

National Pension Scheme

Towards universal social-security

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Constitutionally, Bangladesh is claimed to be a 'Welfare State'. The welfare provisions so far adopted proved effective and paved the way for doing more by adopting an inclusive welfare policy in the future. This article provides a future vision and road map for designing an inclusive welfare system with the 'national pension system' in view. In Bangladesh only 2 million government employees are entitled to draw retirement pension. Recently poor people with virtually no means of support in



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old age (above 60 years) are also provided with a cash allowance of Tk. 400 (equivalent to USD 5) per month and about 3 million people are enlisted under the Old Age Allowance scheme. The rest of the senior citizens, who even regularly pay income tax during their active life, are not entitled to any retirement pension. The article also attempts to explore ways and means to make the universal national pension system in Bangladesh a reality. The essay suggests

creating a symbiotic relationship between taxes and pensioning as well as institutionalising zakat for to support the safety net designed for the extreme poor.

The National Social Security Strategy (NSSS) has been approved by the Government of Bangladesh and gives priority to the social and economic protection of the extreme poor of the society. The Social Protection Programme, which started after the 1990s, has seen considerable progress in terms of bringing the extreme poor of the society under its wider coverage and gradual increase in the allocation of resources from the national budget. According to government calculations, the allocation is not less than 2.02% of the total GDP and constitutes 12% of the public expenditure. The latest government figures claim that the percentage of the poor and extreme poor people in the country has been reduced to 24.4% and 12.9% respectively (GOB-GED, 2015). It is not yet clear whether the Social Security Policy has been finalised based on the basis of a newly accepted NSSS Paper. As a result, there is still room left for affirmative manoeuvring. It is obvious that finalisation and implementation of the policy are time-consuming, but there is no reason to believe that they are far off. But the directions for financing the whole scheme and the implementation process of the policy are still unclear. It is expected that as a country that is progressing towards the 'middle-income' status and constitutionally promises to be a 'welfare state', [GOB (1), 2011: Article, 15 of the Constitution], the proper implementation of the National Social Security Policy will be deemed to be one of the essential conditions. Keeping that in mind, the aim of this essay is to present some recommendations on the formulation of a forward looking National Social Security Strategy

or Social Security Policy conducive for a nascent welfare state aspiring to achieve a middle-income country's economic status.

Though there is ample scope to speak on the social security or safety net programs in effect, this discussion will only touch on the context of the existing Social Safety Net Program issues without going into details. The main discussion will be devoted to the implementation of the 'National Pension System' and the rationale and argument for it. The issues discussed in the article are divided into two. The first part deals with the existing NSS programme and in the second part the issues of proposed 'pension scheme' and alternative resources avenues by mobilising 'Zakat Fund' (the compulsory contributions by a devout Muslim to the poor) for pro-poor safety net have been elaborated. 'Life-cycle oriented social security' and old age pension issues received special attention in the recently accepted Social Security Strategy. But the discussion has not been followed or complemented with appropriate policy commitment. A road map of the national pension policy could have been incorporated in the strategy paper that has not been done with a clear programme mapping. But useful information and data needed to set up a system of national citizen pension has found prominence in the strategy paper. The objective of the current discussion will be towards starting a fruitful conversation on setting up of a pension system for all citizens above a certain age in addition to the government servants and the poorest in the society. The introduction of a universal and comprehensive pension system for all senior citizens would be a way forward in fulfilling the constitutional obligation of seeing Bangladesh as a 'welfare state'.
Reorganisation of the existing social security program

The social security programmes that are presently in effect are stuck in conventional mire. These programmes are completely bereft of any creativity and are in the grips of corruption and mismanagement. It would be wasteful and meaningless to carry on these programmes in the same manner without initiating major changes to its present conditions. Though the social safety net programmes in this country had gained some momentum after 1990, the history of social security in the form of aid at the time of disaster, special works programmes and food security, is not new in this country. But the new phase of this programme as part of sustainable poverty reduction and development at the grassroots has yet to get a powerful and transparent organisational structure. At present, the budget for social security and safety net is allocated for 145 programs that are under 23 ministries and departments. This allocated amount in the national budget 2015-16 is about Tk. 30,000 crores and it is claimed that the programmes will benefit 32% of the intended population (GOB-GED, 2015 and MJE, 2015). Both government and non-government evaluations have already pointed out many shortcomings and lapses. Previously in an evaluation of 30 social security programs, which claimed to have incorporated 24.5% of the intended population, it was found that 18% were not even qualified for inclusion in the program (MJE, 2015). They were incorporated through various means of corruption and irregularities. Analysis of the expenses of the pension of government servants and five life-cycle based programmes, which are supposed to hand over cash funded from the national treasury under the NSS and safety nets shows that in the 2015-16 budget, the estimated expense

towards covering 35.7 million beneficiaries will be Tk. 345 billion. Of this, 212 billion will be distributed to those directly benefited. The remaining 133 billion will go towards expenses in the implementation and administration of the programmes. Such a high administrative expense is not acceptable by any standards [GOB (3), 2015].

Besides, the corruption, wastage, political abuse and workplace indiscipline prevalent in the social security program under the food assisted development programmes are impediments to quality control and reaching proper and definite goals. So for the programme to achieve definite goals, several steps need to be taken to rid it of three negative factors of the prevalent clique. One: stopping the illegal and unjust practice of political patronage in delivering safety net; two: minimising excessive relief orientation and transforming those into economically sustainable development programmes; and three: stopping indifference, benign tolerance of irregularities, and negligence by the local administration and political leaders towards the prevailing corruption and mismanagement and establishing a strict, transparent and efficient management system. In spite of various limitations mentioned so far, the experiences Bangladesh has cumulatively gained are not negligible. All these experiences can help to redesign the programmes for greater good of the society in an efficient way. The article attempts to formulate few recommendations on the basis of wider discussion on the issue in various civil society forums. Some of those are furnished below and may be considered for reorganising the system towards eradication of poverty and a sound social

CONTINUED ON PAGE 18

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