



# Social Protection Policies and Institutional Framework in Bangladesh

Presented by

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International  
Labour  
Organization



# Social protection is concerned with preventing, managing, and overcoming situations that adversely affect people's well-being.

## ILO

- Social protection is a set of policies and programmes designed to reduce and prevent poverty and vulnerability throughout the lifecycle

## World Bank

- Social protection systems help individuals and families, especially the poor and vulnerable, cope with crises and shocks, find jobs, improve productivity, invest in the health and education of their children, and protect the aging population.

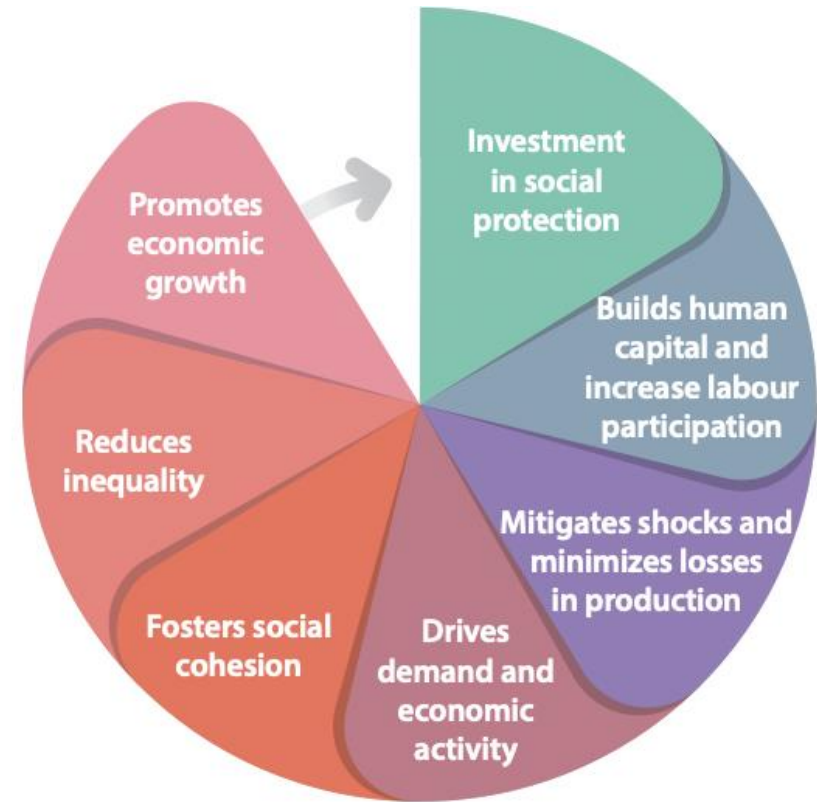
## ADB

- Social protection is defined as the set of policies and programs designed to reduce poverty and vulnerability by promoting efficient labor markets, diminishing people's exposure to risks, and enhancing their capacity to protect themselves against hazards and interruption/loss of income



# Why do we need Social Protection?

- Social protection creates a virtuous cycle of economic growth while helping tackle risks faced by individuals, poverty and vulnerability, and inequality



# Ensuring social security for is well-articulated in various human and UN legal instruments as well as Sustainable Development Goals.

## The Universal Declaration of Human Rights (UDHR)

- Art 22 - “Everyone, as a member of society, has the right to social security and is entitled to realisation, through national effort and international cooperation and in accordance with the organisation and resources of each state, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality”
- Art 23(1) – “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, invalidity, widowhood, old age or other lack of livelihood in circumstances beyond his control”.

The International Covenant on Economic, Social and Cultural Rights (ICESCR)

- Art 9 – “[t]he States Parties to the present Covenant recognise the right of everyone to social security, including social insurance”

Global consensus that ‘Social security is a basic social right to which every human being is entitled’

The Convention on the Elimination of All Forms of Discrimination Against Women, 1979 (Art 11(1)(e), 11(2)(b), & 14(2)); the Convention on the Elimination of All Forms of Racial Discrimination, 1965 (Art 5(e)(iv)); the Convention on the Rights of the Child, 1989 (Art 26, 27(1), 27(2), & 27(3)); International Convention on the Protection of the Rights of All Migrant Workers and Their Families, 1990 (Art 27 & 54); the Convention on the Rights of Persons with Disabilities, 2006 (Art 28)

Right to social security in various UN legal instruments

Preamble of ILO constitution— to improve the conditions of labours through, among others, “the prevention of unemployment, .... The protection of the worker against sickness, disease, and injury arising out of his employment, the protection of children, young persons and women, provision for old age and injury”

Adopted a total of 31 conventions (binding instruments) over the years to implement its core mandates

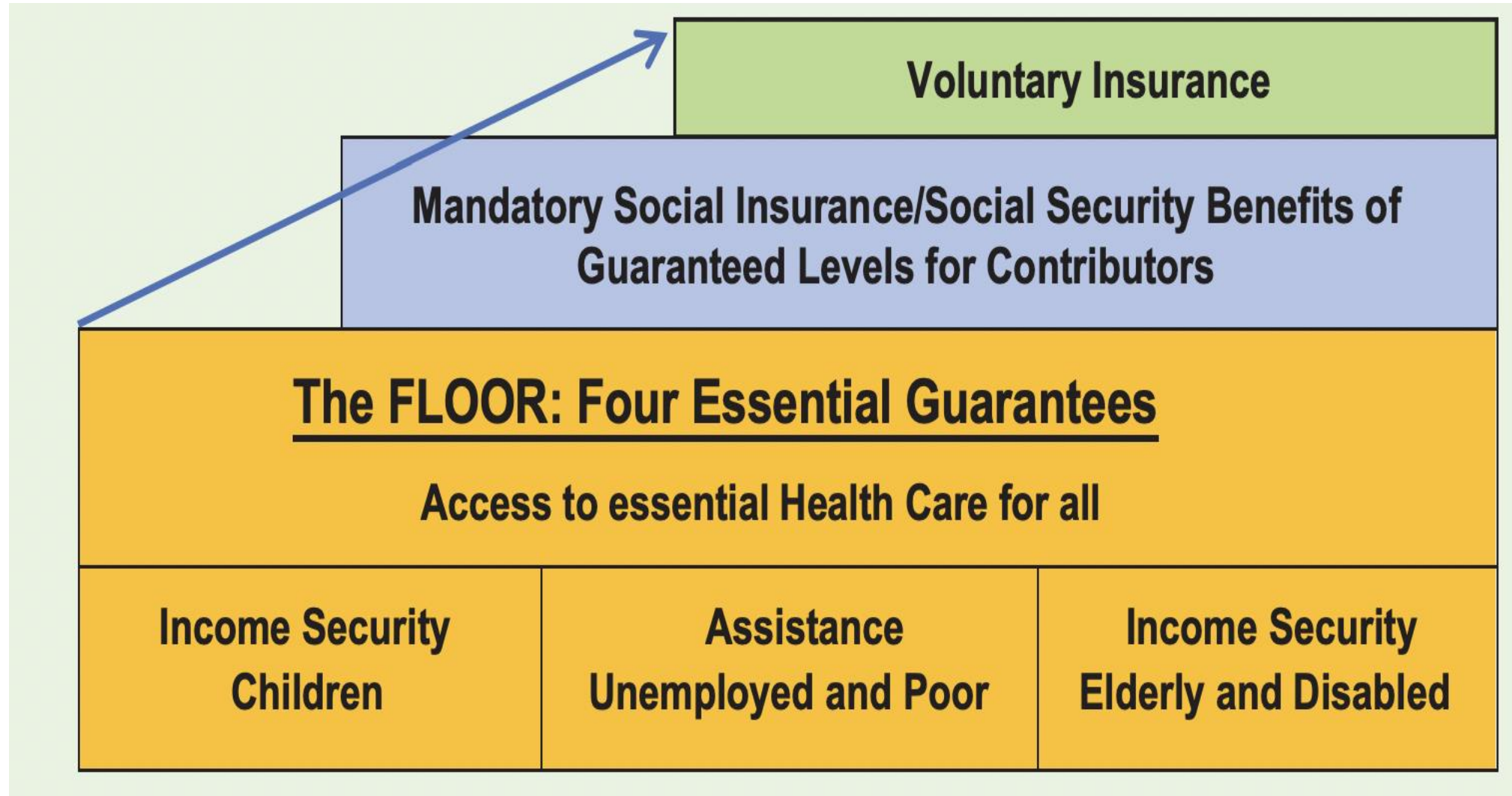
Specifically, the landmark convention – the Social Security (Minimum Standards) Convention, 1952 (No. 102), a globally recognised key reference for the design of rights-based, sound and sustainable social protection schemes and systems

The core issue of the ILO’s mandate – ‘Social security for all’



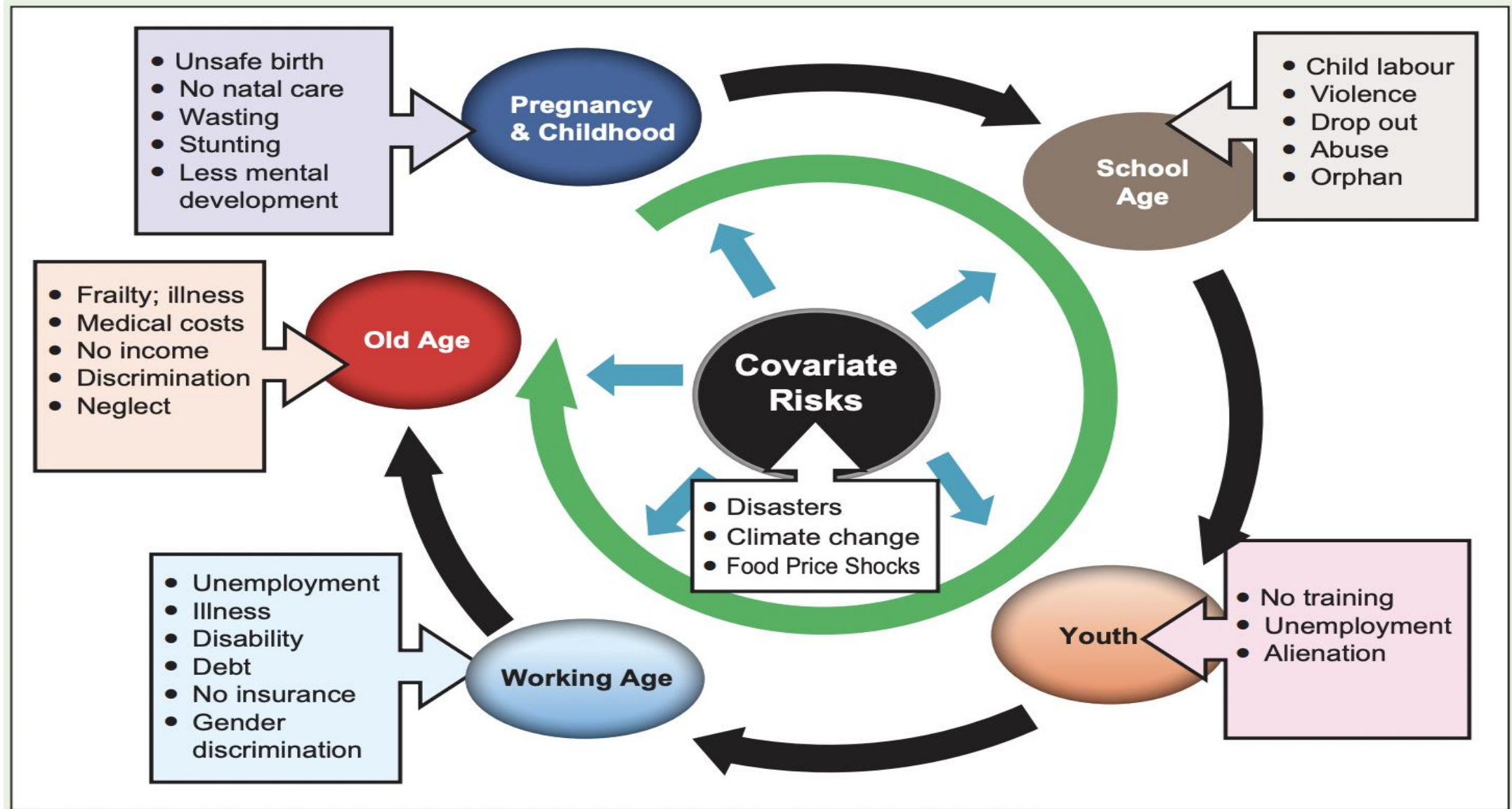
Importance of social security also envisioned in the SDGs

# Social protection staircase





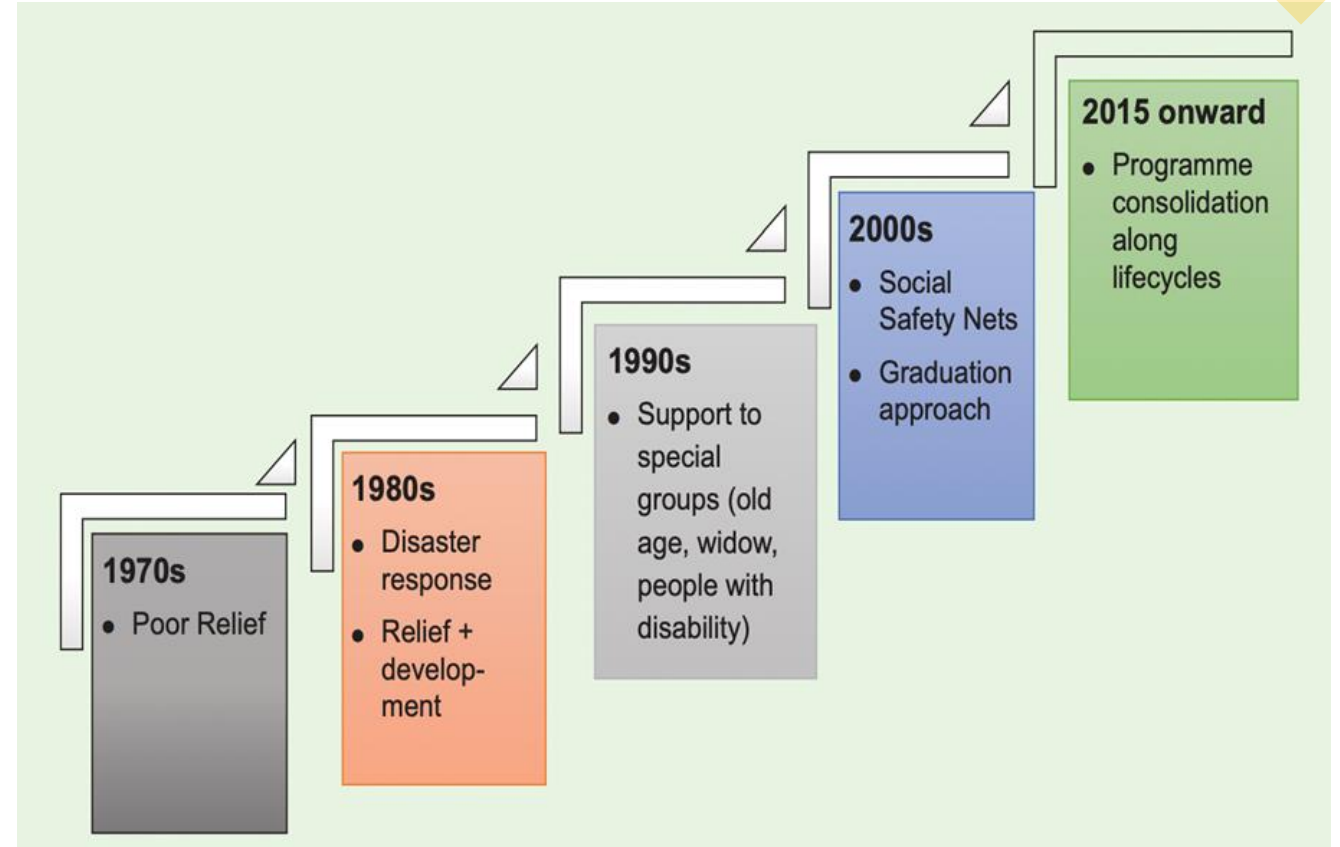
# Lifecycle risks



Source: Hasan (2020)

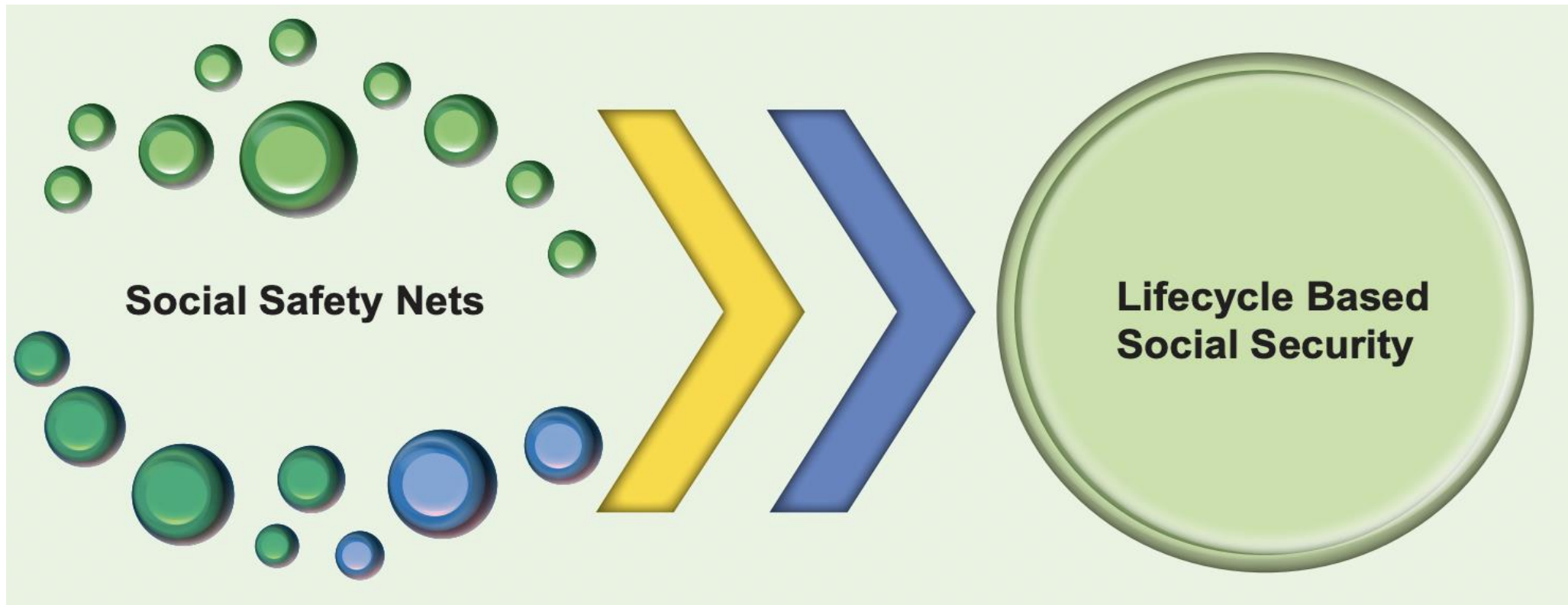
# Evolution of SP in Bangladesh

- **1970s** - the focus of social security programmes was relief work and vulnerable group feeding.
- **1980s** - mainly disaster response and relief operation.
- **1990s**, programmes were taken to provide support to special groups like elderly, widows and people with disability. These programmes were often supported by the development partners and NGOs. The provision of cash transfer was widely introduced in these programmes.
- **2000s** - numerous social safety net programmes to support different types of risks and vulnerabilities. These safety net programmes were often reinforced with graduation programmes to bring the poor sustainably out of poverty.
- **2015**- Bangladesh adopted lifecycle based strategic and comprehensive approach to social protection



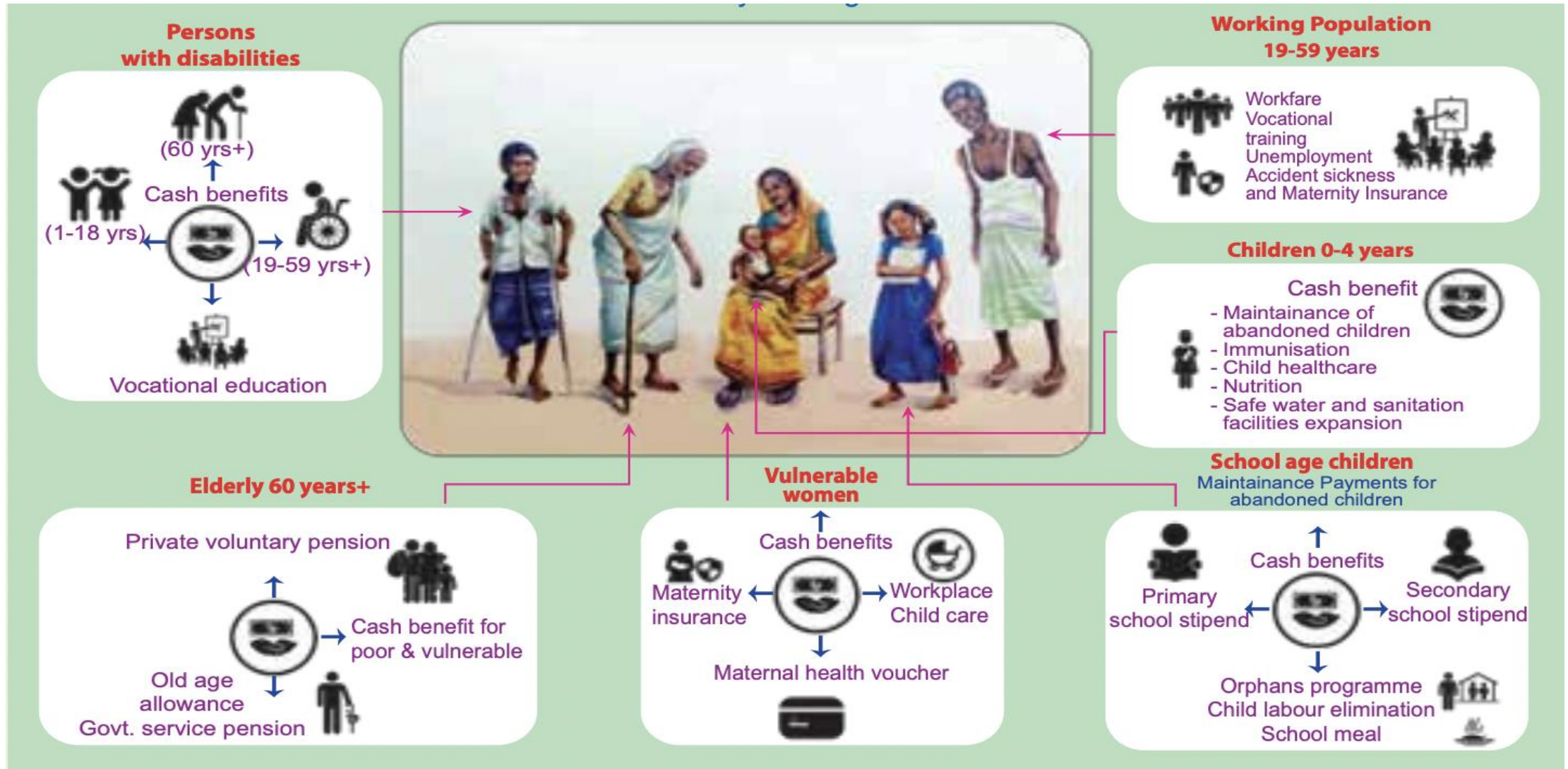
# National Social Security Strategy (NSSS), 2015

Paradigm shift: from ad hoc social safety nets to lifecycle based social security





# NSSS 2015: Core lifecycle programmes



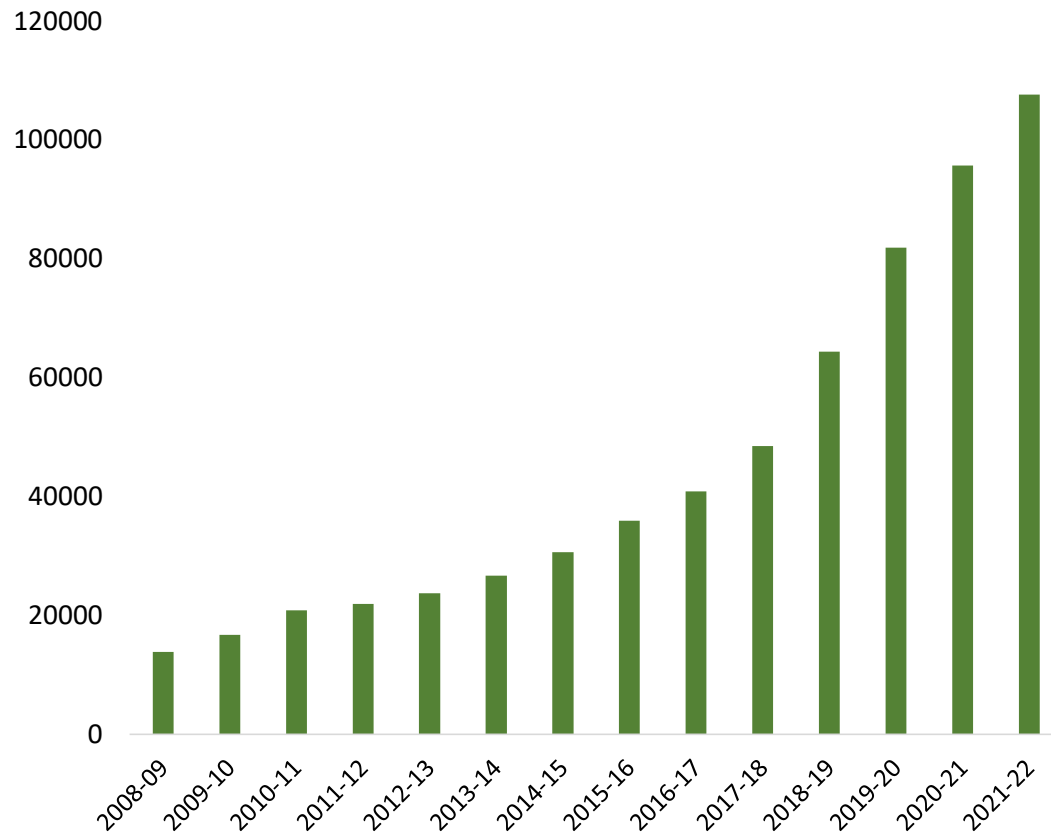
## Group Exercise

**Identify the schemes that can be considered as compatible with the lifecycle approach to social protection.**

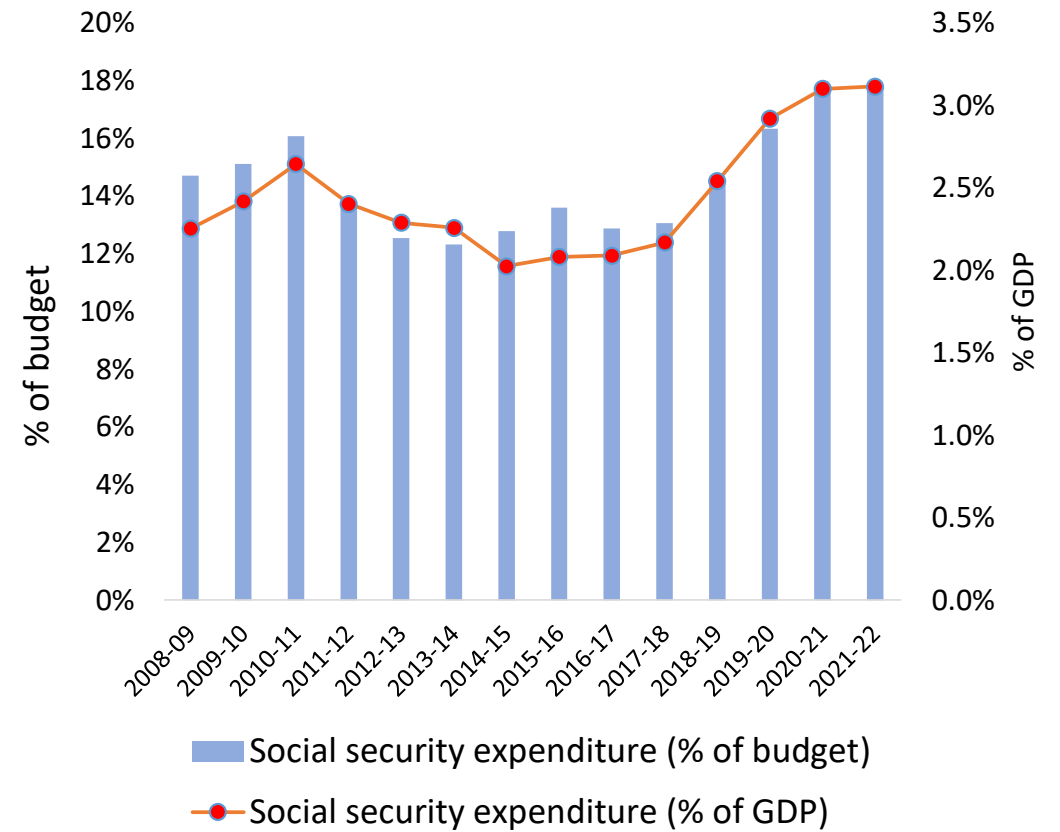


# Trends in social protection spending in Bangladesh

## Spending on social security (crore TK)

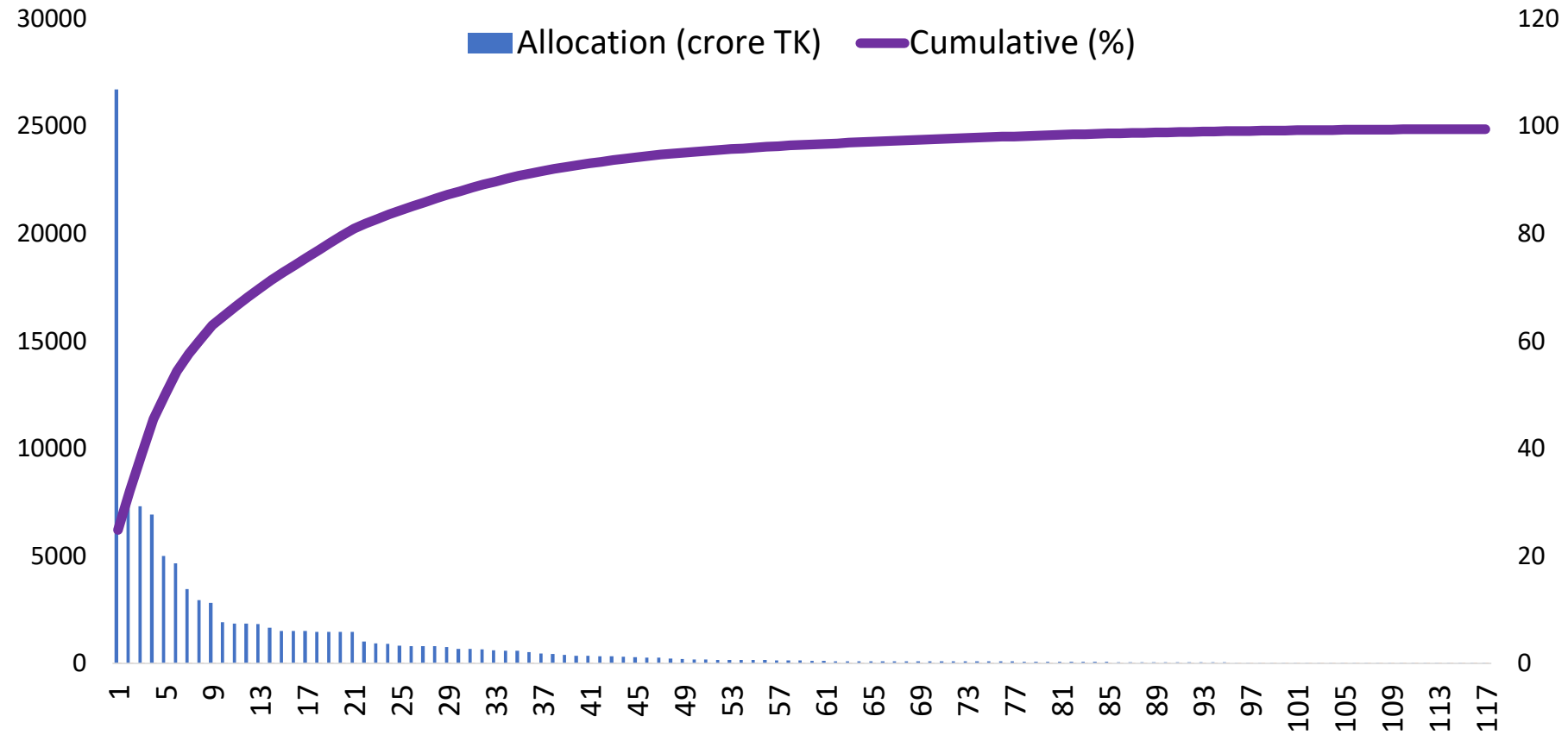


## Social security expenditure of Bangladesh



# Social protection spending: Too thinly spread over too many programmes

Distribution of funds over programme by size



# Old age allowance: Comprehensive to universal

## Current status (comprehensive)

Total beneficiaries: 57.01 lacs

Total budget: BDT 3444.54 crore

## Towards a universal system

Estimated total beneficiaries: 100.74 lacs

Estimated total budget: BDT 6044.4 crore

### Beneficiary calculation

Total population: 167.9 million

Old aged population: 6% of total population

Total no. of beneficiaries:  $167.9 * 0.06 = 10.074$  million = 100.74 lacs

Total budget =  $500 * 100.74 * 12 = 6044.4$  crore TK

→ No inflation adjustments

→ Tk 500 is grossly inadequate

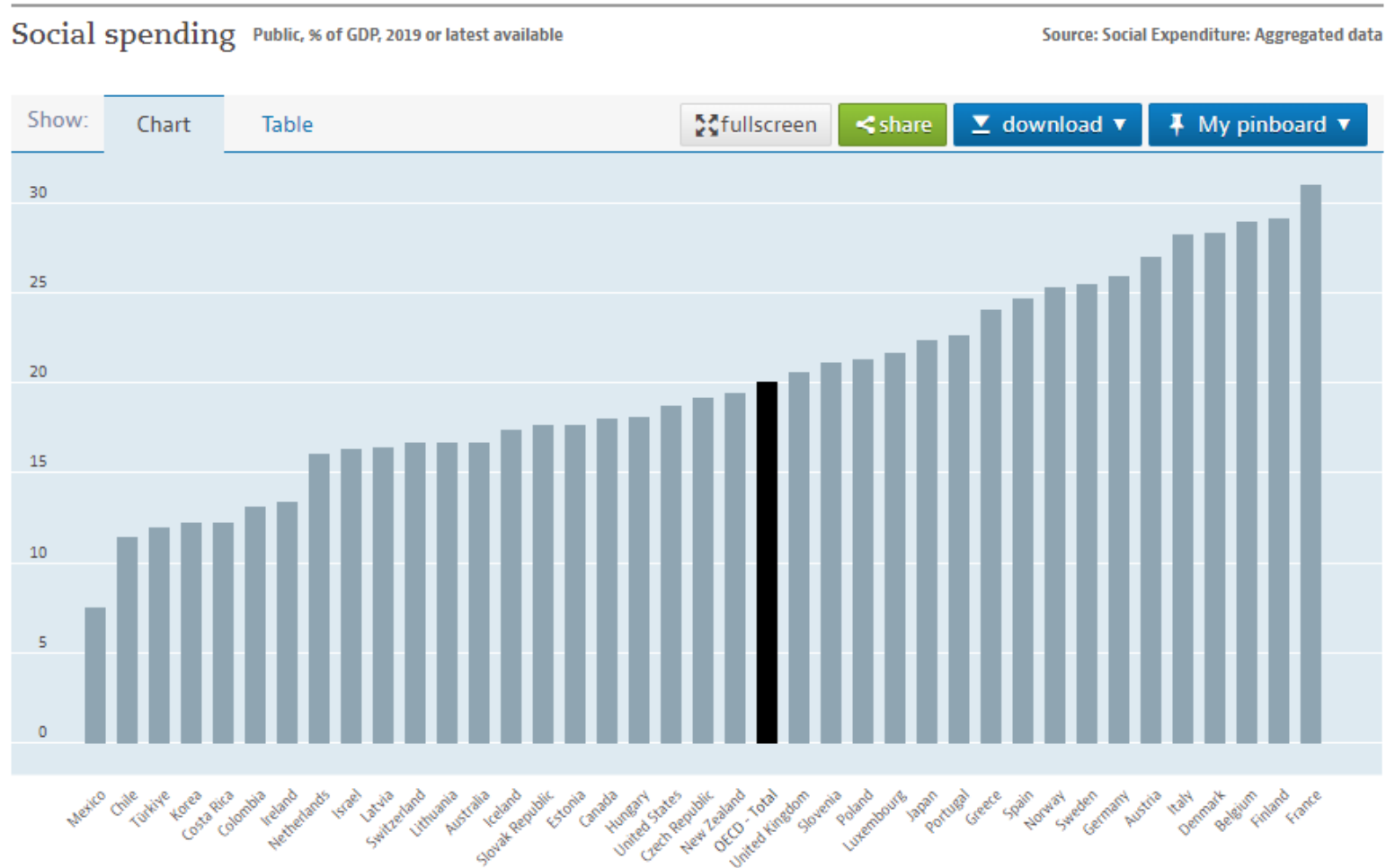


## **Policy discussion**

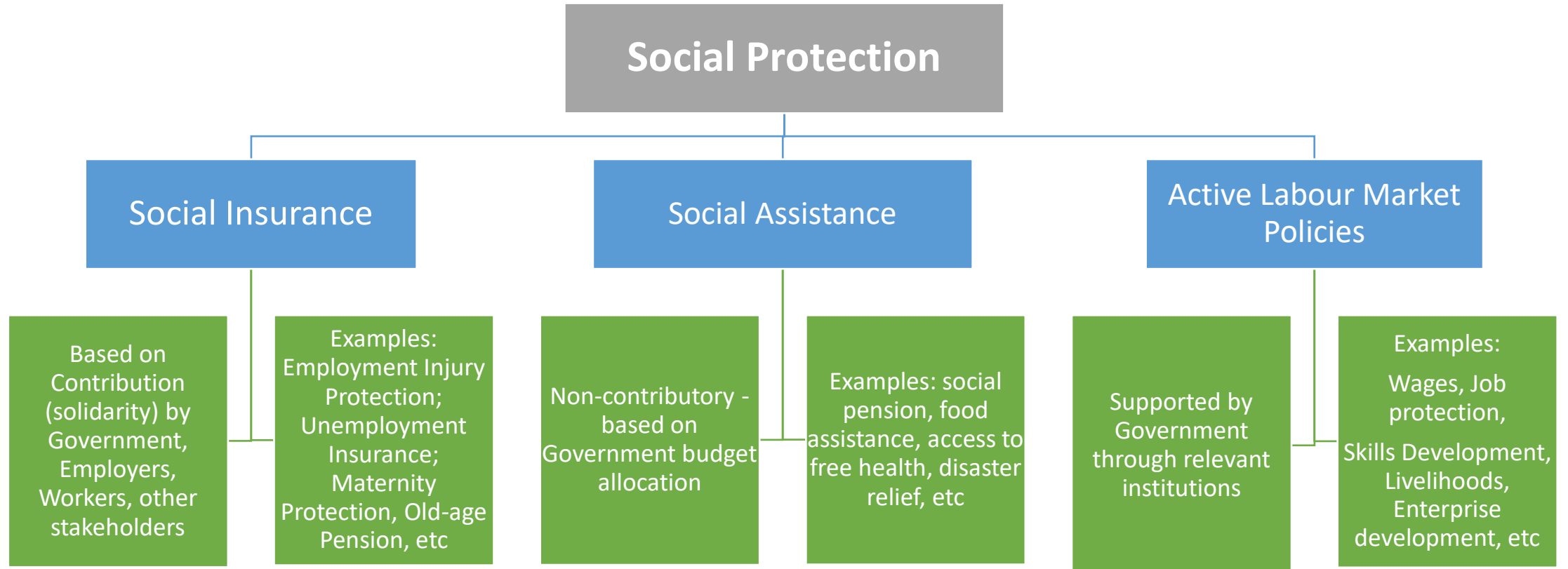
**As countries become richer, they need to spend less on social protection. And countries cannot afford higher spending on social protection.**

**Please list a maximum of 5 important points (for or against or neutral)**

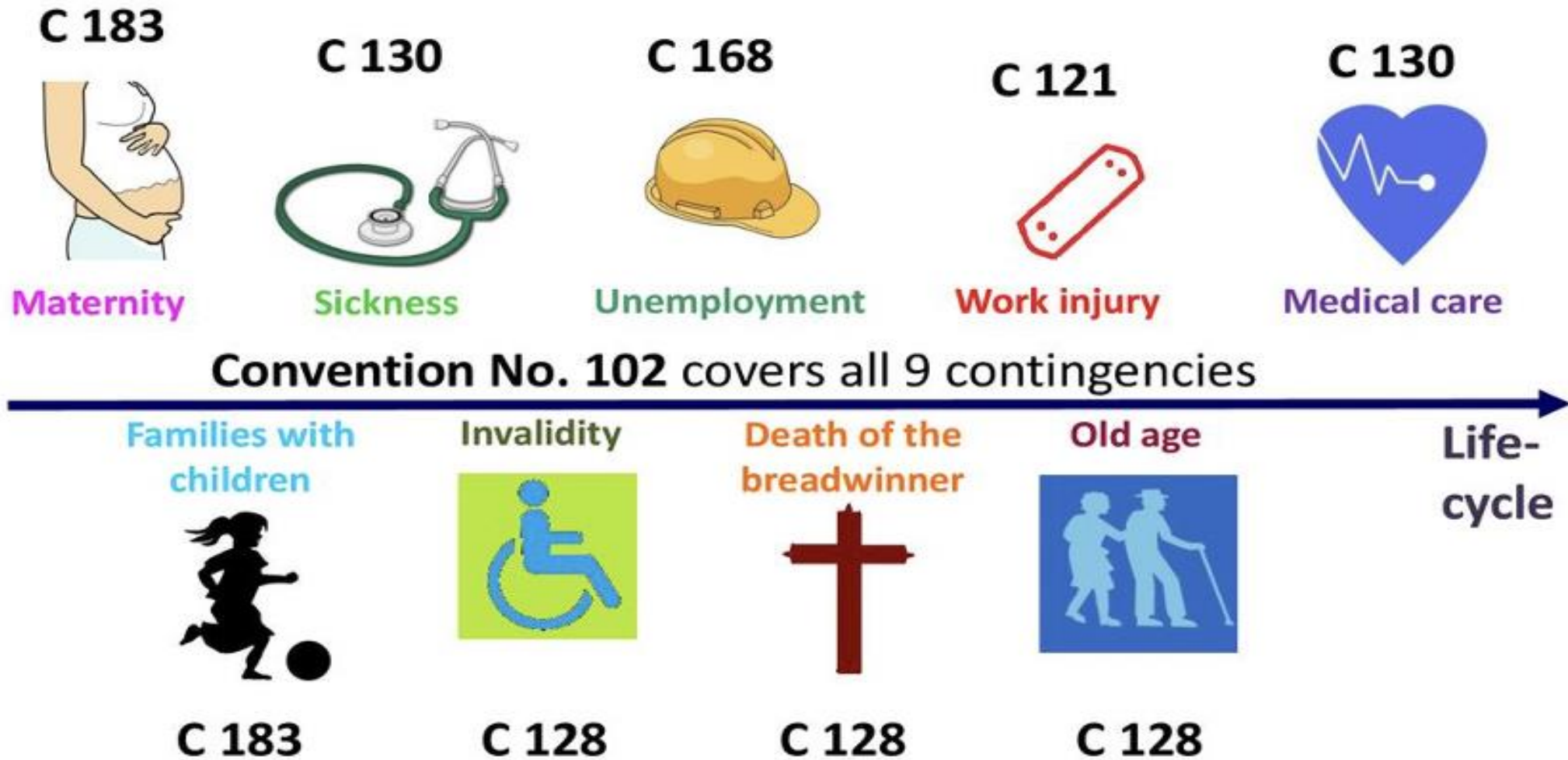
# Social spending in OECD countries – avg. 20% of GDP.



# Different types of social protection



# ILO Social Security Standards to realise the rights to social security



# The National Social Security Strategy, adopted in 2015, called for establishing a National Social Insurance Scheme (NSIS)

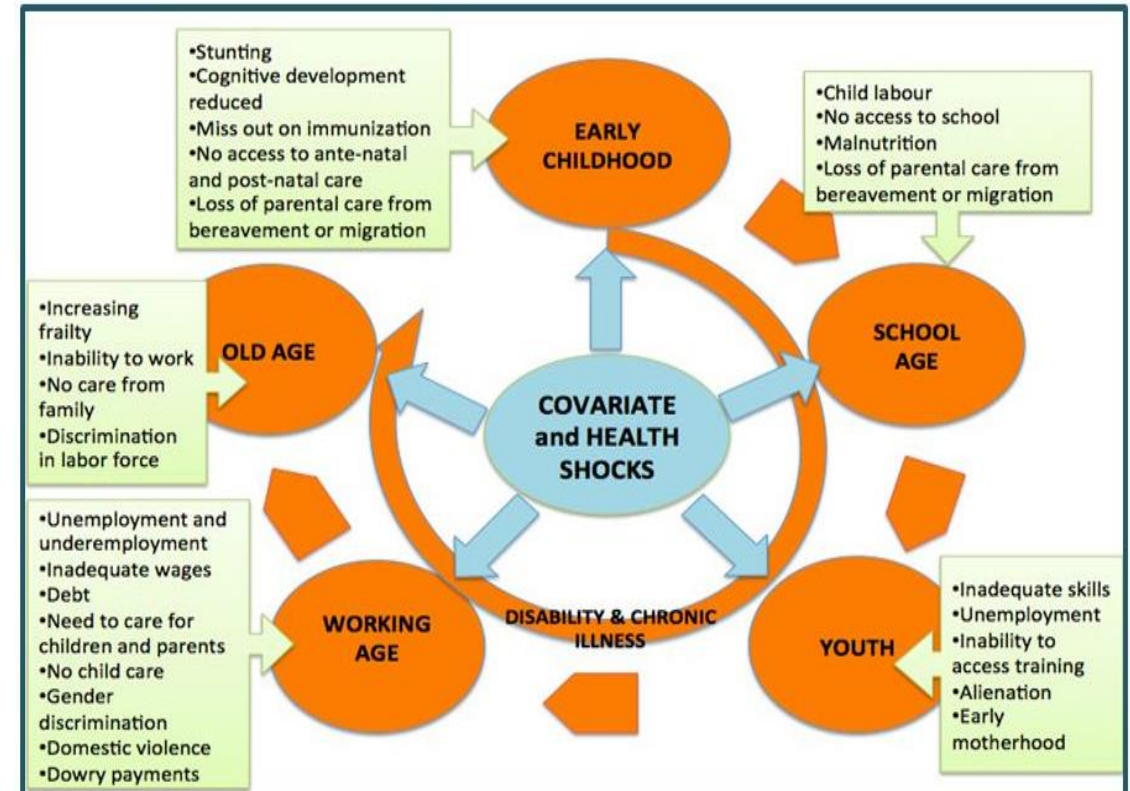
## The NSSS stipulates

- Support for every stage of life
- Special focus on vulnerable groups

## The NSSS envisioned establishing a (NSIS)

- As the Govt's long-term vision for social security to deal with demographic transition.

## Risks and vulnerabilities faced by people across their lives





# NSIS and It's components

NSIS will help fill one gap in the lifecycle-base social protection framework

- i.e. to address the lack of support for the working age population group

The NSIS will be based on joint contributions from employers and employees

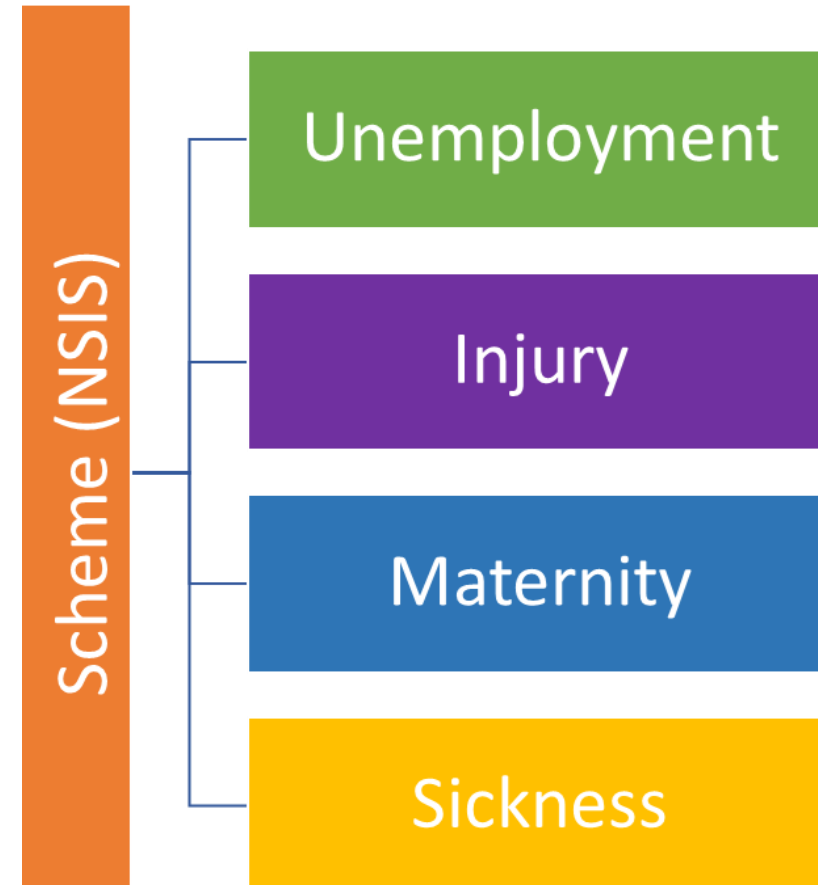
- Initially, it will be targeted to formal sector employees

To start with, the NSIS will be managed by the Ministry of Finance

- To be regulated under the Insurance Act, 2010

The responsibility of preparing the NSIS was given to the Ministry of Labour & Employment

- The Cabinet will agree the specific design of the NSIS based on the recommendations received



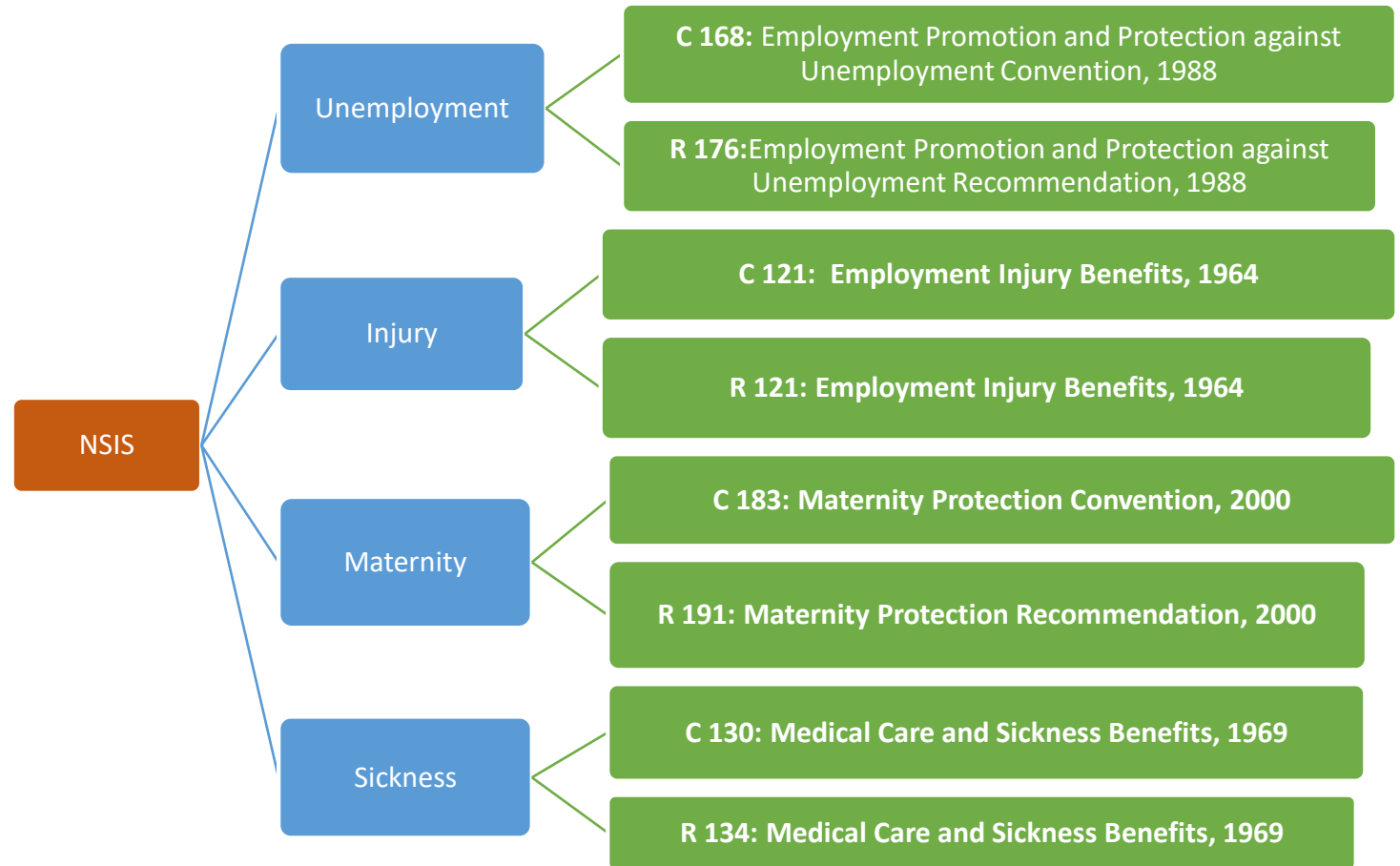
# Social Insurance: International Standards and global best practices

Two fundamental ILO Convention and Recommendation on social insurance:

- **C 102: Social Security (Minimum Standards) Convention, 1952**
- **R 202: Social Protection Floors Recommendation, 2012**

A form of social security designed to protect income-earners and their families against a reduction or loss of income as well as guard them from falling into vulnerabilities and poverty in the events of exposure to risks i.e., health risks, accidents, unemployment, old age etc.

Principle: solidarity and risk-pooling



# Group Exercise

## Designing an Unemployment Insurance Scheme for the RMG Sector

### Required Assumptions

- **Coverage:** only RMG sector workers
- **Total number of RMG sector workers:** 40 lacs
- **Estimated average monthly wage** – BDT 13,000
- **Unemployment rate** – 5%
- **Contribution mechanism** – joint contributory scheme by employers and workers sharing the cost equally
- **Benefit rate** – 50 per cent of the average monthly wage
- **Maximum benefit duration** – 3 months
- **Administrative and operational expenses** – entirely borne by government

# Major programmatic reforms introduced by NSSS 2015

## 1. Strengthening social security for Children (age 1<18)

- Child benefit
- Primary and secondary school stipends
- Continuing orphans and school meals programme
- Ensuring child maintenance payment for abandoned children
- Strengthen immunisation, child healthcare, nutrition and water and sanitation programmes

## 2. (a) Strengthening programmes for working age (age 19-59)

- Strengthen education and training
- Strengthen workfare programmes
- Introducing unemployment, accident, sickness and maternity insurance under NSIS

## 2. (b) Strengthening programmes for vulnerable women (age 19-59)

- Consolidate into one Vulnerable Women Benefit programme on a cash basis
- Provision of childcare across all formal & informal employment
- Maternal healthcare
- Training programmes

## 3. Comprehensive pension system for elderly

- Old age allowance (age 60+)
- Government service pension
- Private voluntary pensions

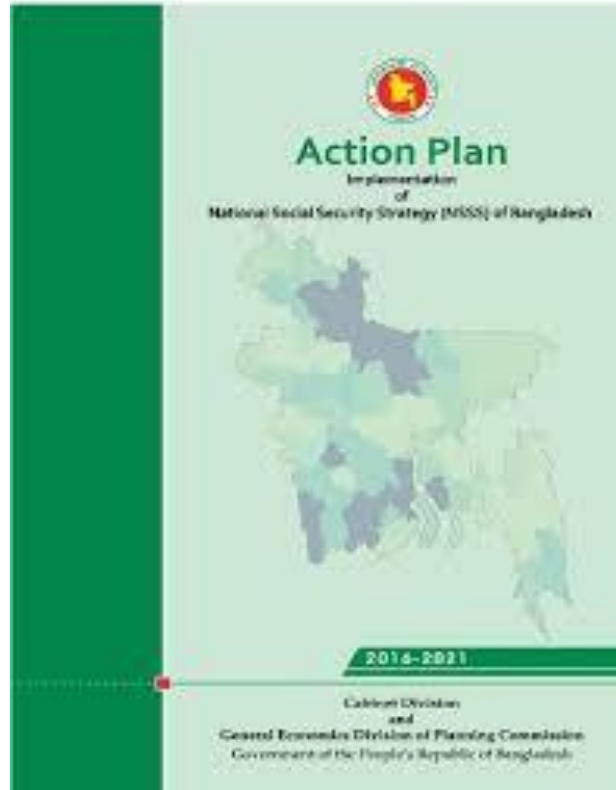
## 4. Strengthening the system of social security for people with disabilities

- A disability benefit for working age population with disabilities
- A disability benefit for children with disabilities

## 5. Strengthening the social security system for the urban poor

## 6. Consolidate and reform food security type programmes

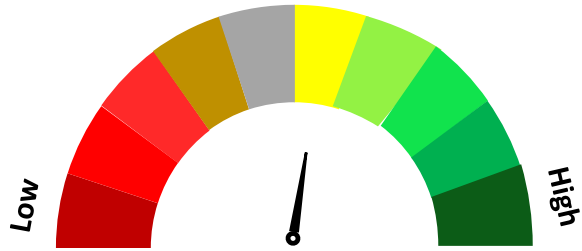
## 7. Consolidate small, special and covariate risk mitigation programmes



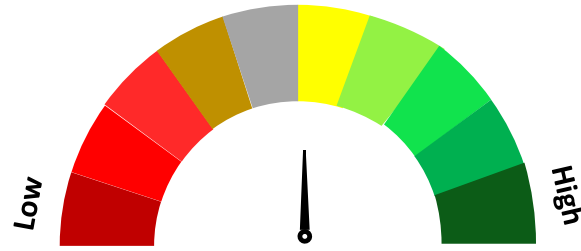
## Stocktaking the Progress Made on Programmatic Reforms



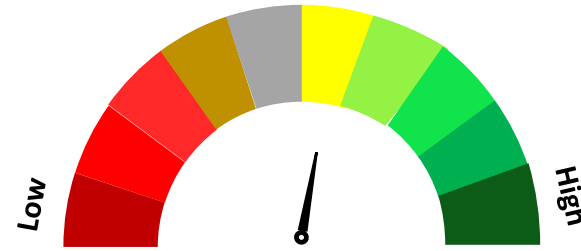
# A Summary of Performance: Programmatic Reforms



Programmes for Children



Education & Training



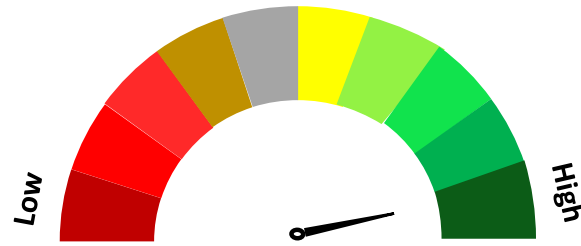
Pension for Elderly



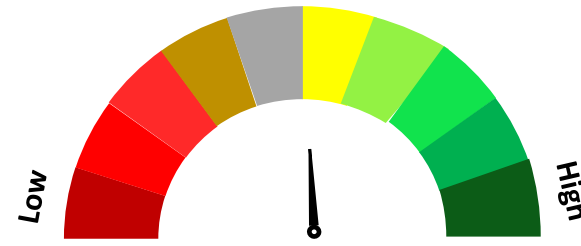
Programmes for People with disabilities



Programme for Urban Poor

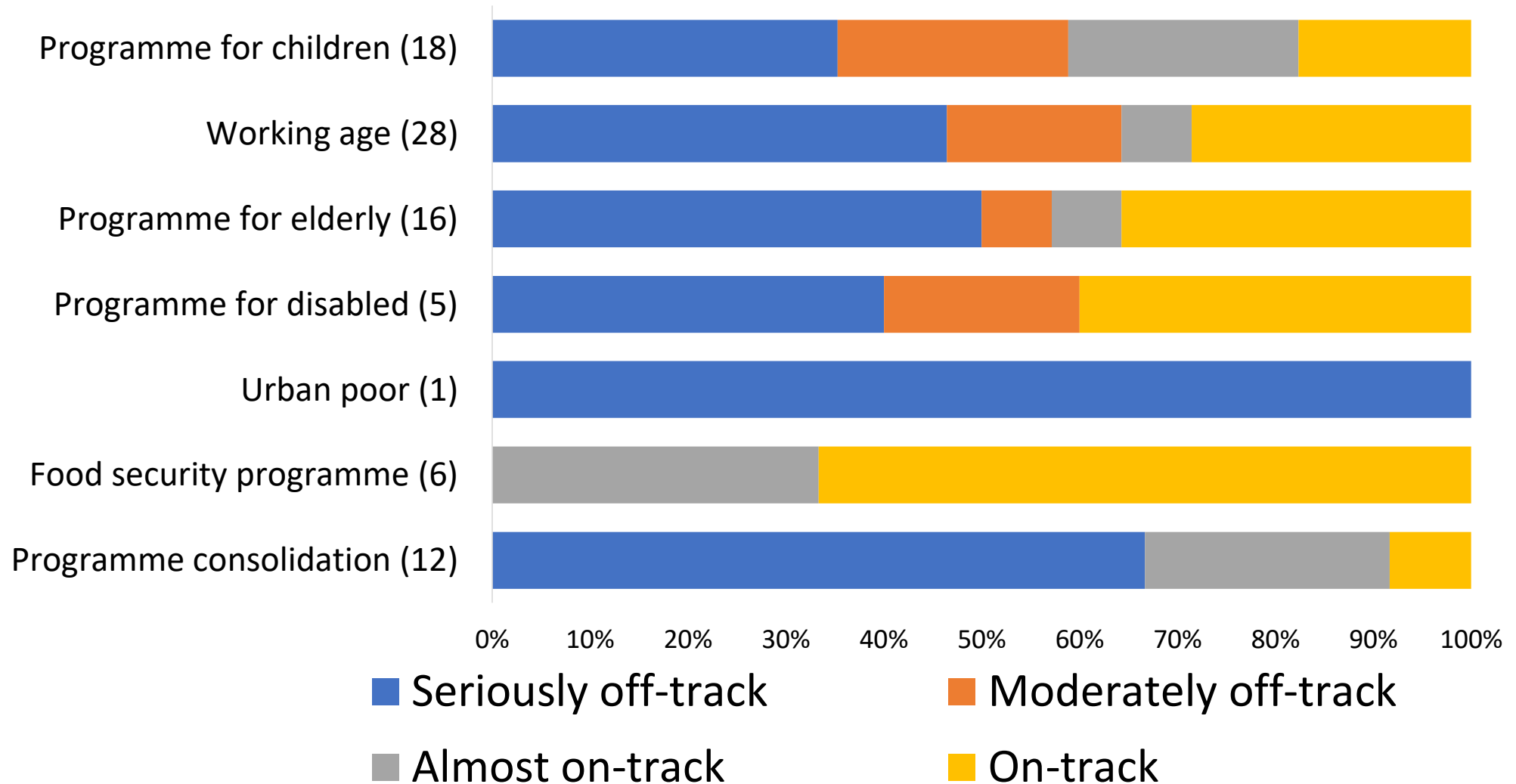


Reform Food Security Programmes

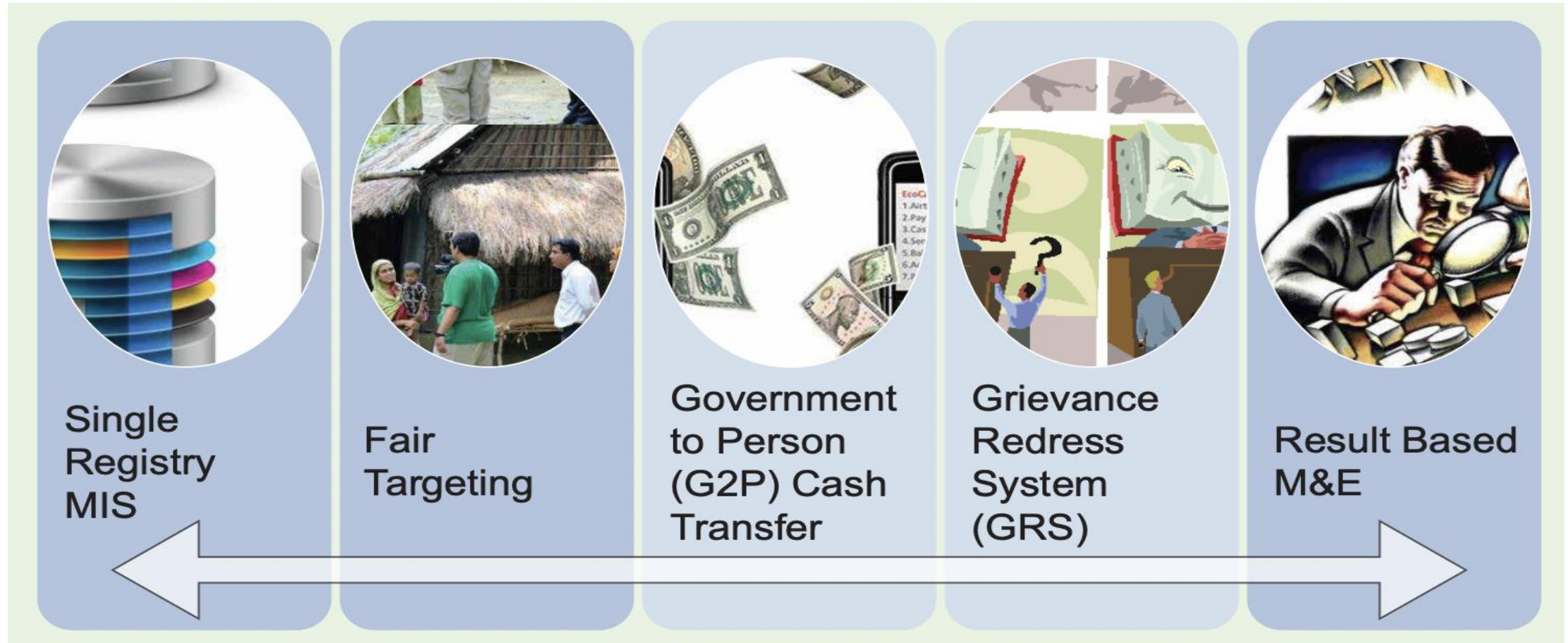


Programme Consolidation

# Programmatic Reforms: Off-track/On-track Indicators

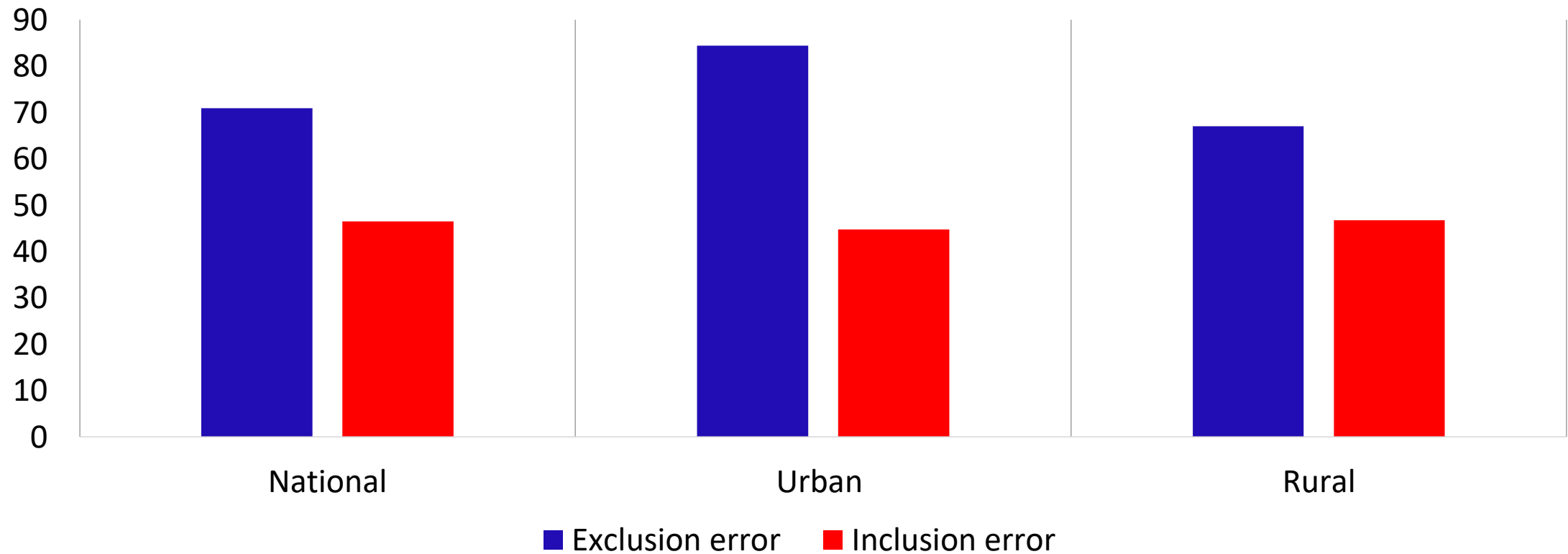


# Institutional reforms as per the National Social Security Strategy, 2015

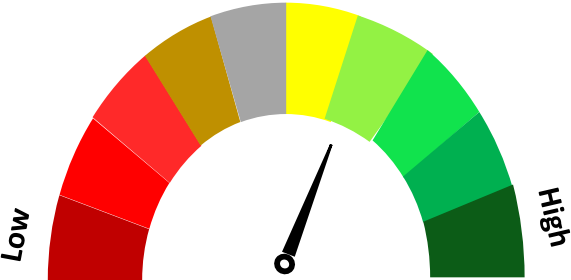


# High targeting errors in social protection coverage

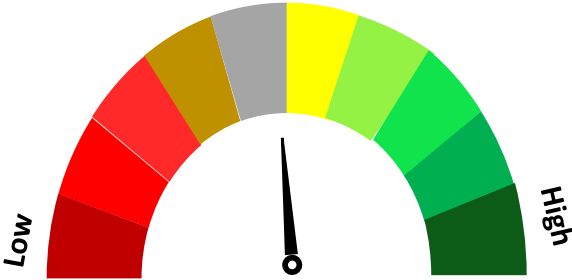
(Estimated from the HIES 2016)



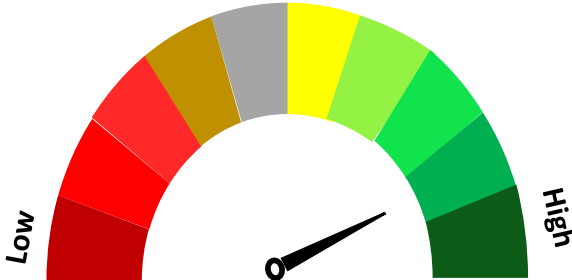
# Summary findings from Midterm Progress Review on institutional reforms



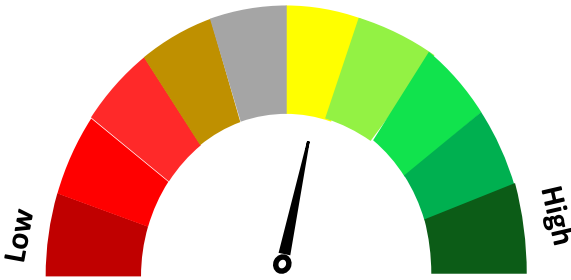
CMC Cluster



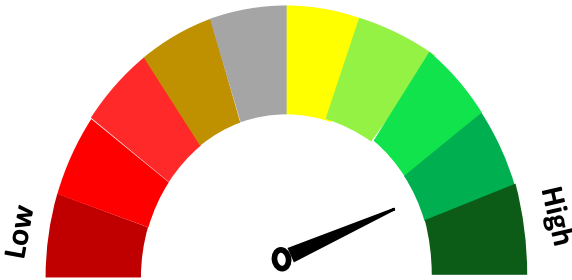
Single Registry MIS



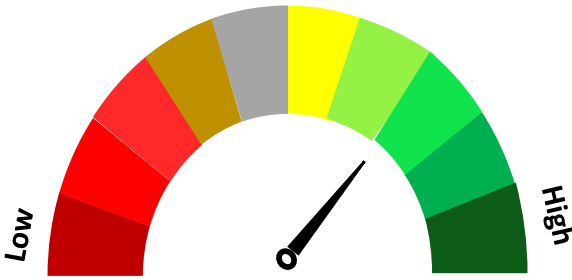
G2P



Strengthening selection processes



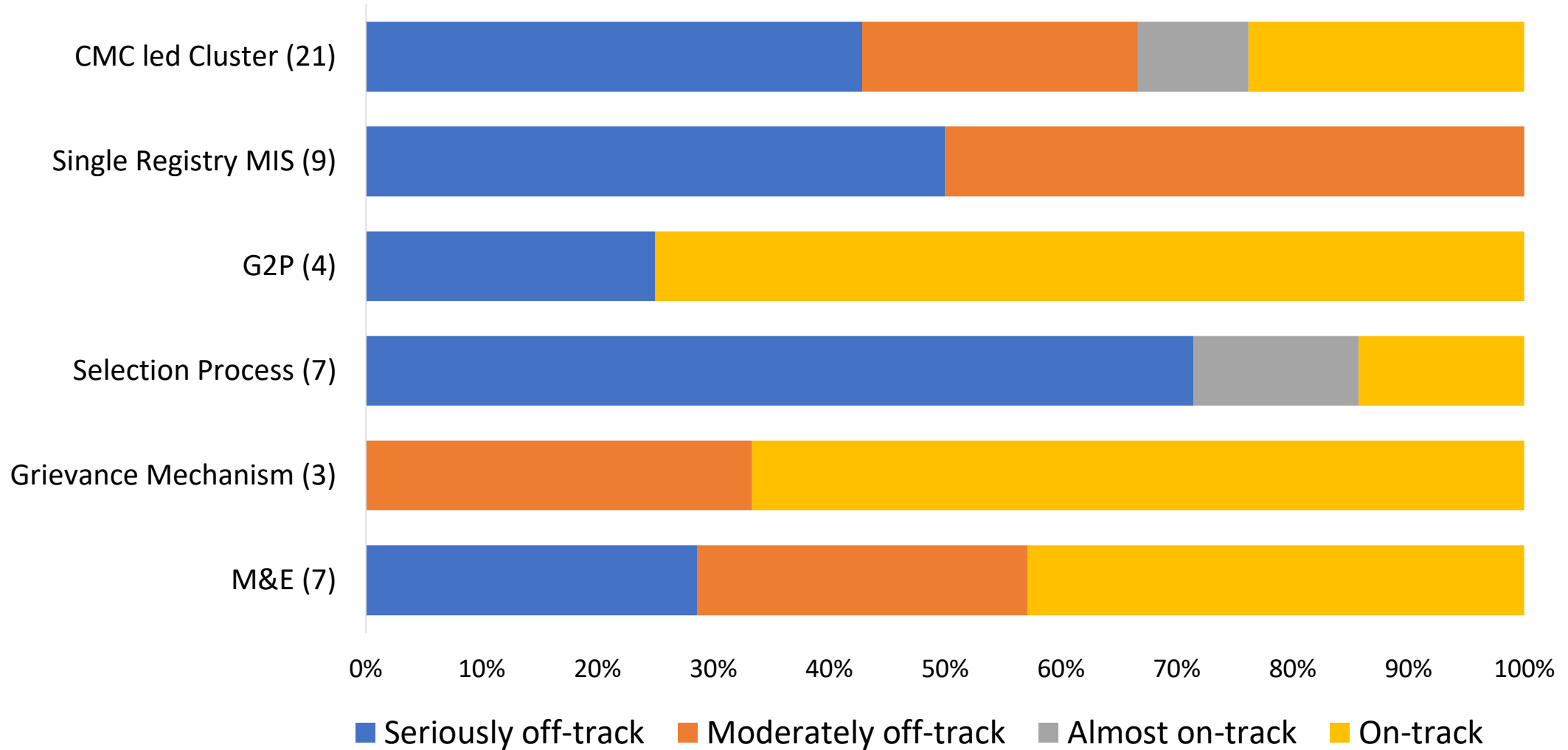
Grievance Redress System



M&E

# Findings from Midterm Progress Review: Off-track/On-track Indicators as set out in the Nation Action Plan Phase-I (2016-2021)

## Off track/on-track indicators by clusters



Administrative capacity

Lack of institutional capacities for collecting, analysing, and disseminating data

Lack of digitised and employment database – a major challenge for UI

Lack of robust monitoring mechanism to oversee the execution of the Labour Act

Social insurance deals with a complex employer and employee relationship. Lack of capacity to facilitate the consultation process.

Lack of well-designed institutional framework for ALMPs

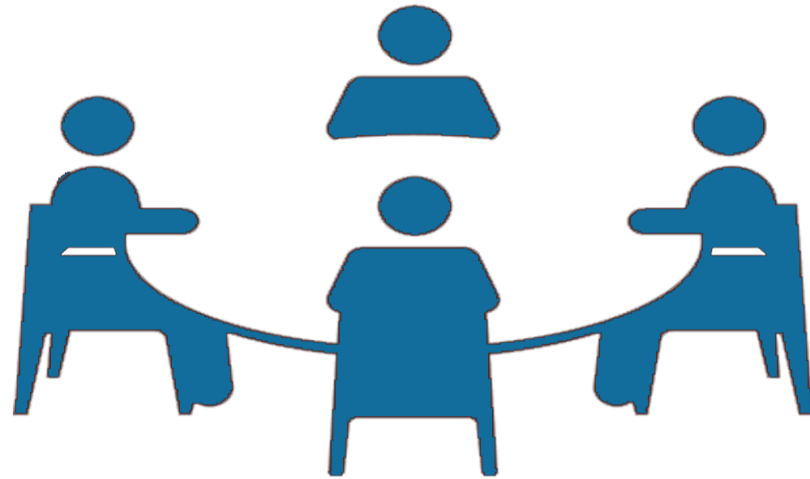


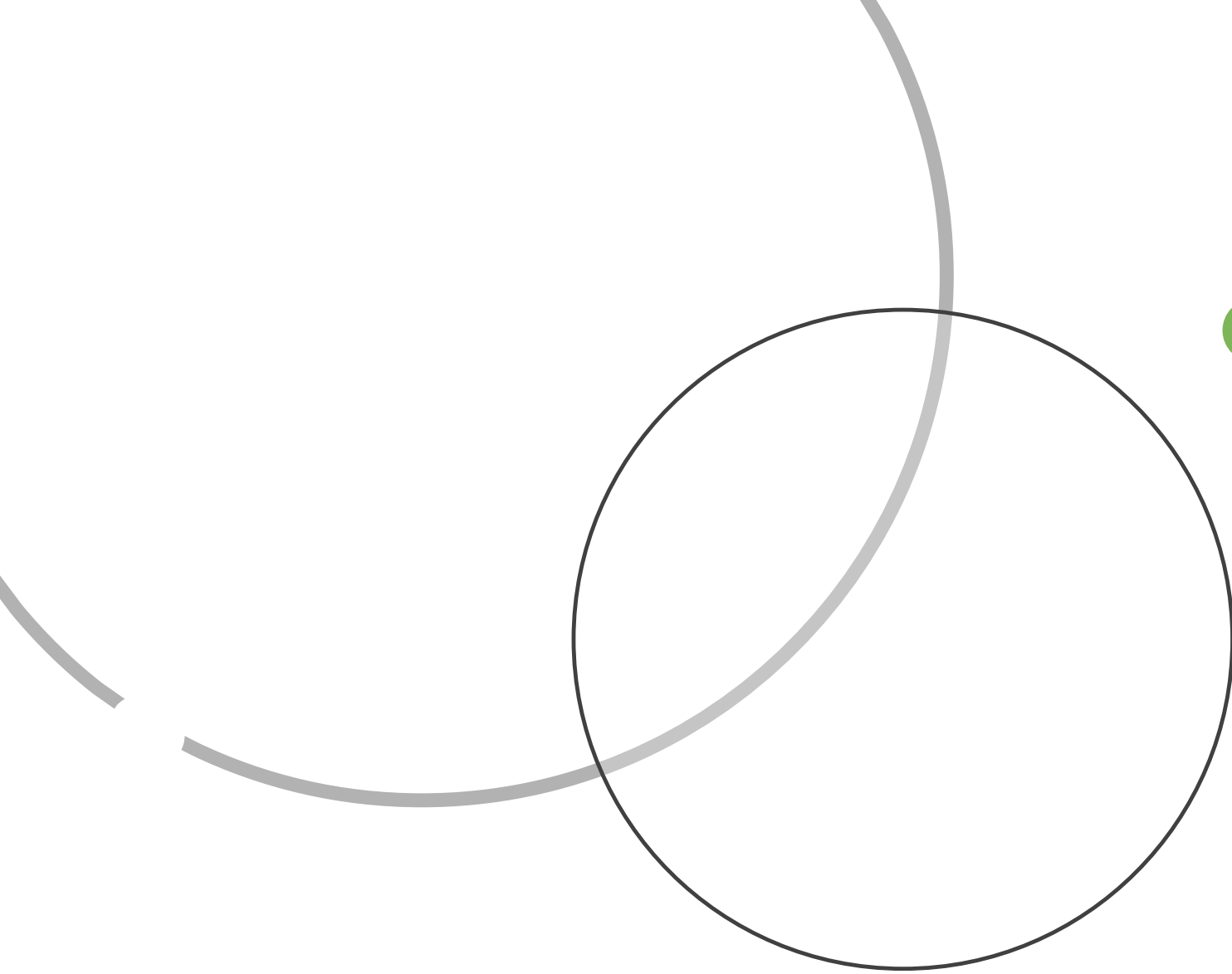
**Inadequate  
and weak  
institutional  
capacities**



## Policy discussion

**Targeting errors can be eliminated by tackling malpractices of the officials involved in the selection of beneficiaries.**





**Thank  
You!**