Finance Division and Banking and Financial Institutions Divisions) with 2 other ministries
- IV. Labor/Livelihoods Interventions:** Lead by Ministry of Disaster Management and Relief with 6 other ministries
- V. Human Development and Social Empowerment:** Lead by Ministry of Primary and Mass Education with 8 other ministries

4. IMPLEMENTATION

1. Implementing ministries will be responsible for program design and effective program implementation, ensuring correct targeting and zero tolerance to pilferage. In addition, they will carry out MIS and monitoring of their respective programs and report to the CMC of the Cabinet Division.
2. IMED will be responsible for overall M&E of implementation of projects/programs.
3. GED would prepare a results framework using a matrix of specific indicators and evaluate performance of NSSS implementation in a holistic approach.
4. The GED will also be responsible for overall coordination of the M&E framework and dissemination of the evaluation results under the supervision of the CMC.

5. CHALLENGES

Several studies found that there are sizeable inclusion and exclusion errors, gender targeting, thin dispersal of resources, and program captures in the current structures of the SSNPs. The NSSS will need to address the following:

1. **Wrapping up or rolling out programs without INDEPENDENT REVIEW** of the causes of failure or success , inappropriate targeting, and leakage
2. **MERE TAX REFORM** to finance the public expenditure -financed part of the NSS
3. **ACCOUNTABILITY** of the implementing entities
4. **Implementation of the programs for working age when 87% workers are employed in the INFORMAL SECTOR**
5. **Pathways to GRADUATION**