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YPF dialogue emphasises the need for a shock-responsive social safety net system

THE 2020 BUDGET DIALOGUE

SOCIAL PROTECTION DIALOGUE

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Youth Policy Forum (YPF) has been organising a series of webinars to analyse Bangladesh's upcoming national budget with field experts and policy teams.

After hosting their first and second webinar exploring Bangladesh's Healthcare system and Agriculture sector, YPF held a third budget dialogue webinar on May 27, which focused on the Social Protection (SP) system of Bangladesh.

Panelists for the budget dialogue included Dr Aslam Alam, former secretary of Ministry of Disaster Management and Relief (MoDMR); Dr Imran Matin, executive director of BRAC Institute of Governance and Development (BIGD); Sabhanaz Rashid Diya, former fellow at Bill and Melinda Gates Foundation (BMGF) and Mostafa Amir Sabbih, senior researcher of Centre for Policy Dialogue (CPD), with the session being moderated by Shawkat Ali, research analyst at World Bank.

The social protection system is currently an important issue to be considered, given the rapid surge in the number of 'new poor' and vulnerable people due to the coronavirus pandemic. The ongoing pandemic has exposed several inefficiencies in our social protection system. The upcoming budget will not only have to tackle the current challenges but also counter the shock brought about by the pandemic.

The webinar was initiated through a brief background presentation by the YPF research team, followed by a series of questions and answers by the distinguished panelists. The research team's findings showed that carrying out 140 SP programs under 26 ministries creates the problem of fragmentation, overlapping and lack of coordination.

They also shed light on the absence of social protection programs for the urban poor and the uncertain situation of the informal economy, ending the presentation with some recommendations such as evidence-based policymaking, a contingency plan to expand shock-responsive SP system for natural disasters and pandemic, the digitisation of the payment system to avoid leakage, and proper implementation of a community-based grievance management system to identify the shortfalls of a program in a community.

During the panel discussion, Dr Alam of MoDMR stated that neither a database of poor people nor that of beneficiaries of past programs exist. A single registry database with smart cards will significantly improve the efficiency and effectiveness of SP programs.

He added that Social Protection should focus on the dynamics of poverty. "Our SP system is quite rural-centric. Some practical problems exist while working in cities as most people do not have a permanent address."

"We have to find a solution keeping all these in mind," he added.

Citing the recent report launch by BIGD and Power and Participation Research Centre (PPRC), Dr Imran Matin said the number of people living under the poverty line has doubled due to the immediate loss of livelihoods due to the nationwide shutdown.

"For an emerging economy, the poverty line shouldn't be the focus. The focus should be on the poverty dynamics -- those who are above the poverty line but vulnerable" he noted.

These are people who belong to the informal economy with no social protection, making them extremely vulnerable to shocks. This vulnerability is particularly intense for the urban informal segment, he added.

The informal economy should be brought under SP to ensure economic growth and the system should be digitised to control leakage, Dr Matin suggested.

On the other hand, Sabhanaz Rashid Diya of BMGF stated, "Technology is a medium, not necessarily a silver bullet for solving a political problem. Over-indexing on technology often shifts focus from users of it: people."

She shared that digitisation of social protection programs, specifically to improve the accuracy of targeting and efficiency of delivery, must be done by keeping in mind the political economy, sociology of the population, and decentralisation of decision making in local government.

Diya also stressed that a robust beneficiary database needs to be created early on, coupled with technical and human validation.

"Digital transfers are increasingly becoming popular, and more relevant in the current crisis, but we need to ensure it comes with digital and financial literacy interventions, especially to include women who are disproportionately left out," she added.

Representing CPD, Mostafa Amir's opinion was that the National Social Security Strategy (NSSS) will be a good plan only if it gets implemented.

Bangladesh ranks low when it comes to SP expenditure, and NSSS allocation targets were not met in the previous fiscal years. Since NSSS targets were set for up to FY2020, it will also call for a revision of the strategy including new targets for the upcoming fiscal years, he said during the dialogue.

"If a good universal pension scheme for people older than 65 can be implemented, this will also cover other beneficiaries in need like the widow, destitute, etc," Amir said.

He also stressed the need for immediate completion of the National Household Database being implemented by the Bangladesh Bureau of Statistics (BSS) for addressing targeting and selection related challenges.

A major concern raised by all the panelists was that if government pension is excluded from SP expenditure, it is stagnated at 1.7-1.8% and decreases as a percentage of the budget. Cash transfer programs must be increased in response to the pandemic.

All the panelists agreed that SP should be re-imagined in the urban and informally employed population, and local government must be empowered.

The webinar can be viewed on YPF's Facebook page and YouTube channel.