

# Bangladesh: The Limits of Universalising Social Protection under Governance Dysfunction

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- Bangladesh portrays the image of a developmental welfare state (the country's Constitution and economic policy documents)
- The implementation of the policies has to contend with a serious problem of governance dysfunction
- Yet, the state appears to deliver on many of the welfare promises (food security, social protection and social dev indicators)
- How does the political incentives play out in determining effectiveness of welfare-oriented policies?

- Cross-country comparisons: Bangladesh's social public spending as % of GDP lower than expected at similar per capita income.
- The main reason: very low revenue mobilization (stagnant at 12% of GDP) due to widespread tax evasion
- Within the resource constraint, public spending on social protection increased from nearly 1 percent of GDP in the 1990s to 1.5 percent in 2000-2008 and to 2 percent currently.

- Percent of households benefiting from at least one safety net programme increased from 13 in 2005 percent to nearly 24 percent in 2010; higher coverage in rural areas
- In 2010, the monthly benefits in taka value received per beneficiary household was only about 7 percent of the national poverty line (as expressed in terms of household monthly consumption expenditure).
- In the case of Vulnerable Group Feeding (the largest programme in coverage and spending out of social protection budget), the monetary value of food rations was 17-26% of monthly poverty line expenditure, but only for 3-month period of programme participation

- The increased public spending on social protection has resulted from the multiplication of the number of programmes and not from increases in the amounts of real benefits per beneficiary in each programme.
- There are currently 30 major social protection programmes and nearly as many minor ones
- New programmes devised partly in response to genuine needs of the poor, but partly due to political competition (populist ‘tokenism’)
- For some programmes, benefits so thinly distributed as to justify the cost of administration.

- Large-scale resource leakages
- Some leakages take place even before the actual distribution stage through many intermediaries particularly in the case of food-based transfers.
- The programmes based on public works are alleged to suffer from problems of underpayment of wages, over-reporting of work done and the existence of so-called 'ghost workers'.
- While the government is unable or unwilling to prevent resource leakages at implementation stage (corruption and patronage politics), there is genuine concern about how to redesign projects in order to minimise leakages.

- Due to targeting errors, 60% of beneficiaries in 2010 were non-poor, while only one-third of poor households were covered – symptom of partisan influence and patronage politics.
- Rough estimates from simulation exercise with 2010 HIES data: if the average benefits per household could be all directed to the poorest, there would be a reduction of 4.3 percentage point in the national poverty rate – from 27.2 percent instead of the actual 31.5 percent.

- Significant variations in budgetary allocations by region (influence of ministers and MPs) but not in accordance with those in the poverty levels.
- The low coverage of relatively poor regions also translates into low coverage among the poor
- At local levels, more pro-poor targeting *within* rather than *across* villages (but does not necessarily mean absence of patronage politics at local levels)



- Social protection needs to include provision of basic public services to the poor (e.g. essential healthcare, legal protection)
- Remarkable improvements in many social development indicators (e.g. female school enrolment, child mortality reduction, reduction in fertility rate)
- Much of it explained by adoption of low-cost solutions (use of oral saline for diarrhoea treatment) and increased awareness created by effective social mobilisation campaigns such as for immunization or contraceptive use
- The government has had enough commitment to insulate these programmes from the mainstream public service delivery systems ridden with governance problems.

- The involvement of non-government organisations was a major factor in the success of social development campaigns
- The poor particularly benefited because of affordable low-cost solutions and involvement of NGOs.
- As the gains from low-cost solutions are reaped, further progress may increasingly depend on increased public social spending and an improvement in service delivery systems

- NGO-led social development interventions target poor households or mostly poor women to promote self-interested behaviour for household welfare. They have had limited success in grassroots mobilisation of the poor
- In the absence of effective local government institutions, the poor has little power to claim public services or sanction service failures.
- The result: in spite of the achievements in many welfare indicators, Bangladesh performs poorly in basic civic and human rights; poor prospect for shifting towards a rights-based approach

Thank you

