

# Maintaining coherence between economic and social goals



MACRO MIRROR  
FAHMIDA KHATUN

**The upcoming budget for FY2018 has to deliver much more on the social sector. It has to go beyond the status quo allocation.**

**S**OCIAL sector budget traditionally receives less attention amidst big allocation for the hardware part of the economy. Infrastructure, power, industry, agriculture and the like are the centre of focus during budget formulation. But the social sector holds together the rest of the economy without which many of the economic achievements can become meaningless. The momentous GDP number can lose its shine if education and health sectors lag behind. The objective to reduce poverty and inequality may remain unfulfilled if allocation for the poor and marginalised, through social safety-net programmes, is insufficient.

Expenditure on education and health as percentages of GDP, as well as budget, has increased to some extent in recent years. However, the extent and pace of increase are both low. Allocation for health was 0.74 percent of actual GDP both in FY2015 and FY2016, while expenditure for the sector was 0.69 percent and 0.73 percent, respectively. The health budget is abysmally low. As a result, out-of-pocket expenditure for health in Bangladesh is one of the highest in the world. Resources for social safety-net programmes hover at around two percent of GDP. Though the absolute amount of allocation for social safety-net programmes has been increasing over the years, its share in total budget and in GDP is going down. Consequently, the target of the Sixth Five Year Plan to spend three percent of GDP for social safety-net programmes could not be met. It was revised downward to 2.3 percent of GDP in the Seventh Five Year Plan (7FYP). This target seems to have already been achieved. However, this number has two problems. First, the allocation itself is too low compared to the requirement of a large number of poor people in the country. Second, allocation for social safety-net



ILLUSTRATION: MICHAEL MORGENTHAU

programmes includes pension for government employees and their families. This reduces the actual allocation for social safety-net programmes for the poor to only 1.44 percent of GDP. Interventions through various programmes in the social sector have contributed towards improving its performance. Two major programmes, namely 'Primary Education Development Programme (PEDDP)' and 'Health, Population and Nutrition Sector Development Programme (HPNSDP)', can be cited here. Admittedly, Bangladesh has performed well in enrolment and reducing differences between households and between genders in primary education. However, the number of school dropouts and children out of school is still high. Quality of primary education is another major concern. PEDDP reveals that 'learning outcomes' measured as 'mean score in Bangla and Mathematics' for grade III and grade V have declined in 2016 compared to 2011. On the other hand, HPNSDP, implemented during 2011-16, had 40 health indicators along with a number

of targets to be achieved by 2016. Several of these targets remained unachieved. On a positive note, the programme has received allocation for running for another five years. Hopefully, all health indicators will be achieved during its new implementation phase. With the objective to broaden the scope of social security from the narrow safety-net concept, the government has developed a National Social Security Strategy (NSSS). This is to be implemented gradually under the 7FYP. This strategy revisits social security system by combining tax-funded social safety-net programmes with contributory social insurance and employment regulations. This is a positive initiative. But its effectiveness is constrained as the majority of employed people in Bangladesh are engaged in the informal sector. The initiative to formulate provident fund for the informal labour is praiseworthy. This will help achieve the objective of broadening social security. But the challenge, however, is the implementation of NSSS during the 7FYP. It requires

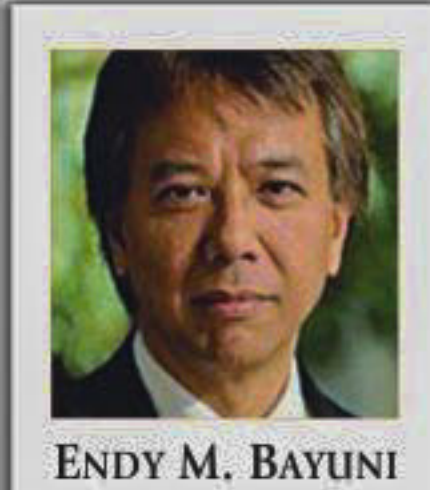
more resources. As it stands, the financing mechanism of the NSSS looks unclear. Implementation of the NSSS also needs coordination among various ministries and departments of the government.

A disaggregation of the expenditure pattern of the NSSS reveals less promises for the most needed sections of the society. Since the inception of the NSSS in FY2016, allocation for only pension for government employees has significantly increased. Pension is 31 percent in the revised FY2016 budget and 37.4 percent in the actual FY2017 budget. This was 27.9 percent in FY2015 before the inception of the NSSS. On the other hand, programmes for people from various age groups, which are called life cycle programmes, receive much lower allocation in the social safety budget. For example, old age allowance received only 71.6 percent of NSSS target in FY2016 and only 53.5 percent of the NSSS target in FY2017. A similar situation is observed in case of child school benefit and allowances for vulnerable women.

In sum, the upcoming budget for FY2018 has to deliver much more on the social sector. It has to go beyond the status quo allocation. Both resource and composition of allocation are critical for better outcome. Higher allocation for the social sector is needed for maintaining coherence between economic and social goals. Resource for safety net programmes is needed to address both income and human poverty. Allocation for education and health sectors has to increase substantially to reach at least the national expenditure targets set for the 7FYP. Government pension should be decoupled from social safety-net budget and the full amount for social safety budget should be channelled to the marginalised and the poor. Government pension should rather be part of the broader social security plan that will include people beyond government employees.

The writer is the Executive Director at the Centre for Policy Dialogue.

# Preserving Indonesia's diversity



ENDY M. BAYUNI

**I**RRISPESPECTIVE of the result, the Jakarta gubernatorial election on April 19 will leave a bitter aftertaste that could have consequences on the political landscape in the rest of Indonesia. The election is already billed as the ugliest, and most divisive and most polarising the country has ever seen.

Religion, and to a lesser extent, race, were issues that were widely exploited in the election. Rivals trying to unseat the hugely popular incumbent, Basuki Tjahaja Purnama, virtually forced Jakarta voters to decide whether a non-Muslim and an ethnic Chinese, hence a double-minority, could be allowed to govern the sprawling city of 10.5 million people. Whether Basuki, or his challenger Islamic scholar Anies Baswedan, wins the run-off, the religious bigotry and racism that the election raised will likely linger on, or even spread further afterwards.

Pluralism, or the notion that this nation of 250 million people made up of diverse ethnic, racial, language and religious groups could live and coexist peacefully, looks like in serious jeopardy now, unless someone puts a stop to it. President Joko Widodo has stepped up to the plate, and he may have taken his cue from Indonesia's first president Sukarno by combining several ideologies into one. In his particular case, it is Islam and nationalism.

Indonesia, the country with the world's largest Muslim population, has defied the myth that democracy and Islam are incompatible by holding four peaceful democratic national elections since the downfall of strongman Suharto in 1998. Now President Widodo must show that Islam and nationalism are also not only compatible, but that the two can work together to preserve national unity.

Jakarta is considered a political trendsetter and the whole nation is watching the election to get a sense of how deep religion now plays in national politics. Not that Indonesia needs more of it. Religious intolerance is already on the rise in recent years with many minorities

becoming the target of attacks. The ugly election campaign in Jakarta is bound to put more pressure on the religious minorities and more strains on overall interfaith relations.

Two big demonstrations in Jakarta, in November and December, that were ostensibly aimed at stopping the re-election of Governor Basuki were part of a persistent campaign to push Islam into the centre of the political stage and then drum up support for whatever agenda their sponsors have, including the sharia to replace the law of the land, and an Islamic state down the road.

This is making not only the religious

These eastern provinces would have happily opted out of the new republic and formed their own independent states if the former Dutch colony had gone Islamic.

Indonesia's secular status has since survived many tests, including a series of armed rebellions and terrorist attacks in the name of Islam. But now the battle by the Islamist proponents is primarily being waged in the public space. With the help of the Internet, which has created an open market place for ideologies, this fight has become about winning the hearts, minds and soul of the people.

President Widodo is leading the campaign



Ulema Habib Muhammad Luthfi bin Yahya welcomes President Joko Widodo in Pekalongan, Central Java on January 8, 2017. PHOTO: SUHERDJOKO/THE JAKARTA POST

minority groups restless, but also many Muslims who don't necessarily agree with the Islamist agenda.

Although nearly 90 percent of Indonesia's population are Muslims, Indonesia is not an Islamic state, a decision its founding fathers consciously made upon independence in 1945 to placate religious minorities like Christians and Hindus, particularly from eastern Indonesia.

to stop or reverse the rise of Islamism. He does so by raising the spectre, rightly or wrongly, that the nation's unity is at stake because its key underpinning, pluralism, is being attacked by those who want to turn Indonesia into a theocratic state. And he does so not by tackling Islam head on, but rather by embracing the religion without losing sight of the bigger interests of preserving the unity



of this very diverse nation.

He is combining Islam and nationalism into a single powerful force for national unity, development and prosperity.

This is reminiscent of the founding father Sukarno, who, as a young 26-year-old revolutionary thinker, penned an article in 1926 about synthesising Islam, nationalism and Marxism, which he saw as the main political pillars for the independence struggle. These three are competing ideologies, Sukarno wrote, but their combination would portend for a force that the Dutch colonial rulers could not stop.

After independence in 1945, president Sukarno tried to rally the three pillars together again, this time with disastrous and fatal effects. The communist party was crushed for good and Sukarno lost power in 1966.

Widodo is not as academically inclined, but he can be as astute a politician as Sukarno was.

His campaign in recent months has taken him to meet with top leaders of the military, the main force to preserve national unity, to secure their support and

loyalty, telling them that he is fighting against the forces that are undermining the Unitary State of the Republic of Indonesia (NKRI).

He called a press conference during his visit to the headquarters of the Special Forces saying that in his capacity as Indonesia's commander-in-chief, he could deploy the country's most fearsome and revered military division anywhere in the country to quell any threat to the state's pluralistic status.

He has met with leaders of the Muhammadiyah and Nahdlatul Ulama, the country's two largest Islamic social organisations, to get them on board of his NKRI campaign, and to make their leaders publicly denounce the forces that threaten national unity and get them to say that all Muslim citizens have the obligation to support the state and its policies.

These two organisations, with their massive influence among Muslims in Indonesia, have been responsible in developing the more tolerant and moderate version of Islam in the country, and in the past have been counted on to fight against the rise of radical Islam. And now Widodo is turning to them once again.

Has the President done enough to stop the creeping Islamism in Indonesia? Time will tell. And somehow, the Jakarta election, whichever way it goes, would also be a telling factor about which direction Indonesia is heading.

The writer is Editor-in-Chief, The Jakarta Post, Indonesia.

This is a series of columns on global affairs written by top editors and columnists from members of the Asia News Network and published in newspapers and websites across the region.

## A WORD A DAY

**AWNING**  
noun

A sheet of canvas stretched on a frame and used to keep the sun or rain off a storefront, window, doorway, or deck.

## CROSSWORD BY THOMAS JOSEPH

**ACROSS**

- 1 Marina sight
- 6 2014 Winter Games site
- 11 Clear sky
- 12 Pasty
- 13 Wise teacher
- 14 Writer Asimov
- 15 Knight's title
- 16 Signing need
- 18 Nutrition label abbr.
- 19 Angled pipe
- 20 Light touch
- 21 French article
- 22 Mini burger
- 24 Staff member
- 25 Ring setting
- 27 Dandies
- 29 Longings

**DOWN**

- 1 Affirmative answers
- 2 When one wishes
- 3 Sax great
- 4 Skirt edge
- 5 "Day --" (Beatles song)
- 6 Virtuous one
- 7 CIA forerunner
- 8 "Sons of Anarchy" star
- 9 Was in charge of
- 10 As a precaution
- 17 Hours ago
- 23 German article
- 24 Epitome of easiness
- 26 Footstool
- 27 South Pacific native
- 28 Grove fruit
- 30 Concert bonus
- 31 Oklahoman
- 33 Ship stops
- 39 Stop
- 41 Oklahoma city

Where others see Brick and Building, We see your DREAM HOME and a life well lived.

- On Time Handover
- Quality Construction

## LAND WANTED

শেলটেক SHELTECH Since 1988  
01713091720, 01713091721

A sheet of canvas stretched on a frame and used to keep the sun or rain off a storefront, window, doorway, or deck.