

## Public food transfers during pandemic: Insights from an IFPRI survey in Bangladesh

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Public food transfer programmes act as a lifeline for many poor households that might otherwise live with constant food insecurity and the threat of hunger. Such programmes are important for the poor and vulnerable in low-income countries such as Bangladesh, but also in high-income countries such as the USA. In the USA in 2019 alone, more than 35 million individuals received food assistance from its largest

anti-hunger transfer programme -- the Supplemental Nutrition Assistance Programme (SNAP), formerly known as Food Stamps. In the 2019-20 financial year, in Bangladesh, the Khaddo Bandhob Karmasuchi (Food Friendly Programme, FFP), a similar programme that offers subsidised rice during the lean season twice a year, reached about 5 million households (equivalent to 27.5 million people) at a cost of more than BDT 32.0 billion (source: Directorate General of Food). FFP is the country's largest anti-hunger programme in terms of outreach, and since rice is the main staple providing about 60 per cent of average calorie intake for the poor, the programme is immensely important in ensuring that the poor are able to meet their basic caloric requirements.

How did the FFP perform in reaching the poor during the COVID-19 pandemic? This is an important academic question that has direct policy and humanitarian implications. The first order effect of the pandemic on poor individuals and households was on employment. A survey conducted in June-July 2020 by the BRAC Institute of Governance and Development (BIGD) and the Power and Participation Research Centre (PPRC) reported that close to 20 per cent of those who were employed in February had lost their jobs by June. For many of the poor, lost employment can mean the difference between having food and going hungry. In addition, the nationwide lockdown (formally known as the "general holiday") imposed by the government to stem the spread of COVID-19 restricted the movement of people and goods, further reducing income earning opportunities and hence household consumption. In April 2020, a BRAC study estimated that extreme poverty would increase by 60 per cent as a result of the lockdown.

On the one hand, the preexistence of the FFP and similar programmes served as immediate shock absorbers that might have buffered the impact of the pandemic. On the other hand, the scale and nature of this crisis was unanticipated and exposed several administrative and logistical challenges, some of which were compounded by the further restrictions on movements to contain the spread of infection. At present, little is known about the performance of transfer programmes such as the FFP in times of large unanticipated shocks. Multiple studies and many experts have expressed concern over the targeting and leakage of the safety-net programmes, food security, and income loss. As the country braces for winter and a possible second wave of COVID-19, it is crucial that the extent of food insecurity and the effectiveness of public transfer programmes be evaluated. We do so in the context of the FFP.

**LEARNING ABOUT COVID EFFECTS THROUGH THE LENS OF THE FOOD FRIENDLY PROGRAMME:** Launched in 2016 as a component of Bangladesh's extensive food security programme, the FFP provides 30 kg of subsidised rice per month to eligible poor households in the pre-harvest months of March and April and September, October and November. Eligible households must satisfy certain verifiable needs-based criteria. In response to the COVID-19 crisis, the government of Bangladesh made available an additional transfer of 30 kg of rice in the month of May 2020.

In addition to its being the largest in-kind transfer programme in the country, our choice of the FFP was further motivated by the fact that some of the authors of this piece conducted a study of its performance in 2018. The 2018 survey included a nationally representative sample of 4,526 poor households in 61 districts. It was found that the programme was performing remarkably well with few targeting errors and low amounts of leakage, and that for every taka spent by the government under the FFP, about 0.88 taka reached eligible beneficiaries, on average.

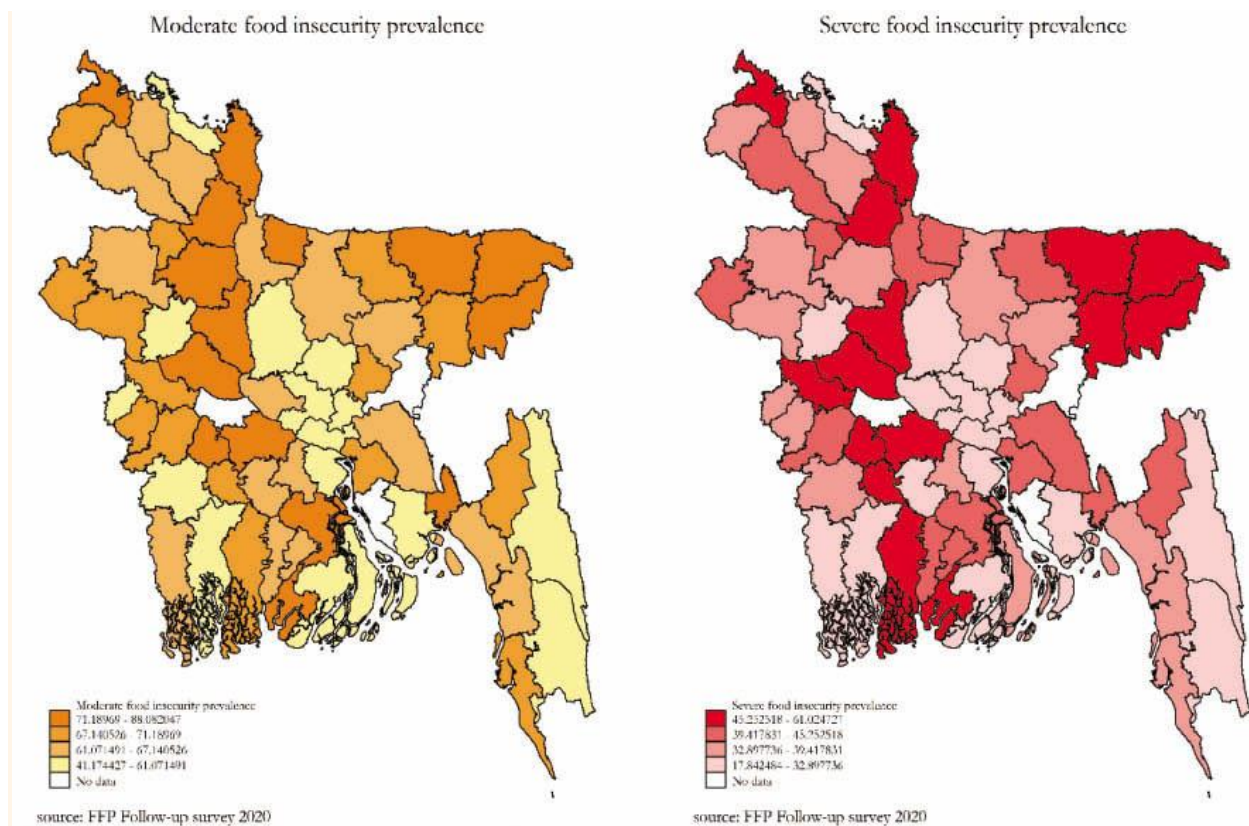
To understand the resilience of FFP to unanticipated shocks, and to document the economic distress faced by households during COVID-19, we conducted a follow-up phone-survey in August 2020 among those households from the 2018 survey for whom we had phone numbers. In total, the survey team was able to reach 2,800 households in 226 union parishads in 61 districts.

**ECONOMIC IMPACTS OF THE PANDEMIC ON THE POOR:** More than half of our 2020 sample reported that the main earning member in the household had lost his/her job due to COVID-19, and about a quarter of them were still unemployed at the time of our survey. A staggering 90 per cent of the households reported that their total household income in July 2020 was less than that of pre-COVID (March 2020) or the same month in the previous year (July 2019). Unlike other segments of the society, it is not surprising that the shock affected most FFP recipients, since these are the poorest of the poor who rely on informal sector jobs or work as agricultural wage labour.

How did the households respond to the shock? In the absence of any formal employment insurance, households resorted to several coping strategies to tide over this fall in income. Close to 90 per cent of the sample reported reducing expenditure on non-food related items, like clothes and education, 76 per cent reported spending their savings, 62 per cent reported reducing health expenditure, and 53 per cent reported reducing expenses on agricultural, livestock, or fisheries inputs, like fertiliser and seeds. 92 per cent of households engaged in some form of emergency borrowing; most of this was within informal networks of friends, family and neighbours.

The FAO and WFP identified Bangladesh as one of Asia's acute food insecurity hotspots, and warned that there could be disruptions to transport and market access as a result of COVID-19. To supplement this conjecture with data-based evidence, we collected information on households' experience of food insecurity using the Food Insecurity Experience Scale, and estimated the prevalence of moderate and severe food insecurity for each district in our sample (Figure 1). Food insecurity prevalence was high in the north, north-west and centre of the country, with the districts of Sylhet, Sunamganj, Panchagarh, Kurigram, Gaibandha, Pabna, Faridpur, Bagerhat and Barguna displaying a high likelihood of severe food insecurity. Despite being one of the richest regions of the country, Sylhet appears to have suffered from a double setback-both from the pandemic and from the severe floods in the haor (back swamp) areas during June.

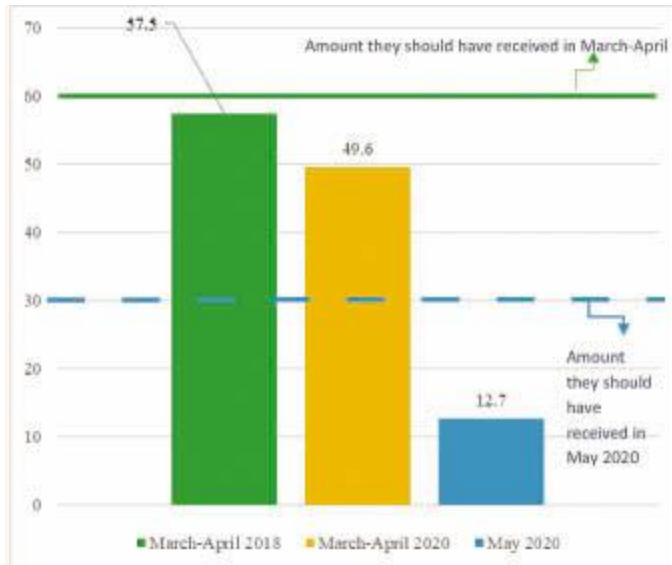




**Figure 1**

**HOW THE FFP PERFORMED DURING THE PANDEMIC:** Answering the question of how the FFP or other safety-net programmes performed during the pandemic is important from both a policy and humanitarian perspective as it is directly linked to the food security of millions of vulnerable households. To address this, we look at FFP performance indicators in 2020 and compare them with the pre-pandemic results from our 2018 survey.

Our 2020 survey suggests that the performance of the FFP was indeed adversely affected during this period. In 2018, 97 per cent of the sample reported receiving some rice under the FFP; this proportion declined slightly to 94 per cent of those who were still beneficiaries in 2020. The average amount of rice received in March and April of 2020 was about 8 kg lower than that of the same two months in 2018 (Figure 2). Only 64 per cent respondents said they had received the full 60 kg in March-April 2020, compared to 86 per cent in 2018.



**Figure 2**

Importantly, the shortfalls were even greater in the additional pandemic month of May 2020, when households received on average only 12.7 kg out of the 30 kg they were entitled to. Only 41 per cent of households reported receiving their full entitlement in May 2020, while a sizeable 58 per cent reported receiving less than 10 kg. While the average price paid by the beneficiaries was the same in both survey years, at about 10 BDT/kg, the proportion of households reporting paying a bribe and the average amount of that bribe were both substantially higher in 2020 compared to 2018.

**TAKEAWAYS AND POLICY RECOMMENDATIONS:** Before the COVID-19 pandemic hit, the FFP was performing better than similar programmes in Bangladesh and other developing countries. Our 2018 survey estimated a leakage of only 12 per cent, compared to 70 per cent under the Palli Rationing programme in Bangladesh, and close to 50 per cent under the Public Distribution System in India. However, our 2020 phone survey findings suggest that the pandemic disrupted the distribution of rice under the FFP, implying that the resilience of the programme to unanticipated shocks needs to be improved. Transfer programmes are most crucial during economic crises; improving their resilience to unanticipated shocks is therefore of paramount importance.

The financial and human costs of excluding poor individuals from these social safety nets are large. The food policy research community has not even begun to quantify the extent and cost of human suffering, though this is an important area of inquiry. Given the results of our

2020 phone survey, our main recommendation is for the institution of routine monitoring to make operational efficiency information readily available. One suggestion is to set up a unit within Food Planning and Monitoring Unit (FPMU) of the Ministry of Food to monitor and report on progress. Another is to develop a small sample phone survey to generate real (or almost real) time analysis on the FFP as well as other programmes for policy makers. Particularly in times of COVID, technology-based solutions that enable the collection of information while adhering to norms of social distance are the need of the hour. To supplement the quick and lean phone surveys, there is also a need to carry out larger evaluations periodically, taking into consideration the limits placed by safety and resources.

The COVID-19 pandemic has laid bare many vulnerabilities in our economic systems and shown us just how precarious the lives of the poor really are. We have now to invest time and effort into designing robust, generous, and efficient safety nets to prepare ourselves for another calamity of this magnitude and ensure that we avert a crisis of hunger. Let this opportunity not go to waste.

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