Social protection budget for FY2021 falls short of expectations

BAZLUL KHONDKER

THERE have been lots of debates and disagreements with regard to the economic cost of Covid-19 in Bangladesh. In particular, the debate concentrated on GDP growth rate in FY2020, which ranged from 1.6 percent (World Bank) to 5.5 percent (Budget Speech FY 2021, Ministry of Finance [MOF]). The disagreement is even bigger for FY2021 with projected GDP growth rate varying from 1 percent (World Bank) to 8.2 percent (MOF). I believe this debate was uncalled for as the key focus should have been on saving lives and livelihood. Almost everyone would agree that tax financed social assistance directed to the vulnerable groups (i.e. existing poor and new poor due to Covid-19) is an important fiscal instrument for saving lives. Social assistance is one of the two pillars of a social protection system. The social protection system is composed of social assistance and social insurance. The citizens expected there to be a series of measures for the social protection and social assistance systems in the budget for FY2021.

Let's try and seek answers to four key questions that govern the social assistance system in Bangladesh (and elsewhere): (i) what is the allocation for social assistance directed to the vulnerable groups; (ii) what measures are adopted to improve very poor beneficiary identification problem; (iii) what is the efficient way to make social assistance payment to the beneficiaries; and (iv) What is the expectation of poor persons regarding the transfer amount (also known as "generosity" in social protection vocabulary). Since the last question is of less prominence during the severe fiscal constraints due to contraction of economic activities imposed by Covid-19, I will focus mainly on the other three questions.

First, the expectation was to raise the social protection budget to 3 percent of GDP from the current level of 2.5 per cent of GDP. According to the budget speech, the total allocation to social protection (SP) system for FY2021 is 3.01 percent of GDP. One major item in SP budget is pension for government officials (PGO). In FY2020, the total allocation for PGO was 0.82 per cent out of total SP budget of 2.92 per cent of GDP. Pension for PGO is regarded as social insurance and hence allocation for social assistance in FY2020 should have been 2.10 per cent of GDP after deducting 0.82 per cent allocation for PGO. But there is more to this story.

The SP budget prepared by the Finance Division includes a number of questionable items that should not be considered under the SP budget. Some of these include interest rate of savings certificate (0.24 percent in FY20 and 0.21 percent in FY21); constructions (0.021 percent in FY20 and 0.03 percent in FY21); spending on health services (0.10 percent in FY20 and 0.09 percent in FY21); spending on family planning services (0.026 percent in FY20 and 0.03 percent in FY21); and agriculture rehabilitation and subsidy (0.005 percent in FY20 and 0.14 percent in FY21). The total value of these questionable items was 0.40 percent of GDP in FY2020 and 0.49 percent of GDP in FY2021. These should not be part of the social assistance system. When these values are deducted, the allocations for social assistance directed to the vulnerable groups are 1.70 percent of GDP in FY2020 and 1.79 percent in FY2021. The call was to raise allocation to 3 percent of GDP and we are short by 1.21 per cent of GDP in FY2021.

Second, it is expected that budget would include some measures to improve Bangladesh's awful record in beneficiary selection. Increasing social assistance allocation directed to the vulnerable is perhaps an easier task compared to the task of improving the beneficiary identification in Bangladesh. The methods followed in Bangladesh to identify beneficiaries have been very inefficient, resulting in a high level of under-coverage of deserving beneficiaries (e.g. the poor and vulnerable). For instance, under-coverage (which is also known as "exclusion error") denotes the sum of actual poor wrongly classified as non-poor as a proportion of the total poor. According to the Household

PHOTO: **ANISUR RAHMAN**

People wait for food in a neighbourhood of Kamalapur, Dhaka.

Income and Expenditure Survey 2016, the under-coverage of deserving beneficiaries was around 71 percent. This suggests that the Bangladesh SP system could only reach 30 percent of the deserving beneficiaries accurately. Given the inefficiency in beneficiary identification/selection, only 0.6 percent of current social assistance allocation (e.g. 1.70 percent in FY2020) reached the deserving beneficiaries in FY2020.

To address the high cost inefficiency problem, the government has undertaken a project to develop a comprehensive database of all households (known as the National Household Database or NHD) and develop an Information Management System (IMS). Both NHD and IMS should have been completed by 2019. Even though the completion of NHD and IMS will not eliminate exclusion errors, they may improve the beneficiary selection. Given the importance of effective beneficiary selection, it was expected that the FY2021 budget would provide some strategic directions to the completion of NHD and IMS and what further needs to be accomplished to improve the beneficiary identification in Bangladesh. But the budget failed to come up with strategic suggestions and hence fell short of meeting the expectation.

Third, it is expected that new measures will be announced to expand government-to-person (G2P) payment modality taking advantage of the burgeoning Mobile Financial Services (MFS) infrastructure. Currently multiple payment methods are used to transfer funds to the beneficiaries.

A research study on the Payment System for Social Protection in 2017 revealed several disadvantages of the current payment systems. Some of them include: (i) delay in receiving funds; (ii) inconvenience for beneficiaries—time, opportunity and money-wise; (iii) added difficulties for old, disabled, sick, mothers with child, pregnant mothers; (iv) high transaction costs (0-2.5 percent); (vi) vulnerable to duplication and fraudulent payments; and (vii) risk in cash management. Considering these demerits, MoF has been implementing a pilot project to remit transfers through G2P payment modality. But G2P is still very limited in scale as only a few programmes are included in the G2P pilot. For instance, cash allowances for 11 SPs are partially disbursed through G2P. In FY2019 only 1.4 percent of SP allocation (or only 6.7 percent of total allocations for the cash programmes) went through the digitised G2P national architecture. Given its merits as well as to enhance financial inclusion, the coverage of G2P should have been substantially larger. There was no strategic direction to widen the G2P coverage in FY2021 budget. Again, the budget fails to meet the expectation.

Social assistant budget as proposed has failed to meet the expectations and requirements. Considering the importance of the social assistance system for saving lives, we urge the government to increase the allocation of social assistance to 3 percent of GDP, provide timebound strategic directions to improve beneficiary selection, and take measures to widen the G2P coverage such that beneficiaries receive their transfers at their fingertips every month.

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The man who healed with a smile

NAOMI FERDOUS MIRZA

EVERY Friday, on the 13th-floor of Square Hospital, the resident medical officers, registrars and nurses waited for a call from the medical director, Dr Mirza Nazimuddin. He would ask, "how many of you are at work today?" Nurses or physicians learned to treat Fridays and government holidays as just another day at work. However, that call was not an administrative task. This would be a call for a headcount to make sure we had enough snacks or enough cake (if it was Christmas, puja or a new year).

After going to work on a day when one's friends and family are resting or enjoying themselves, simple pleasures like a pastry from Shumi's or a samosa from the shop next door and tea with the rest of the team can really boost team morale. He would invite other consultants from different specialties to join us. Those moments were among the few times when junior and senior doctors, along with nurses, sat together and spoke about their lives, families and future goals. Some of my fondest memories with Dr Mirza are of those tea breaks on a Friday evening. A sincere, brilliant man who always spoke with a kind reassuring smile that made him a favourite among patients, other physicians and nurses.

Dr Mirza Nazimuddin was born in the small village of Jangalia in Tangail district. He was an intelligent child and would often have to go to Tangail town for academic pursuits that were not possible in his small village. In Tangail town, he would stay with my family. Dr Mirza was my grandmother's nephew, and because of his diligent and sweet nature, was much loved by

both my grandparents. After his HSC and SSC, he was selected to attend the prestigious Dhaka Medical College. My aunt, who resided in the Buet teacher's quarters (her husband was a faculty member at Buet) when he was a student at DMC, remembers him as her dependable cousin who was always there when they needed him. On his weekend stays with my uncle

Dr Mirza Nazimuddin

and aunt, he would remain buried in his textbooks. Not surprisingly, he graduated with excellent results.

He married Dr Khaleda Yeasmin, a fellow physician, and they relocated to Medina in Saudi Arabia. He completed

his Membership of the Royal Colleges of Physicians (MRCP) in internal medicine from the UK. However, the desire to serve his nation and his family remained, and he relocated to Bangladesh. He was employed as a medical consultant at Square and after a few years as the medical director.

His return was a huge relief to my family, as he was one of the few physicians in our family. For my father and my aunts, Dr Nazimuddin or "Khwaja" bhai's opinion was of utmost importance. He did not take this responsibility lightly. As a good physician should, he would always take

The attention he gave his patients confused the staff members and made them wonder if these patients were his relatives. He made courtesy visits whenever he was asked to, no matter how busy his schedule was.

time for us. He treated every ailment, ensured we got appointments and made appropriate referrals for everyone in our sizable Mirza clan. As a physician in training myself (in internal medicine), I have learned to appreciate not only the soundness of his clinical judgement but also the humility of Dr Mirza in seeking other's opinions. In fact, Khwaja *chacha* is the reason I was inspired to be a doctor. He was not only a skilled and disciplined professional, but also a selfless and loving family man who went out of his way even for those he was not related to.

While working on the 13-floor at Square, I was often asked if I'm related to a patient by the nursing team, if it was one of my uncle's patients. The attention he gave his patients confused the staff members and made them wonder if these patients were his relatives. He made courtesy visits whenever he was asked to, no matter how busy his schedule was. He never refused patients and always made time. In his efforts to prioritise his patients over his own health, he got infected with Covid-19. He returned to work after recovering from a condition. He loved the hospital and he was dedicated to his patients. He passed away after battling Covid-19 for several weeks on June 8, 2020. He leaves behind his wonderful wife Dr Khaleda Yeasmin, his children, and all those who worked

with him at Square, to whom he is either a dear friend or a father figure.

He gave me my first job and mentored me. He celebrated Fridays with us. He asked people about their day with a smile every time he met them. As junior physician or trainee, one feels invisible, he made us feel seen, and as valued members of a team. When he passed away, former co-workers, people I deeply respect, reached out to me to tell me how Khwaja *chacha* had impacted their lives. The path to obtaining a post-graduate degree can be challenging if you have a 48 hour per week hospital job. He made adjustments to schedules so that his registrars and RMOs could finish their training and appear for their exams while still supporting their families. Many brilliant and wonderful doctors working in different parts of the world remember his encouragement and his support.

The Mirza and the Square family lost their guardian. However, he has left us with many valuable lessons. Great individuals achieve great things. Truly great individuals, help others live up to their potential. Dr Mirza helped countless individuals, as a doctor, a mentor and an administrator, without losing the smile on his face, and the warmth in his voice.

Naomi Ferdous Mirza is a MD (MPH).

CROSSWORD BY THOMAS JOSEPH

ACROSS
1 Scarlett's home
5 Ancient Mexicans
11 Trojan War hero
12 Battled
13 Arrived
14 Encroachment
15 Sphere
16 Difficult trip
17 Prying tool
19 Flock father
22 Goes out
24 Diver's gear
26 Body shop challenge
27 Foreboding sign
28 Black cattle breed
30 With dignity
31 Rural mothers
32 Put down
34 Fourth-down play
35 "– pig's eye!"
38 Dr. Phil's last name
41 Salon sound
42 Pal of Pooh
43 Quiche start
44 Helped out in an office
45 Tennis great Arthur

DOWN
1 Folded food
2 Cracked
3 Meandering observations
4 Lumbering tool
5 Blazing
6 City planners
7 Ankara native
8 Sense of self
9 Chinese tea
10 Regular: Abbr.
16 DVRs connect to them
18 Question from Caesar
19 Sounds of discontent
20 Cain's brother
21 Quite a few
22 Dutch cheese
23 Fictional warrior princess
25 Put in the fridge
29 Cube face
30 Tennis need
33 Single
34 Stage item
36 Close by
37 Church area
38 Got together
39 Semicircular shape
40 Trainer's place
41 Great expanse

6-24

YESTERDAY'S ANSWERS

R	A	M	S		A	L	O	N	G
O	B	O	E	S		M	A	T	E	O
P	A	R	C	E	L	E	D	O	U	T
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R	E	L	I	E	S		A	L	O	E
	D	E	N	C	H		D	E	N	T
		S	T	E	V	E			
P	A	C	E		D	E	L	L	S
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U	B	O	A	T		D	E	N	S	E
L	A	N	G	E		B	E	E	S	

BEETLE BAILEY   BY MORT WALKER

BABY BLUES   BY KIRKMAN & SCOTT