

2 Bangladesh

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I. Summary of Main Results

Total expenditure on Social Protection (SP) in 2002/03 exceeded Tk100 billion (\$1.9 billion), representing around 3.8% of GDP. Almost 60% of total SP expenditure was on microcredit loans; if this component were excluded, SP expenditure in Bangladesh would represent less than 2% of GDP. The next most important component of SP was social assistance, which accounted for just under a quarter of the total. Under 20% of SP expenditure went to the other components, including labor markets, social insurance, and child protection (see Tables 5.1 and 5.2).

Coverage rates¹ for the six key SP target groups² are generally low (see Table 5.5). The highest coverage is for the poor, where around 22% receive some SP assistance followed by the coverage of microcredit (17%). Coverage of children, the elderly, and the unemployed/ underemployed varies between 10 and 12%. Coverage for the sick and the disabled is extremely low at 1.4% and 0.2% respectively.

¹ Coverage = number of beneficiaries/reference population (see Section V.B). It should be noted that these coverage rates and most of the following indicators have been estimated from discussions with officials responsible for individual SP programs and the authors themselves owing to the unavailability of household survey data that would have both facilitated the tasks and led to more accurate estimates.

² The unemployed and the underemployed, the elderly, the sick, the poor, the disabled, and children with special needs.

Around 22 million poor people are estimated to be beneficiaries of some form of SP assistance—around one third of the total poor population. Around 85% of these poor beneficiaries received assistance from either food aid/food security programs or microcredit. Without these programs, SP for the poor would be extremely limited (see Table 5.8).

In 2002/03, Tk79 billion (\$1.34 billion) of SP expenditure (69% of the total) went to the poor who currently make up 50% of the population. Around 60% of this expenditure to the poor was in the form of microfinance. Total SP expenditure on the poor was equivalent to around 15% of the poverty line income, increasing to 45%, if only poor beneficiaries are included.

Table 1 summarizes the key SP indicators that have been derived. These are the indicators that will be used to formulate the Social Protection Index (SPI).

II. Country Overview

This chapter presents a brief overview of Bangladesh's social and economic characteristics. These characteristics are considered to be particularly relevant to the social protection issues. The accompanying statistical tables are included at the end of this chapter.

A. Population and Characteristics

Bangladesh is one of the world's most vulnerable economies, characterized by extremely high population density, a low resource base, and a high incidence of natural disaster, malnutrition disability, poverty, and inequality. These have adverse implications for long term saving, investment, growth, and human development.

Bangladesh emerged as an independent sovereign republic in 1971 through a liberation war leaving many people as disabled and homeless with significant implications for social protection. The total area of Bangladesh is 147,570 sq km. The population of Bangladesh increased from 111.1 million in 1991 to 130 million in 2001, an estimated 134 million in 2003 and 136 million in 2004.

As a result of declining fertility, average household size has been decreasing gradually, thanks to social mobilization and effective supply of contraception by both government and nongovernment organizations. It was 5.35 in 1991/92 and reduced to 5.1 in 2001. In 1981, there were 15 million households. This number rose to 25.3 million in 2001. In other words, a gradual process of household disintegration has been occurring in Bangladesh in recent

Table 1. Summary of Key SP Indicators

SPI Component	Indicator	(%)	Bangladesh Estimate	(%)
Expenditure on SP	Total SP Expenditure as % of GDP			3.8
Coverage of SP	Reference population—narrow		Reference population—wide	
The Unemployed/ Underemployed (U/U)	Beneficiaries as % of total of U/U	12.0	As % of total labor force	5.0
The Elderly	Elderly receiving assistance as person of population aged 55+ years	12.0	As for “narrow” reference population	12.0
The Sick	% of population with health insurance or in receipt of subsidies	1.4	As for “narrow” reference population	1.4
The Poor/In Need of Social Assistance	% of poor population receiving some social assistance/welfare	22.0	% of total population	11.0
The Poor/Microcredit	% of population receiving loan	17.0	% of total population	8.5
The Disabled	Disabled beneficiaries as % of disabled population	0.3	As for “narrow” reference population	0.3
Children with Special Needs (CWSN)	CWSN receiving assistance as % of poor children aged 5-14 years	10.0	% of all children aged 5-14 years	5.0
Distributional Impact of SP				
Poverty-Targeting	Percentage of poor population who receive some assistance		SP expenditure per poor person as % of annual per capita poverty line income/ expenditure	34 15
Impact of SP Transfers on Household Income	SP expenditure per poor beneficiary as % of annual per capita poverty line income/ expenditure			45

Source: Chapter 5 Tables.

years due to both economic and demographic pressures with significant implications for social protection. Another feature is that the household size of female-headed household has always been less than the size of the male-headed household.

The average growth of population during the period 1991 to 2003 was 1.5% per annum, significantly lower than the rate, 2.2%, prevailing during the 1980s, resulting from continuing decline in fertility. The Total Fertility Rate (TFR) has more than halved from 6.3 in 1975 to 3.0 in 2003. The death rates of all age groups have also been consistently decreasing leading to a continued improvement in the expectation of life at birth from 56.1 years in 1991 to 62.1 years in 2001. It is also seen that the gender gap in life expectancy almost disappeared by 2001. There has been remarkable success in reducing infant and child mortality. The Infant Mortality Rate (IMR) declined from 153 deaths per thousand live births to 94 deaths in 1990 and 66 in 2000. However, the maternal mortality (3.2 per thousand) remains high.

The effect of declining fertility is also seen in the changing age structure of the population. In 1991, the 0-4 age group populations comprised 17% of total population, while in 2001 this percentage came down to 13. In turn, this has led to a decrease in the demographic dependency ratio. The sex ratio has been constant over the last three decades—fluctuating around 106 men per 100 women.

Another important demographic feature has been the migration of rural population to urban areas both for “pull” and “push” factors. Because of this, the growth rate of urban population has been almost three times the growth rate of rural population. The rapid growth of urban population in general, and the poor urban population in particular, has created another major challenge to policy makers in terms of providing enough basic infrastructure, primary health care, and education facilities in the cities given severe financial and space constraints.

The Muslim population recorded a higher growth rate compared to other religious groups. Muslims constitute the majority of the population. Among all population, its share was 86.7% in 1981 and rose to 89.7% in 2001. While the share of Muslims population recorded increasing trend, it has been decreasing for the Hindus, which accounts for 9.2% of the population. The ethnic population was only 1.21 million in 1991 (1.13% of total population).

Table 2.1. Population, Households, and Related Indicators

Item	Population (million)			Change 1991-2001	
	1981	1991	2001	Growth rate (% per annum)	Number (million)
Total Population	89.9	111.5	130.0	1.5	18.5
Density per square kilometer	609.0	755.0	881.0	1.5	1.2
Urban Population	13.6	21.9	30.0	3.2	8.1
Rural Population	76.3	89.6	100.0	1.1	10.4
% of Urban Population	15.2	19.6	23.1	1.6	
Sex Ratio (Male-Female) in %	106.2	105.9	106.6		
Dependency Ratio	76.0	102.1	109.9		
Households	15.1	19.3	25.3	5.9	2.7
Average Household Size	5.9	5.7	5.1		
% of Muslim	86.7	88.3	89.7		
% of Hindus	12.1	10.5	9.2		
% of Buddhist	0.6	0.6	0.6		
% of Christian	0.3	0.3	0.3		
Others	0.3	0.3	0.2		

Source: Population Census. 2001. BBS 2003, HIES 2000, BBS 2003.

Table 2.2. Population By Age

Age Group	Number (million)			
	1991	2001	1991	2001
0-4	18.4	16.9	16.5	13.0
5-9	18.5	17.7	16.6	13.6
10-14	13.6	16.6	12.2	12.8
15-19	9.4	12.6	8.4	9.7
20-24	9.3	11.4	8.3	8.8
25-44	27.4	35.5	24.6	27.3
45-59	9.0	11.4	8.1	8.8
60+	5.9	8.0	5.3	6.2
Total	111.5	130.0	100.0	100.0

Source: Population Census. 2001. BBS 2003, HIES 2000, BBS 2003.

Table 2.3. Population Characteristics, Demographic Indicators

Indicator		1991	1995	2001
Mean Age at Marriage	Male	24.9	27.5	27.8
	Female	17.9	19.9	20.4
Crude Death Rate (Per 1,000)	National	11.2	8.4	4.8
	Rural	11.4	9.0	5.2
	Urban	7.6	6.7	3.4
Crude Birth Rate (Per 1,000)	National	31.6	26.5	18.9
	Rural	32.9	28.5	20.7
	Urban	23.9	19.4	13.6
Natural Growth Rate	National	2.0	1.7	1.5
	Rural	2.1	1.8	1.6
	Urban	1.6	1.2	1.0
Life Expectancy at Birth	National	56.1	58.7	62.1
	Male	56.5	58.4	62.0
	Female	55.7	58.1	62.1
	%	1.1		

Source: Bangladesh Demographic and Health Survey and Population Census, BBS. Various Years.

Table 2.4. Average Household Size by Sex of the Household Head

Sex of the Household Head	2000	1995-1996	1991-1992
Both	5.18	5.26	5.35
Male	5.33	5.45	5.49
Female	3.65	3.47	3.64

Source: HIES. 2000. BBS. March 2000.

Table 2.5. Crude Disability Rate Per 1,000 Population by Sex and Locality, 2002

Sex	Total	SVRS—2002		2000
		Rural	Urban	
Both	5.86	6.24	4.21	6.04
Male	6.62	7.12	4.46	7.38
Female	5.05	5.32	3.95	4.66

Source: Report of the Sample Vital Registration System (SVRS). 2002. BBS, July 2004.

B. The Economy

In the last two decades, Bangladesh's growth performance was modest with an average growth of 5.1% per annum in GDP leading to per capita GDP growth of about 3.5% per annum. The growth performance started to improve only in the 1990s, thanks to the growth in mostly non-tradable goods and services. The growth in the export sector, particularly readymade garments industry also played an important role. Prior to that, the per capita GDP grew at the rate of only 2% per annum. The pace of income poverty reduction was then very slow. During the period between the early 1980s and early 1990s, the incidence of income poverty declined by 0.8% per year in Bangladesh compared with 1.9% for India, 1.4% in Pakistan, and 3.6% in Sri Lanka. However, the reduction in income poverty picked up in the later years, reaching around 1%, still less than other countries on the sub-continent.

During the 1980s and 1990s, the service sector grew very fast while the agriculture sector grew at a slow pace. As a result, the share of agriculture in GDP decreased while that of the service sector increased to 48% of GDP. However, during the early years of 21st century, the growth of service sector slowed down, while the growth of the agricultural sector has improved.

The total consumption has been nearly 82% of GDP and private consumption accounted for 77% in 2002-03. Investments as a percentage of GDP as well as government expenditure as percentage of GDP have been around 24% and 14% respectively. Consumption and investment as a percentage of GDP remained almost constant during the last three to four years, although in absolute terms both are increasing with equal pace.

Inflation was low at the turn of the century, 3% annually from 2000 to 2003, but increased sharply to 5-6% in 2003-2004.

Bangladesh witnessed significant success in disaster preparedness and in overcoming the phenomenon of mass starvation. Indeed, the threat of famine syndrome in the backdrop of recurrent vulnerability of natural disaster (flood and cyclone) has almost been wiped out due to this improvement in disaster management. At the national level, the country has achieved the desirable objective of self-sufficiency in rice production even with a declining cultivated area. The production of cereals increased at 2.4% per year.

The nominal monthly household income, expenditure and consumption have registered a persistent growth over the years. The monthly income increased by 21% during 1992 to 2000 periods. The per capita income during the same period rose by 25% while average monthly expenditure by only 12%. The Household Income Expenditure Survey data revealed that household monthly expenditure has increased quite significantly, with annual growth of 4.5% (current price) and nearly 2% at constant price. This has been a great

achievement and impacted positively on other important health and demographic indicators. Sources of income have also diversified. In 1991, agriculture accounted for about 33.4% of household income, and in 2000, this share accounted only 18%; income from services, business, and commerce increased correspondingly.

In 2003, the Bangladesh Government budget accounted for Tk439,040 million, which was approximately 14.6% of GDP. Out of the total budget, Tk171,000 million was budgeted for development expenditure. The development budget was 5.7% of GDP (see table 2.9).

Table 2.6. Economic Indicators

Indicators	2000-2001	2002-2003	2003-2004	Annual Growth (%)
GDP at Current Price (Tk billion)	2,535.50	3,005.80	3,325.70	9.50
GDP at Constant Price (Tk billion)(Base Yr. 1995-1996)	2,157.40	2,371.00	2,501.80	5.10
Per Capita GDP at Constant Price:				
Tk	16,613.00	17,772.00	18,504.00	3.65
\$	362.00	389.00	421.00	
Sectoral Share of GDP at Constant Price (%)				
Agriculture	25.03	23.47	22.83	
Industry	26.20	27.24	27.80	
Services	48.77	49.30	49.37	
Consumption as % of GDP	82.00	81.80	81.70	
Private	77.50	76.40	76.30	
Public	4.50	5.40	5.40	
Investment as % GDP	23.10	23.40	23.60	
Total Govt. Expenditure as % of GDP	15.40	13.40	13.50	
Gross Fixed Capital Formation (Tk billion)	585.40	703.50	784.20	
Inflation Rate (Base 1995/96)	2.80	2.80	5.90	

Source: Bangladesh Economic Review. Various Years.

Table 2.7. Household Monthly Income and Expenditure

Monthly Income and Expenditure	National			Rural as % of Urban			
	2000	1995-1996	Annual growth (% pa)*	1991-1992	2000	1995-1996	1991-1992
Household Income	5,842	4,366	6.0	3,341	49	45	64
Household Expenditure	4,881	4,096	3.6	2,944	58	48	62
Household Consumption	4,537	4,026	2.4	2,904	54	48	63
Household Food Expenditure	2,477	2,930	(3.3)				
As % of Total Expenditure	51	72					
Per Capita Income	1,128	830	6.3	625	48	46	65
Per Capita Expenditure	942	779	3.9				

*Annual growth at current prices.

Source: HIES. 2000. BBS. 2003.

Table 2.8. Country Statistics on Growth, Human Development, and Income Poverty

Indicator	Bangladesh	India	Pakistan	Nepal	Sri Lanka
Per Capita GNP Growth (1975-1995)	2.0	2.8	3.1	1.6	3.2
Total Fertility Rate					
1975	6.8	5.1	7.0	6.3	3.9
1997	3.3	3.1	5.0	4.5	2.1
Life Expectancy (years)					
1970	44.2	49.1	49.2	42.1	64.5
1997	58.1	62.6	64.0	57.3	73.1
Infant Mortality Rate (per 1,000 live births)					
1990	148.0	130.0	118.0	156.0	65.0
1997	81.0	71.0	95.0	75.0	17.0
Income Poverty (% of population) early					
1980s	52.3	46.5	29.1	42.5	27.3
early 1990s	47.0	37.4	26.3	45.0	22.4

Source: Ministry of Finance. March 2003. *A National Strategy for Economic Growth, Poverty Reduction and Social Development*.

Table 2.9. Budget Allocation by Major Sectors, 2002-2003

Sector	Revenue Budget	Development Budget (Tk million)	Total Budget	Percentage of Total Budget
All		448,540	100.0	
Public Administration	44,420	7,040	51,460	11.5
Local Government and Rural Development	5,730	34,000	39,730	8.9
Education and Technology	38,760	29,950	68,710	15.3
Social Security and Welfare	9,240	8,790	18,030	4.0
Agriculture	8,800	19,300	28,100	6.3
Health	13,250	17,020	30,270	6.8
Fuel and Energy	80	28,490	28,570	6.4
Public Order and Security	18,010	1,560	19,570	4.4
Defense	33,930	160	34,090	7.6
Industry and Economic Services	1,160	2,800	3,960	0.9
Housing	3,000	940	3,940	0.9
Transportation and Communication	14,820	43,460	58,280	13.0
Other Expenditure, e.g. debt service, religious and cultural affairs, etc.			63,830	14.0

Source: Summary of the Budget. 2003-2004. Ministry of Finance, Finance Division, Government of Bangladesh.

C. Employment and Economic Activity

According to the Labour Force Survey 1999-2000, out of a total population of around 125 million, there were 40.7 million economically active people aged 15 years and above. The economically active population was 31.5 million (77%) in rural and 9.2 million in urban areas. The average number of economically active population per household was 1.5 persons and was higher in urban areas.

The economically active population has been increasing at 1.69% per annum—faster than the population growth rate due to the changing age structure. However, the growth of labor force slowed down because of increasing participation of adolescents in schools and colleges in recent years.

Overall labor force participation has been increasing at only 4% per annum. However, female labor force participation has been increasing at 10.9% per annum. This is a remarkable phenomenon. The growth of ready-made garments sector and microcredit industry have played important roles in providing this boost to female participation in labor force. Female participation will continue to grow in the future, if Bangladesh can face the challenge of post-MFA global competitive trade regime more efficiently.

Nevertheless, the economically active female population is still very low and women constitute only 20% of the active population. The urban women

are better placed compared to rural women, in terms of labor force participation, with a significantly higher incidence of income-earning activities. The majority of women (73%) are still unpaid family workers, while 10.4% are self-employed. Employed women or who worked as day laborers together made up 17% of the total urban labor force.

The unemployment rate has been increasing, though slowly. The economic dependency ratio is also high at 138% of the active population, i.e. there are more inactive than active people. This is another big challenge towards attaining sustainable household income growth.

The distribution of employed persons by sectors shows that more than 80% of employed persons were working in formal sector. However, the share of informal sector has been decreasing in favour of formal private sector, which accounts for about 14% of all employed persons. The public sector employment is also increasing, but very slowly.

Economic activities in nonagricultural sectors have been increasing fastest. Among all employed persons, 63.2% were employed in agricultural activities in 1995/96; by 2002-2003, this percentage had reduced to 51.3%. Salaried and wage-earning persons account for only around 16% of the economically active population, which is equivalent to, on average, only 0.25 per household. As one would expect, this figure is much higher in urban areas, 0.57 person per household, than in rural areas, where it is only 0.16 persons per household.

Table 2.10. Labor Force and Economic Activity

Indicator	Number (million)		Annual Growth Rate
	1995-1996	1999-2000	(% per annum)
Total Population	120.3	127.5	1.54
Population 15+	69.4	74.2	1.69
Labor Force	36.1	40.7	1.30
Economic Dependency Rate* (138 %)			
Labor Force Participation Rate**	52.0	54.9	0.4
Male	87.0	84.0	(0.9)
Female	15.8	23.9	10.9
Unemployment rate	3.5	4.8	8.2
Male	2.8	3.4	5.0
Female	7.8	7.8	0
Unemployment & underemployment Rate, 2001 (%)		39.9	
No. of Children at Work, 2001 (millions)		7.9	
% of Children Aged 5-14 years		18.6	

*EDR = ration of inactive to active populations * 100

**LFPR: Labor force/ population 15+ *100

Source: LFS 1999-2000. BBS August 2002.

Table 2.11. Statistics of Child Labor, 1999-2000

Indicator	1999–2000			2002–2003		
	Boys	Girls	Total	Boys	Girls	Total
% of Child Worker	100	100	100	100	100	100
Employee	17.4	20.9	18.8	14.4	10.5	13.3
Self-employed	11.4	6.1	9.3	7.4	3.0	6.2
Unpaid Family Workers	55.1	68.1	60.3	49.9	76.5	57.0
Day Laborers	29.1	4.9	11.6	28.3	10.3	23.5
Average Weekly Working Hours	29.1	26.8	27.1			28
Average Daily Wage (Tk)	21	16	18	33	31	32
Average Monthly Income (Tk)	503	414	465	992	864	977

Source: National Child Labour Survey 2003, BBS, 2003.

Table 2.12. Sectoral Share of Labor Force

Sector	Absolute Numbers (million)		Percentage Share	
	1990–1991	1999–2000	1990–1991	1999–2000
Agriculture	18.06	21.55	43.65	44.72
Industry	6.50	5.70	15.70	11.83
Manufacturing	5.93	4.22	14.32	8.76
Construction	0.53	1.14	1.27	2.36
Services	10.04	15.57	25.04	32.32
Total	41.37	48.18	100.00	100.00

Source: Bangladesh Labour Force Survey. Various years.

D. Education

Bangladesh has achieved remarkable success in expanding basic, elementary, primary, and secondary education. The gross enrolment rate (GER) in primary schools increased from 59% in 1982 to 96% in 1999. The gender gap in primary education disappeared and has been narrowing in secondary and higher education. More efforts would be required to achieve gender equality at higher secondary and tertiary levels. School attendance (enrolment) rates are highest among the 10-14 year age group. However, the rate of increase has been highest among five to nine year olds.

These improvements in school enrolment have led to a spectacular increase in adult literacy rates. Starting from a very low base, the country had achieved an adult literacy rate of 48% in 2001. Female literacy continues to lag behind, although the gender gap is decreasing. Literacy in rural areas also remains substantially below than in urban areas.

Like primary and secondary education, higher education also grew, apparently unplanned, due to pressure from secondary and higher secondary expansion. Annual growth of degree colleges was 4.7% during 1972-2000. Growth of private universities was spectacular, at the rate of 19% per annum. However, the quality of education in some of these private universities remains questionable.

However, these successes need to be seen in the context of high cohort dropout rates, low completion rates, and the deteriorating quality of education at all levels. There is an urgent need to modernize the curriculum to reflect national needs and priorities and to address the challenge of globalization.

Table 2.13. Literacy Rates (%)

Population	1981	1991	2001
Population All Ages	19.7	24.9	37.0
Male	25.8	30.0	40.3
Female	13.2	19.5	33.4
Population (7 years and over)	26.0	32.4	45.3
Adult Literacy (15 years and over)	29.2	35.3	47.5
Male	39.7	44.3	53.9
Female	18.0	25.8	40.8

Sources: Population Census. 2001.

E. Health

I. General Health

In 2001, Bangladesh had 1,382 hospitals distributed across the country compared to 1,273 hospitals in 1998. Currently, almost all upazilas have one hospital and every union has a health center. These centers have been providing maternal and health services. All areas, except the hill tracts and Haor areas, have been brought under the medical service network. Vitamin A, ORS Packets, Essential Package Services (EPS), and immunization services have expanded at a rapid pace to cover almost the whole population. Because of the expansion of services, Bangladesh made an exceptional success in family planning and health care services. In 2002, it was estimated that there were 28 physicians, 57 mid-level personnel and 76 hospital beds per 10,000 persons. In 2002, 53.9% of total health expenditures were financed from the state budget, 41.8% from health insurance, and 4.3% from the payment for services.³

³ NSO, Statistical Yearbook. 2004. *Bangladesh in a Market System*.

Bangladesh has made impressive gains in reducing child malnutrition rates since the mid-1980s. The rate of stunting for children in the age group of six to 71 months reduced from 69% in 1985/86 to 49% in 2000 and 43% in 2003/04, while the proportion of underweight children decreased from 75% in 1985/86 to 51% in 2000.

Infant mortality was 153 deaths per 1,000 live births in 1975, but had been reduced to 65 per thousand live births today. Notwithstanding these improvements, significant gender discrimination continues to persist. In the one to four age group, female mortality is about one third higher than male mortality and the difference has remained nearly unchanged during the last decade. The rural urban gap has also declined. In 1993-1994, the gap stood at 26.8% but had declined to 8.3% in 1999/00. Child mortality varies significantly with income levels with infant mortality being about 70% higher for the poorest quintile than the richest group. The gap for under-five mortality is even higher at 86%.

Despite these successes, most current rates are still quite high and need to be addressed more vigorously, particularly if the MDGs are to be achieved. Both fertility and mortality remain at high levels raising concerns for poverty reduction. Though significant gains have been made, the TFR is still at high level (3.0). The Bangladesh Maternal Mortality Survey 2001 indicates a mortality rate of 3.20 deaths per 1,000 live births from 1998 to 2001. This clearly indicates that availability of health services to women still remains a big challenge. This adversely affects women's status and their empowerment. It is also observed that significant socio-economic differentials persist in maternal health care. About 69% of households belonging to the poorest quintile have little access to antenatal care compared with 22% in the richest quintile.

Available evidence suggests a high degree of morbidity in Bangladesh. The HDS 2000 conducted by BBS provided an estimate of morbidity prevalence at 188 per 1,000 populations. Dehydration from diarrhea is an important cause of morbidity and mortality. The prevalence of diarrhea among children reveals that children of age six to 24 months suffer most compared to other groups. There is also the menacing emergence of public health problems such as dengue fever and arsenicosis. The other formidable challenge is to limit the prevalence and spread of HIV/AIDS in Bangladesh. This is indeed a very fast emerging challenge for Bangladesh given the poor level of consciousness about this deadly disease. However, the recent BDHS-2004 survey reveals that the knowledge about HIV and preventive measures to avoid HIV has been increasing among men and women, whether married or not.

Socio-economic inequality in malnutrition as indicated by anthropometric measures appears to be very high. While the poor-rich ratio was 1.76:1.86 for infant and child mortality, it was 2.15 for stunting and underweight children. Notwithstanding the general improvement in stunting, gender and rural urban disparities still persist.

Maternal malnutrition, measured by body mass index (BMI) less than the critical value of 18.5, turns out to be very high in Bangladesh. Applying this criterion, DHS estimates the proportion of malnourished mothers at 45% in 1999/00 and 38% in 2003/04. The decrease is quite impressive, but the rural urban differential increased during this period from 50% to 63% (MoF, 2003). The higher prevalence of malnourished mothers in the poor households has adverse implications for poverty reduction.

Table 2.14. Health Indicators

Indicator	1975	1994	1999	2004
Total Fertility Rate (TFR)	6.3		3.3	3.0
Infant Mortality Rate (per thousand)	153.0	87.0	66.0	65 (2000)
Child Mortality	102.0	50.0	30.0	24.0
Under Five Mortality	250.0	133.0	94.0	88.0
Crude Birth Rate (per 1,000)				23.4
Crude Death Rate (per 1,000)				8.4
Natural Increase Rate (per 1,000)				15.0
Contraceptive Prevalence Rate	7.7	53.8	53.8	58.1
Life Expectancy at Birth				
Male		58.3	58.3	62.0
Female		57.9	57.9	62.0

Source: Bangladesh Population Census. 2001. World Development Indicators, World Bank BDHS-2004, NIPORT, 2004.

Table 2.15. Child (Under 5 Years) Malnutrition

Nutrition Indicator	1996–1997	1999–2000	2003–2004
Underweight (weight for age)	56	48	48 (Male 46.5, Female 48.7) (Urban 42.2 & Rural 48.8)
Stunting (weight for age)	55	45	43 (Male 42.5, Female 43.5) (Rural 44.3, Urban 37.6)
Wasting (weight for height)	18	10	13 (Male 13.2, Female 12.5) (Urban 12.0, Rural 13.0)

Source: BDHS. 2004. NIPORT. 2004.

Table 2.16. Ante- and Post-Natal Care at the Last Delivery

Type of Care	Urban	Rural	No Education	Complete Primary	Complete Secondary	Higher Education	Total
Received ANC (%)	75	51	38	59	73	94	56
Received PNC (%)	19	17	12	19	24	34	18

Source: BDHS. 2004. NIPORT. 2004.

2. Disability

According to Sample Vital Registration System 2002 of Bangladesh Bureau of Statistics (BBS), 0.6% of the total population are disabled. These people were unable to work as normal persons. The percentage of population with disability increases with age. There is little difference between males and females.

This figure is however likely to be a considerable underestimate. Handicapped International and the National Forum of Organisations Working with the Disabled have recently carried out a National Survey on Disability. Unpublished results suggest that the disabled make up 5.6% of the total population. Thus, there would be around 7.5 million persons with disabilities in Bangladesh. This is considered to be a more realistic estimate.

F. Access to Services

Access to clean water and hygienic sanitation has increased considerably since early 1990s. In 1995/96, 95% households had access to safe drinking water; by 2000, this had increased slightly to 96%.

The population of households with hygienic sanitation has been increasing. In 2000, 19% of households were using sanitary latrines. However, the rural-urban differential was high. In urban areas, 45% households were using sanitary latrine compared to only 12% in rural areas. The National Sanitation Survey (2003) indicates significant improvement in this situation. Currently 33% of the total households in the country use sanitary latrine. However, the urban-rural gap persists: 60% of the urban household use sanitary latrine as against 29% in rural areas.

Access to electricity has gradually improved. In 1995/96, only 20.5% households had electricity and in 2000, one out of three households had the same.

Average floor space per person/room was only 55 square feet (sq ft) in 1991, with a rural urban difference of about 8 sq ft. The average floor space per living structure was 249 sq ft (Rural 243, Urban 299). These data reveal very low space standards for both rural and urban populations.

Table 2.17. Access to Services

Item	Location	1991	2001
Safe Water (%)	National	89.60	90.63
	Urban	94.93	95.46
	Rural	88.34	88.33
Sanitary Toilet (%)	National	12.50	36.90
	Urban	40.24	67.30
	Rural	6.09	28.15
Electricity (% of households)	National	14.30	31.50
	Urban	58.06	70.94
	Rural	4.57	20.13

Source: Population Census. 2001.

G. Poverty and Inequality

Poverty has manifold expressions, many dimensions and indeed, many causes. Different measures, although one is related to the other, depict different facets of poverty.

I. Income Poverty

Bangladesh made considerable progress in income poverty reduction since independence in 1971. Using the Household Income Expenditure Survey (HIES) data, between 1991/92 and 2000, the incidence of Head Count Poverty declined from 58.8% to 49.8%, indicating a modest reduction of 1 percentage point per year. The preliminary report of the recent Poverty Monitoring Survey reveals the poverty incidence as follows: national 42.1%, rural 43.3%, and urban 37.7%. The current (2004) annual poverty line incomes are estimated by the Bangladesh Bureau of Statistics (BBS, 2003) to be: national—Tk8,069, rural—Tk7,135, and urban—Tk10,871. The corresponding 2002 national poverty line was Tk7,824. The declining trend was replicated for the poverty gap and squared poverty gap measures. The pace of reduction was higher in urban areas.

Poverty reduction was, however, higher in the 1990s compared with the 1980s. The faster pace of poverty reduction in the 1990s was attributable to the accelerated growth in consumption expenditure and income as seen in table 2.19. There was better growth in non-tradable goods services benefiting the poorer segment of population during this decade.

Poverty levels and its rate of decrease have varied between rural and urban areas, and between regions. Dhaka, Khulna, Barisal, and Chittagong divisions have much lower incidences of poverty than Rajshahi. On the other hand, rural urban disparity is highest in the Dhaka division, high in Rajshahi, and lowest in Barisal.

The level of poverty is typically higher for the landless households and for those engaged in marginal occupations and skills. Incidence of poverty is higher among illiterate households and female-headed households.

Gini-coefficients, which measure relative rather than absolute poverty, show increasing inequality, especially in urban areas. In the face of decreasing poverty, the growth of inequality is a reminder that proportionately the poor continue to experience substantial relative deprivation, despite moderately high economic growth -5%+ per annum.

2. Human Poverty

Human poverty trends also show considerable improvement. The human poverty index which stood at 61% in the early 1980s (1981/83) had declined to 47% in early 1990s (1993/94) and 35% in 2000. This index, which includes indicators in addition to household income, declined by 2.5% annually compared to 1.8% for the head count poverty. This reflects the above-mentioned achievements in education, health and physical infrastructure in the 1990s.

H. Summary

Since 1990, Bangladesh has made commendable success in all sectors of the economy and social development, particularly in the quantitative expansion of primary and secondary education, and primary health care and economic activities. These changes have led to marked improvements in many key socio-economic indicators: GDP per capita has increased steadily; TFR has decreased; expectation of life has increased while the IMR and MMR have declined; school enrolment rates have increased; and access to clean water, sanitation and electricity has increased. These changes are taking place in both rural and urban areas.

Bangladesh has achieved considerable success in mainstreaming women in the development process. Bangladeshi women have played an important role in the success of microcredit and ready-made garments, reducing TFR, increasing child nutrition, greater participation in education, and reducing gender disparity in all spheres of life. Recent evidence suggests that women have already achieved parity in primary-level GER and life expectancy at birth.

However, many of the above indicators remain high in comparison to many other countries: poverty remains high; income inequality has been increasing; quality of health services and education is eroding. The political situation is volatile, while law and order is deteriorating. The most disadvantaged are disproportionately affected by these factors and are often

Table 2.18. Poverty Trends

Item	Upper Poverty Line*			Lower Poverty line		
	1991-1992	1995-1996	2000	1991-1992	1995-1996	2000
Headcount Rate (P_0)						
National	58.8	51.0	49.8	42.7	34.4	33.7
Urban	44.9	29.4	36.6	23.3	13.7	19.1
Rural	61.2	55.2	53.0	46.0	38.5	37.4
Poverty Gap (P_1)						
National	17.2	13.3	12.9	10.7	7.6	7.3
Urban	12.0	7.2	9.5	4.9	2.6	3.8
Rural	18.1	14.5	13.8	11.7	8.6	8.2

*Preliminary Poverty Monitoring Survey estimates for 2004: National 42.1, Rural-43.3 Urban-37.7
Source: BBS. World Bank-ADB. 2003.

Table 2.19. Trends in Inequality: Gini Coefficients

Item	Upper Poverty Line			Lower Poverty Line		
	1991-1992	1995-1996	2000	1991-1992	1995-1996	2000
National	0.259	0.302	0.306	0.272	0.315	0.318
Urban	0.307	0.363	0.368	0.311	0.369	0.370
Rural	0.243	0.265	0.271	0.251	0.267	0.275

Source: BBS. UNDP. 2003.

unable to access the fruits of development. Strong SP programs are, therefore, needed both to increase their participation in the development process and to reduce the severity of their poverty and exclusion.

III. The Definition of Social Protection in Bangladesh

Naila Kabeer (2003) made an extensive review of risks, vulnerability, and safety nets in India & Bangladesh. Some key conclusions on important SP issues can be paraphrased as follows:

Poverty and vulnerability are linked together. Income fluctuations as a result of natural hazards, retrenchments, economic factors like unemployment, underemployment makes [*sic*] the near poor and already poor destitute. Vulnerability is one of the defining characteristics of poverty.

In Bangladesh natural disasters are the most unanticipated risks for poor families. Morbidity is the highest among poor households. Illness related expenditure is another unanticipated risk. Insecurity in relation to extortion,

violence, corruption, is another category of risks. Dowry at the time of marriage of girls is another threat to poor households. It is estimated that income erosion due to aforementioned risk events threatens 15.5% of average household income. In the event of crisis, attempts by poorer households to cope can often lead them into debt - [sic] and consequently to impoverishment.

At time of famine, the most severely affected parents are found to sell the children or abandon them in unknown places. Child labourers, street children, sex-workers are the victims of the poverty and famine.⁴

The above SP issues are well appreciated by the Government of Bangladesh and many government ministries have programs that address these issues. The main ministries involved with social protection activities are the Ministry of Social Welfare, Ministry of Youth, Ministry of Women and Child Affairs, Ministry of Food and Rehabilitation, Ministry of Education, and Ministry of Local Government and Rural Development. Most of the Ministries have their own programs for social assistance, disaster, relief, child protection, child labor, women protection, microcredit to poor households and overall coordination of the poverty reduction program. Respective departments of the Government are responsible for social insurance policy, labor and employment policies, vocational and skill development training, post literacy and continuing education, HIV/AIDS programs, and programs to reduce drug abuse and rehabilitate sex-workers. Approximately 51% of the government development program goes to poverty reduction activities. A careful review would reveal that most government activities on poverty reduction fall within ADB's definition of social protection. A number of NGOs are also deeply involved in many of these activities.

The share of Bangladesh's Annual Development Plan devoted to education, health, social welfare, and family planning has more than doubled from around 11% in 1980 to around 23% in 1990, and about 51% in 2003. The greatest expansion occurred in education. The World Bank (WB) estimates that the share of education and health in ADP will rise to 30%. Evidence suggests that 57% of public expenditure in health and 38% in education were absorbed by the bottom half of the rural poor. The emphasis on social development expenditures will continue to persist as increased public expenditure has been contributing towards better results in poverty reduction. Social services got the highest budgetary allocation of 35% from 2001 to 2004. Of the allocation made to social services, the share of education sector constitutes 14% and that of health sector comprises 7%.

⁴ Naila Kabeer. 2003. *Safety Nets and Safety Ropes: Addressing Vulnerability and Enhancing Productivity in South Asia*. In Crook Sarah et al. *Social Protection in Asia*. The Ford Foundation. Har Anand Publication.

Bangladesh has a long tradition of innovative and extensive social safety net programs; several have been funded largely by external food aid. While traditional programs like Food for Works (FFW),⁵ Test Relief (TR), Vulnerable Group Development (VGD), Vulnerable Group Feeding (VGF), and Gratuitous Relief (GR) are in operation, new programs directed towards supporting the elderly, orphans, and widows, old age have been introduced and gradually widened in coverage. These programs include the old age allowance program; allowances program to the widowed, deserted, and destitute women; honorarium program for insolvent freedom fighters; fund for mitigating risk due to natural disaster; fund for rehabilitation of the acid burnt women and the physically handicapped; and fund for the housing of the homeless. These programs are fairly well targeted.

Microcredit plays an important role in poverty reduction and reducing the vulnerability of the poor, especially women, in fluctuating incomes and shocks arising from natural disasters. NGOs in Bangladesh have pioneered in the development of microcredit schemes targeted at the poor. Several of these NGOs now have an international reputation. The WB estimates the coverage of microcredit interventions as follows:

NGO coverage (poor)	Grameen Bank	BRAC	Proshika	ASA
	2.06 million	1.84 million	1.30 million	0.57 million

The Palli Karma - Sahayak Foundation (PKSF), a government organization, has been set up to promote microcredit and skills through NGOs. PKSF has so far distributed Tk17,000 million to five million beneficiaries through 216 NGOs (up to January 2004). As part of the Government's commitment to promoting gender equality and empowering women, both the number of gender-sensitive development projects and budgetary allocation for these projects has increased significantly in recent years. Steps have been taken to further expand and strengthen various programs supporting women's development including expansion of VGD programs, microcredit programs, women entrepreneurship development program, etc. More than 12 million women are now self-employed through successful utilization of microcredit facilities. In the budget for FY2004, substantial resources (Tk3,450 million) were earmarked for microcredit programs mainly benefiting women. Greater resources will be available to women through microcredit, especially the poor and the self-employed, programs in the coming years. Microcredit is seen as an integral part of social protection in Bangladesh.

⁵ More detailed information on these and other SP programs follow in Chapter 4.

The Bangladesh Rural Advancement Committee (BRAC) also provides education to poor children. BRAC's schools covered 1.1 million students, while the Government's FFE covered 2 million children in 1996. There are around 20,000 NGOs registered with the Department of Social Welfare, but it is not known how many are active in extending service to the poor.

The Bangladesh Government and its development partners have been formulating "A National Strategy for Economic Growth, Poverty Reduction, and Social Development" with poverty reduction and social development as the overarching goals. The vision of this strategy is to substantially reduce the level of poverty within the current generation through a multi-pronged approach to poverty reduction encompassing five broad objectives:

- (i) Accelerate and expand the scope of pro-poor economic growth for increased income and employment of the poor;
- (ii) Human development of the poor to enable them to unlock their potential;
- (iii) Support women's advancement and close the gender gap;
- (iv) *Provide social protection to the poor against all kinds of shocks and vulnerability* (authors' italics); and
- (v) Influence participatory governance, enhance the voice of the poor, and improve non-material dimension of well-being including security, power, and social inclusion by improving the performance of anti-poverty and disaster preparedness and mitigation institutions.

Specific targets, which take into account the country's past international commitments and evolving national realities, are that—by 2015, Bangladesh will:

- (i) Remove the "ugly faces" of poverty by eradicating hunger, chronic food insecurity, and extreme destitution;
- (ii) Reduce the proportion of people living below the poverty line by 50%;
- (iii) Attain UPE for all girls and boys of primary school age;
- (iv) Eliminate gender disparity in primary and secondary education;
- (v) Reduce infant and under-five mortality rates by 65%;
- (vi) Reduce the proportion of malnourished children under-five by 50%;
- (vii) Reduce maternal mortality rate by 75%;
- (viii) Ensure reproductive health services to all;
- (ix) Reduce substantially social violence against the poor and the disadvantaged groups, especially against women and children; and
- (x) Ensure comprehensive disaster risk management, environmental sustainability and mainstreaming of these concerns into national development process.

In order to start implementing the Medium-Term National Strategy for Economic Growth, Poverty Reduction and Social Development, the Government has developed a Medium-Term Macroeconomic Framework (MTMF). Consistent with MTMF, a Medium-Term Expenditure Framework (MTEF) has been developed to provide an effective mechanism for linking the PRSP with the annual budgetary process for the period through FY2008. The starting point for MTEF allocations is the five-year resource envelope. Once the resource envelope is determined, it will be divided into (1) poverty reducing spending (PRS), and (2) non-poverty reducing spending (Non-PRS). PRS is supposed to be those, which have a direct or indirect impact on poverty reduction. Pro-poor spending is estimated to increase by 0.8 percentage point to reach 7.4% of GDP in FY2005. To track the impact of public expenditure, three public expenditure-tracking studies have been commissioned for primary, secondary education, and primary health care.⁶

The Government's commitment to accelerate pro-poor growth is reflected in the budget for FY2005. Priority has been given to sectors involved in poverty reduction and human development such as agriculture, irrigation, labor and employment, rural development, education, health, women, child and youth development, water resources, energy and power, infrastructure, railway and inland water transport, rural infrastructure, telecommunications, and foreign investment and export-inducing sectors. In the current year agricultural extension, research, training, production of improved seeds, conservation and distribution of seed, and irrigation activities will be strengthened. Provision has been made to double the allocation on agricultural subsidy and to enhance agricultural incentives.

The Finance Minister, in his budget speech to the Parliament on 10 June 2004, emphasized the importance of social protection and poverty reduction policies and measures:

- (i) Steps will be taken to ensure fair price of agricultural commodities and to increase agricultural subsidy;
- (ii) Credit at lower rate of interest and technical "know how" for agricultural, fisheries and livestock, and rural non-farm activities will be further extended;
- (iii) Credit without collateral at lower rate of interest for developing microenterprise will be ensured;
- (iv) Programs relating to maintenance of infrastructures, Food for Works (FFW) Programs, VGD, and VGF will be further extended;

⁶ Extracted from "Report of the Thematic Group on Macroeconomic Stability and Pro-poor Growth," carried out to finalize PRSP of Bangladesh 2004.

- (v) The existing social safety net program will be expanded and new programs will be undertaken to alleviate the sufferings of the deprived people;
- (vi) The housing programs for the homeless poor and low income people will be further extended;
- (vii) New programs will be taken up to generate employment opportunities for the extremely poor;
- (viii) Budgetary allocation will be increased for education, health, and nutrition sectors to reduce human poverty. It will be ensured that major share of this allocation reaches the poor;
- (ix) NGOs and CBOs will be encouraged to have appropriate roles along with the Government in poverty reduction;
- (x) The private sector will be encouraged to play an increasingly greater role in economic growth and in setting up of labor-intensive industries; and
- (xi) Expenditure in the budget for poverty reduction will be increased by at least 1% of GDP every year.

Specific proposals with clear SP connotations are described below.

Education. This receives the highest priority with an allocation of Tk76.80 billion (13.4% of total budget). Specific projects include:

- (i) Stipend program replacing FFE will benefit the poor most;
- (ii) A new project, “Reaching Out of School Children,” with an outlay of Tk4 billion will be exclusively for deprived children; and
- (iii) Female stipend program, which covers 4.5 million girls will be continued.

Health has a total allocation of Tk37.32 billion. Of particular relevance is a new program that will reduce maternal mortality by 75% through the provision of free pre- and post-natal health services to poor women through a voucher system.

Agriculture and Rural Development has measures that will benefit poor farmers:

- (i) Interest on agricultural loan has been reduced to 8%;
- (ii) An amount of Tk5 billion bank debts to around 1.5 million farmers has been written off;
- (iii) Agricultural subsidies will be increased three times;

- (iv) A char-livelihood⁷ project with an outlay of Tk4.75 billion to raise the living standards of extremely poor people belonging to some disaster prone districts;
- (v) “Abashan Project” to provide land, houses, credit facility, education, FP services, and employment opportunities to 65,000 landless and extremely poor people; and
- (vi) Projects for employment generation of the unemployed rural youth, men, and women through the provision of training and microcredit.

Social Security. The number of beneficiaries of existing social safety net programs and the monthly allowances for old age, widowed, and deserted women; honorarium for the insolvent, invalid, and handicap freedom fighters will be increased.

Mitigating Economic Shocks. Programs to mitigate workers facing early retirement or retrenchment include:

- (i) Tk300 million for voluntarily retired and retrenched laborers;
- (ii) Tk200 million for creating better opportunities for employees of garment industries; and
- (iii) Creation of employment opportunities for 9 million retrenched employees from the jute mills in Chittagong and Adamjee.

Special Credit Programs. In addition to the existing credit programs being ran by the Government and NGOs, the Government has, for the first time, allocated Tk3,450 million from the non-development budget to develop and expand the microcredit programs of several ministries: Rural Development and Cooperatives, Agriculture, Fisheries and Livestock, Youth and Sports, Liberation War Affairs, and Children and Women Affairs. The newly allocated amount would be used, especially by PKSF, for programs that will accelerate social development, create microenterprises in rural areas, ensure employment generation for the extremely poor, and promote agro-based industries.

Social Protection is a new concept and the terminology is still not familiar with most people. As such, there is no formal definition of social protection in Bangladesh. This is not altogether surprising, as the term social protection has only been adopted by IFIs in recent years.

On the other hand, the above review of current and proposed Government and NGO programs has identified many poverty reduction and social

⁷ The chars are the silt-formed islets in the mouth of the rivers in the Bay of Bengal. It is particularly prone to flooding.

development programs that will help protect the socially disadvantaged and vulnerable groups from shocks; and can, therefore, be categorized as social protection. These programs⁸ are operated by almost all the ministries that are involved in poverty reduction activities. Many of these programs fall within ADB's definition of social protection.

The Poverty Reduction Strategy papers and the budget speech give a full description of safety nets for the poor, victims of natural disaster, violence, acid throwing, as well as programs to promote education and improve health care for the poor. However, in several cases, there is no clear distinction between poverty reduction, social development, and SP programs and policies. Even looked at in relation to ADB's definition of SP, it is not always clear how such a demarcation should be made. Discussions with stakeholders in Bangladesh revealed a series of arguments, which can be summarized as follows:

Microcredit is a major area of discussion. On one hand, microcredit is not exactly an area-based intervention and should not be lumped with area-based programs, as it is under the ADB definition. It deals with loans, which are different from transfers. Only the subsidized element of microcredit (e.g. lower interest rate or cross-subsidization of mainstream microcredit program on loans taken by extremely poor at a lower interest rate or interest free loan given by Social Welfare Ministry) could be taken as contributing towards social protection. On the other hand, the social protective role of microcredit preventing households vulnerable to poverty from becoming poor should be seen. Microcredit, again, may be overlapped with microinsurance; therefore, there can be double counting.

Personal charity in the form of *Zakat*, support to poor patients in hospital, free clinics, eye camps etc. could be included in social protection. However, there is a major difficulty of data collection in this area. At least some major institutions utilizing charity e.g. hospitals, orphanage houses etc. could be mentioned as examples of such programs even if it proves impossible to obtain quantitative information on *Zakat*.

Access to education (e.g. cash for education, stipend for female students) particularly to the poor children should be included. Again, the quality of these programs should be highlighted.

More emphasis should be given on livelihood pattern and community effort at social protection (like saving group).

While constructing the SPI, gender issues should be addressed, if possible, through the development of disaggregated indices based on area, gender, the extremely poor, etc.

⁸ There are also some formal social and health insurance schemes. However, these schemes rarely reach the poor. They will be included in the more detailed review in Chapter 4.

The definition of Social Protection to be used for this study is: “The set of policies and programs that enable vulnerable groups⁹ to reduce, mitigate and/or cope with the risks associated with their particular circumstances and that do not fall under activities normally associated with other sectors such as rural development, basic infrastructure, health, and education, and that are both targeted at these groups and involve cash or in-kind transfers.”

A detailed discussion of the definition including ADB’s definition of Social Protection can be found in the forthcoming section Social Protection Index and Multicountry Analysis of this book. Based on the above definition, Table 3 contains a schedule of the types of programs that are considered to fall within the above definition. The table also indicates those programs falling within ADB’s categorization of SP activities that will not be considered in this study. The latter primarily include programs that either involve the construction of physical or social infrastructure, and integrated community development schemes and programs that traditionally fall within the education and health sectors, e.g. primary and preschool education, immunization, health and nutrition education, pre- and post-natal care.

IV. Current Social Protection Activities and Programs

A. Introduction

This chapter presents an overview of current SP activities and programs in Bangladesh. The programs and activities described here include the major programs operated by government agencies, national nongovernmental organizations (NGOs) and international nongovernmental organizations (INGOs). The descriptions aim to present the main features of the programs as well as the key quantitative information required to construct a SPI for Bangladesh. It is, however, not always possible to quantify the SP activities of some programs; in these cases, descriptions in such cases are limited to qualitative discussions.

The key quantitative variables¹⁰ required for constructing an SPI are the cost/expenditure of the programs, the number of beneficiaries served by the programs, the number of program beneficiaries who are poor, and the amount of program expenditure going to poor beneficiaries. Except for information on

⁹ The primary target groups for SP policies, which reflect ADB’s definition of SP, are the unemployed/underemployed, the elderly, the sick, those affected by natural disasters, the poor, the disabled, and children with special needs.

¹⁰ For details concerning the methodology, see the section Social Protection Index and Multicountry Analysis of this book.

program expenditure, only a small subset of the required data is readily available from published sources. In consequence, the great majority of the information cited in this Chapter comes from discussions and meetings with relevant officials and experts and unpublished reports.

This Chapter is structured around the components of ADB's definition of SP listed in Table 3, i.e. labor market programs, social insurance programs, social assistance and welfare programs, micro and area-based schemes, and child protection programs.

B. Labor Market Programs

Three ministries are working on generating employment opportunities for the poor people in Bangladesh. These are Ministry of Food and Disaster

Table 3. Inclusion/Exclusion of Social Protection Programs

Component/Subcomponent of Social Protection	Included/Excluded	Comments
Labor Market Programs		
Direct Employment-Generation (microenterprise development and public works)	Included	Includes loan-based programs to support small businesses, etc.
Labor Exchanges and Other Employment Services	Included	Includes retrenchment programs
Skills Development and Training	Excluded	Unless targeted at particular groups, such as the unemployed or disadvantaged children Not amenable to quantification
Labor Legislation (including minimum age, wage levels, health and safety, etc.)	Included	
Social Insurance Programs		
Programs to cover the risks associated with unemployment, sickness, maternity, disability, industrial injury, and old age	Included	
Health Insurance	Included	
Social Assistance and Welfare Programs		
Welfare and Social Services (targeted at the disabled, the indigent, those affected by disasters, and other vulnerable groups)	Included	
Cash/In-kind Transfers (e.g. food stamps, health cost exemptions or subsidies)	Included	
Temporary subsidies for utilities, housing, etc.	Included	Only if imposed in times of crisis and if targeted at particular vulnerable groups. General subsidies are excluded even if their rationale is to assist the poor
Micro and Area-based Schemes		
Microinsurance/Microfinance Schemes	Included	Microfinance seen as an important aspect of social protection. Mainstream rural credit programs will be excluded.

continued next page

Management (MFDM), Ministry of Social Welfare (MSW) and Ministry of Local Government (MLG). Some NGOs are also working for employment generation and providing training for the poor. Although all NGOs are working for employment generation their activities fall mostly into the broad category of microfinance. The following SP programs by different ministries and NGOs (both national and international) can be identified.

I. Ministry of Social Welfare (MSW)

The MSW has various types of training programs for employment generation and skill development. It is implementing a rural social service program (RSS), the primary objective of which is to improve the socio-economic conditions of the disadvantaged poor households in rural Bangladesh. The Ministry is

Table 3. Inclusion/Exclusion of Social Protection Programs (continued)

Component/Subcomponent of Social Protection	Included/ Excluded	Comments
Agricultural Insurance	Included	Agricultural insurance will rarely be affordable and therefore, targeted at the most vulnerable farmers
Social Funds	Excluded	Except where direct transfers to households occur
Disaster Preparedness and Management	Included	Reconstruction of physical infrastructure is excluded. De-mining programs included. Number of beneficiaries not amenable to quantification.
Child Protection Child Rights and Advocacy/Awareness Programs Against Child Abuse, Child Labor, etc.	Included	Not amenable to quantification
Early Childhood Development Activities	Excluded	Direct assistance for health and education would be included in following categories. Otherwise, these programs fall within basic health and education programs, which are excluded.
Educational Assistance (e.g. school feeding, scholarships, fee waivers)	Included	
Health Assistance (e.g. health cost reduced fees/ subsidized medicines for vulnerable groups)	Included	Will generally be included under social assistance
Family Allowances	Included	Would not include transfers through the tax system
Street Children/Child Worker/Orphan Initiatives	Included	

Source: Consultants.

distributing a revolving fund to the poor households for self-employment generation. In 2003, 57,277 households benefited from this program with the cost of Tk202.3 million. The target group of this program is the extremely poor households, who are mainly landless and the ones affected by riverbank erosion. The coverage of this program is 21,340 villages in 4,323 union of all upazilas (sub-district) of Bangladesh.

Another program is targeted at destitute women and involves providing beneficiaries with sewing machines. They work in their own houses and earn income for their livelihoods. A total of 1,000 women were given sewing machines in 2003.

Various types of training programs for skills development have also been undertaken for the poor beneficiaries by the ministry. Training for skills development on different trade courses and income-generating activities related to primary health care facilities are the major activities of these programs. In the year 2003, a total of 66,761 poor people have been provided with various skills development training and 21,682 women were given primary health care training. All of these programs were implemented in rural areas. In urban areas, the ministry is also implementing various programs for employment generation. These include providing microcredit, imparting skills development training, and interest-free loan programs. A total of 8,058 disadvantaged people were under vocational training in the year 2003.

The Ministry also has a specialized program for disabled persons. It operates a national training and rehabilitation center for visually impaired adults and vocational training institute for mentally disabled persons. In the year 2003, a total of 52 visually impaired persons were given skills development training to make them self-reliant. In addition, 61 mentally disabled children have been trained in general education and vocational skills development.

2. Ministry of Food and Disaster Management

The MFDM is also implementing employment generation program in rural areas during crisis periods. The two most important programs are Food/Cash for Work and Test Relief programs. The Food for Work program (FFW) provides employment to the rural poor during the lean periods through construction of rural infrastructure. In the year 2002 and 2003, the ministry spent Tk2,713 million and Tk1,655 million respectively. The poor and extremely poor households are the major beneficiaries of these programs.

3. Ministry of Local Government

The MLG, through its Local Government and Engineering Development (LGED), helps create employment opportunities for the poor in rural Bangladesh by employing poor people to work on the construction of its infrastructure development works. In 2003, this program provided 94.8 million person-days of employment for poor people.

4. Ministry of Finance

The Government has closed 28 state-owned enterprises under six corporations in the last couple of years. A total of Tk6,595 million was disbursed to 41,086 retrenched workers as compensation for early retirement. Details are provided in Table 4.1.

5. CARE Bangladesh

CARE is implementing a large employment generation program in rural areas targeted at women. The Rural Maintenance Program (RMP) is one of the largest poverty alleviation programs of CARE-Bangladesh with financial support from Canadian International Development Agency (CIDA) and the Government of Bangladesh. The goal of the project is to “contribute to the long-term socio-economic development of rural Bangladesh.” RMP maintains over 95% of the existing earthen rural road network in Bangladesh on a regular basis. The project has had a considerable impact on raising the standards of these roads; and therefore, on the movement of goods and services; as well as on the economic well-being of rural people. An important aspect of RMP is to graduate destitute women out of the program after providing them with the appropriate support and training.

The program defines “destitute” women as those who are the sole supporters of their dependents and themselves. Participants must sign a

Table 4.1. State-Owned Enterprise Retrenchment Program, 2002-2003

Corporation	Employees to be Retrenched	Retrenchment Cost (Tk million)
Bangladesh Jute Mills	29,241	4,150
Bangladesh Chemical Industries	5,692	1,463
Bangladesh Steel and Engineering	628	269
Bangladesh Textile Mills	4,711	530
Bangladesh Sericulture Board	359	88
Bangladesh Forest Industries Development	455	95
Grand Total	41,086	6,595

Source: Monitoring Cell (Finance cell), Ministry of Finance, Government of Bangladesh.

contract with their *Parishad* (society) to maintain approximately 15 miles of selected roadway to an agreed standard in return for a salary, paid every 14 days, amounting to Tk16 per day or such other amount as may be stipulated. RMP began a phased approach, which allowed women to stay in the program for four years and then graduate through self-supporting income-generating activities from their savings after this period. The training and follow-up activities assist them in developing and implementing a “sustainable plan,” which includes a feasibility analysis of possible investments. It is designed to use the savings and skills that the women have accumulated from the RMP employment in the best possible way. In the year 2003, a total of 41,610 women graduated from this program, the cost of which was Tk716.2 million.

6. PROSHIKA

Both in rural and urban areas Proshika, a national NGO has many employment-generating and training-related programs. Human development and skills development training are its major activities. In total, Proshika provided over 960,000 persons with training under these programs in 2003. The programs are targeted to the poor households in rural and urban areas.

7. Summary

Table 4.2 provides a summary of the major labor market programs currently operating in Bangladesh.

C. Social Insurance

I. Pensions

In Bangladesh, the only formal pension scheme is for public sector employees, relatively few of whom will be poor. Average payments are estimated to be around Tk49,000 per annum (around Tk4,000 per month) based on the salary and retirement and the pension rate.

The MSW also has an old age allowance program. The program provides old age allowances to the 10 oldest poor persons, at least five of whom, must be women, from each ward (comprising of three villages) of every Union Parishad, with a monthly rate of Tk125 per person. About Tk749.5 million was distributed in 2002-2003 as allowances for 499,662 old and helpless people as against the target of 500,000 people. This program has been highly appreciated for extending social services in the rural areas. During 2003-2004, the number of beneficiaries increased to one million with a higher rate of allowances of Tk150 per person.

Available information on these schemes is summarized in Table 4.3.

Table 4.2. Labor Market Program, 2002-2003

Program	Institution/ Agency	Beneficiaries (number)	Expenditure (million)
Rural Social Service (RSS) for By-passed Groups Through Income- generation Activities	MSW	57,700**	202.3
Self-Employment for Destitute Women (Sewing Machine)	MSW	1,000	4.0
Vocational Training, Employment Generation, Family Welfare, and Social Education for Destitute Women and the Disabled	MSW	294	0.2
Skill Training Program for Destitute Women	MWCA	21,682	11.0
Food/Cash for Work	MFDM	60,300	271.3
Test Relief (TR)	MFDM	331,000	165.5
Employment Creation Through LGED's Rural Infrastructure Development Program	MLG	259,739	389.6
Providing Training Program	MSW	8,058	8.1
Providing Vocational Training Employment Generation of Women Through Rural Maintenance Program	MSW	66,761	66.7
	Care Bangladesh	41,610*	716.2
Employment Loan for the Poor	Karma Sangsthan Bank (Employment Bank)	9,185	275.0
Practical Skill Development Training	Proshika	64,593	32.5
Urban Poor Development Program/ Human Development Training and PSD	Proshika	963,859	192.8
State-Owned Enterprise Retrenchment Program	Ministry of Finance	41,086	6,595.3

* Program graduates only; participants likely to be around 160,000 based on a four year program.

** Recipients of loans; number of indirect beneficiaries likely to be substantially higher.

Source: Documents of various ministries, departments, and NGOs.

Table 4.3. Pensions and Assistance to the Poor Elderly, 2002-2003

Program	Institution/ Agency	Beneficiaries (number)	Expenditure (Tk million)
Pensions and family pensions for the retired government/semi-government employees	Ministry of Finance	179,886	8,802.0
Medical allowances to pensioners	Ministry of Finance	179,886	800.0
Old age allowance	MSW	499,662	749.5

Source: Ministry of Finance: Budget Database.

2. Health Insurance

a. Formal Health Insurance

In Bangladesh, there is no provision for health insurance schemes by the public sector and there is little in the way of private insurance. However, the Government heavily subsidizes health services, which are accessible to all. Public sector workers receive a small medical allowance as part of their salary, but rely primarily on their savings to finance any expenditure on health care.

b. Microinsurance

To address the absence of formal health insurance schemes for the poor, NGOs have developed and operated a number of microinsurance health (MHI) schemes that target the poor. Though microinsurance is a relatively new concept in Bangladesh, it has experienced steady growth since its commencement in 1993. MHI can be defined as a type of health insurance designed to enable access to health services by individuals and families through affordable premiums and low prices for health services. Almost all the schemes are run in tandem with microcredit schemes and several also include a life insurance/savings component. Table 4.4 provides summary information on the ten of the larger schemes.¹¹ Additional information on three of the larger schemes is provided in the ensuing paragraphs.

¹¹ Schemes providing only life insurance, i.e. without health cover, have been excluded.

Table 4.4. Microhealth Insurance Schemes

Program	Institution/ Agency	Beneficiaries*	Expenditure** (Tk million)
Microhealth Insurance Bangladesh (MHIB)	BRAC	33,175	0.40
Microhealth Insurance (MHI)	Grameen Kalyan	230,000	2.00
Life & Microhealth Insurance Schemes	Dustha Shastho Kendro (DSK)	180,000	0.03
Microinsurance/Emergency Fund	Integrated Development Foundation (IDF)	180,000	1.90
Customers' Security Fund	BURO Tangail	106,103	0.30
Beneficiaries Life Insurance	Society for Social Services (SSS)	502,500	0.60
Sajida Health	Sajida Foundation	50,035	8.30
Providing Primary Health Care Service	MSW	74,108	11.10
Apatkalin Tahbil	Community Development center (CODEC)	16,105	0.40
Apatkalin Tahbil	Banaful	21,830	0.05
Total		1,393,856	25.00

* Figures give total number of scheme members. The number of contributors is much lower as membership is generally for the whole household.

** In several cases, these are estimated figures based on average contribution and number of beneficiaries.

Source: ILO. 2003. *Micro Insurers: Inventory of Micro Insurance Scheme in Bangladesh*.

Micro-Health Insurance Bangladesh (MHIB) was initiated by BRAC in November 2001. The objective of this project is to contribute to the empowerment and improvement of the well-being of the poor women and their families by promoting access to quality health care through an affordable microinsurance initiative. The project is designed to achieve three primary goals: (i) contributing to woman's empowerment; (ii) increasing access to BRAC's health care initiatives for poor women and their families; and (iii) increasing awareness of preventive healthcare system. The target of the project is to cover persons of various occupations (subsistence agriculture, animal husbandry, fishing, trade, crafts, etc.) in 573 villages in which BRAC operates. The project provides scheme members with primary health and pathological services. The scheme is operated with technical assistance/cooperation from the ILO-STEP as part of their Women's Empowerment through Employment and Health (WEEH) project to empower the income of poor women in Bangladesh. Details of the program are contained in Table 4.5.

Table 4.5. BRAC Microinsurance Program

Package	Benefit	Yearly Contribution	No. of Beneficiaries
Health Care: General Benefit Package	Discount prices for consultation: Tk8 for members (Tk10 for non-members); 50% discount on normal deliveries; 10% discount on medicines; free yearly health check up; coverage of referral costs: Tk500 to Tk1,000 (ultra-poor may benefit from same services without having to pay a premium)	Tk100 for a family up to 6 persons (Tk250 for non-member) Tk150 for a family up to 8 persons (Tk300 for non-member) Tk200 for a family of more than 8 persons (Tk350 for a non-member)	30,625 (6,125 families) + 1,085 (217 families) covered without premium under the ultra-poor program
Health Care: Pregnancy-Related Care Package	ANC check-up at BRAC mobile/satellite clinic; monthly supply of iron tablets and folic acid; Provision of Safe Delivery Kit for home delivery; support for pre-delivery complications (miscarriage, bleeding); Normal delivery support for post-delivery complications (post partum, hemorrhage, fever); Support in the event that newborn babies suffer from diarrhea or pneumonia within 28 days of birth	Tk50 for a member Tk70 for a non-member	1,465 women

Source: Same as preceding table.

Grameen Bank (GB) initiated the Micro-Health Insurance (MHI) program in 1997. The program is operated by Grameen Kalyan (GK), which is a member of the Grameen Family. The project was intended to provide primary health care services to GB members, who are involved in various occupations including subsistence agriculture, animal husbandry, fishing, trade, and crafts as well as other poor living within its operational areas at an affordable cost. The priority areas of the scheme are preventive and promotional health care services with special emphasis on family planning and reproductive, internal and child health care. Details are given in Table 4.6.

Table 4.6. Grameen Bank Microinsurance Program

Package	Benefit	Yearly Contribution	No. of Beneficiaries
Primary Health	Tk5 for Doctor/paramedic consultations for members. Normal pathological tests at 30-50% discount. Referred consultations at 50% discount. Up to Tk1,000 provision for hospitalization. Free annual check-up for head of family. Free immunization for six diseases. Free house visit by female health assistants. Free yearly medical check-up for "head of the family."	Yearly Tk120 for Grameen Bank members. Yearly Tk150 for non-Grameen Bank members.	230,000
School Health Card	Health awareness and regular check-ups Tk2 for prescriptions	Tk10	
Safe Motherhood	Pre- and post-natal care Family advice	Tk500-1,000	

Source: Same as preceding table.

Dushtha Shastha Kendra (DSK) started life, microhealth, and livestock insurance schemes in 1995 with a view to provide support for primary health care especially for women and children. The schemes are targeted to the poor, landless, and marginal farmers—low-income groups within both the informal and formal economy.

D. Social Assistance Programs

I. General Social Assistance Programs

The social assistance programs of the Government of Bangladesh assist and empower socio-economically disadvantaged people with a view to alleviate poverty and promote human resource development. The Social Welfare Directorate under the MSW is one of the important social service providers of the Government of Bangladesh working for the welfare and development of the poor destitute, neglected, by-passed, and vulnerable segment of population of the society. The programs are well targeted to the poor and largely benefit them, particularly those who depend on daily wages for their livelihoods.

Table 4.7. DSK Microhealth Insurance Program

Package	Benefit	Yearly Contribution	No. of Beneficiaries
Health	Consultation at subsidized rates. Essential drugs at 50% discount. Hospitalization up to 25% discount. Awareness building and training	2.5% of microcredit loan (yearly)	180,000
Life	In case of death of policyholder, the outstanding loan amount is written off and nominee receives amount of already paid back loan.	1% of microcredit loan (yearly)	45,000 (99% women)

Source: Same as preceding tables.

Information on the major social assistance programs, including those provided by IFIs and NGOs, is summarized in Table 4.8 with details of the major programs in the following paragraphs.

The Vulnerable Group Development (VGD) Program provides poor disadvantaged women in rural areas with monthly food transfers and a package of development services that mobilize savings and train beneficiaries in different income generation skills. VGD is one of the world's largest development interventions that exclusively targets women. The Directorate of Relief and Rehabilitation implement the VGD program, under the coordinating authority of the Department of Women Affairs in the Ministry of Women and Children Affairs, and with support from WFP and bilateral donors. The major objectives of the program are:

- (i) Enable the poorest and the most disadvantaged women in rural Bangladesh to overcome food insecurity and low social status in a sustainable way.
- (ii) Improve the nutritional status of malnourished women and children.
- (iii) Facilitate the integration of VGD women into the mainstream development program by linking them to development programs of partner NGOs.

In 2002, substantial modifications and strategic changes were made in the project design to better accommodate the unique constraints of ultra-poor women, while enabling them to know their rights and achieve a greater

Table 4.8. Social Assistance Programs, 2002-2003

Program	Institution/ Agency	Beneficiaries	Expenditure (Tk million)
Rural Social Services for By-passed Groups by Providing Education, Health, Water Supply, and Sanitation	MSW	50,435	27.4
Widowed and Deserted Women	MSW	266,000	397.7
Honorary Allowance for Hard-up Freedom Fighters	MSW	50,000	300.0
Financial Assistance for Treatment and Rehabilitation of Burn-affected Poor People	MSW	7,680	4.9
Govt. Rehabilitation Center for Vagabonds	MSW	2,487	1.2
Treatment Facilities for Poor and Disadvantaged Patient	MSW	284,066	56.8
Vulnerable Group Feeding (VGF)	MSW	647,664	997.1
Gratuitous Relief (GR)	MSW	12,994	10.0
Food-based Social Safety Net Program	MFDM	10,000,000	18000.0
Adasha Gram Project	ML	15,500	1999.0
(shelter for poor families)			
Housing Fund for Distressed	MFDM	15,000	535.0
Asrayan Project	MH	16,000	570.6
(rehabilitation program for the landless poor)			
Literacy Program for Destitute Women	MSW	19,245	17.7
Shakti Foundation for Disadvantaged Women	Shakti Foundation	23,802	842.8
Vulnerable Group Development	WFP	2,300,000	2186.4
Integrated Food Security	WFP	250,000	237.6
Rural Development	WFP	250,000	237.6
Program on Mitigating Risk from Natural Disaster	MSW	50,000	250.0
Total		14,260,873 *	26,671.8

* This total makes no allowance for overlaps between programs.

Source: MSW-Ministry of Social Welfare, ML-Ministry of Land, MFDM-Ministry of Food & Disaster Management, MH-Ministry of Housing, MWCA-Ministry of Women and Children Affairs, DCC-Dhaka City Corporation, WFP-World Food Program.

degree of self reliance. VGD comprises several subprojects of which the Union Parishad VGD is the largest. In the Union Parishad VGD, women are organized in groups and provided with a package of development services (primarily from BRAC) comprising awareness-raising on social and health issues, functional literacy and numeracy, training in income generating skills, participation in savings schemes, and access to credit to start up new income generating ventures. Beneficiaries also receive the following:

- (i) Each beneficiary receives 30 kilograms (kg) of wheat or 25 kg of fortified *atta* (whole meal/wheat flour) per month for a 24-month cycle.
- (ii) Complementary nutrition interventions have been built into the VGD program through *atta* fortification and VGD-National Nutrition Program (NNP) collaboration.

Beneficiaries are provided with cards upon acceptance into the program. There are two steps in the selection of the cardholders. The national VGD committee distributes cards across all upazilas. The higher an upazila's food insecurity rating by the Government and WFP, the greater number of cards it gets. A minimum of 30 women are then selected in each union by union and upazila level local committees according to selection criteria, which include functionally landless women, women with extremely low or no income, women who are day laborers, and women who lack productive assets. Preference is given to female heads of households (widowed, separated, deserted, or with disabled husbands) and to women who are physically fit to train. Women who receive assistance from other programs or have participated in the VGD in an earlier cycle cannot be selected for VGD.

Vulnerable Group Feeding (VGF) cards are distributed to feed the extremely poor people. During the period of 2002-2003, a total amount of Tk997.13 million was distributed among 647,664 extremely poor people by providing food grain free of cost through the MSW.

Rural Social Services (RSS) programs: In order to address the poor and destitute population, the Directorate of Social Welfare has programs for direct assistance that operate through the umbrella RSS. These programs covered 50,435 beneficiaries in 21,340 villages and distributed Tk27.4 million during the period 2002-2003.

Widow and Distressed Women's (deserted by husbands) allowance program: In order to provide allowances to the helpless and the distressed women, Tk397.73 million has been distributed among a total number of 266,000 beneficiaries during the period 2002-2003 under this program. The program provides monthly Tk125 to each widow and distressed women deserted by husbands.

Hard-up Freedom Fighters Allowance Program: This program provides Tk500 a month to each hard-up freedom fighter. A total number of 50,000 freedom fighters benefited during the period 2002-2003 and Tk300 million was distributed among them.

Grihayan Tahbil (Housing Fund) for the poor: This program was implemented to solve the housing problem of the homeless, poor, and low-

income people in the country. Tk535 million was distributed during 2002-2003 and about 15,000 people benefited under this program.

Program on Mitigating Risk from Disasters: Being a disaster-prone country, the Government of Bangladesh initiated a major program during 2002-2003 to improve peoples' awareness and help the victims of natural disasters. Tk250 million was distributed under this program among the disaster-affected people.

An example of a small social assistance program provided by a voluntary foundation is given in box 1.

2. Disability Programs

The MSW has been providing various programs targeted to the disabled. Information on these is presented in Table 4.9.

Table 4.9. Disability Programs, 2002-2003

Program	Institution/ Agency	Beneficiaries	Expenditure (Tk million)
Rehabilitation Center for Blind <i>[sic]</i> People	MSW	52	0.6
Education and Training Program for Mentally Disabled Children	MSW	61	0.6
Education Program for Visually and Vocally Impaired	MSW	346	0.3
Integrated Education Program for Blinds <i>[sic]</i>	MSW	479	0.5
Allocation for Welfare of Disabled Person	MSW	4,539	10.0
Program on Rehabilitation of Acid-burnt Women and the Physically Challenged	MSW	15,000	150.0
Total		20,477	162.0

Source: Interviews with officials.

E. Micro-/Area-Based Schemes

Microcredit has become a “buzz-word” and worldwide name among the development practitioners and Bangladesh is acclaimed as a major innovator in the field. It provides a variety of financial services to a wide range of individuals. Microcredit essentially involves increasing the purchasing power of poor households, who are normally left out of the conventional banking system, through the provision of very small loans to develop income-generating activities and to meet emergency needs, thereby reducing their dependence on exploitative money lenders. Microcredit also includes a wide range of

Box 1: Anjuman Mufidul Islam – Standing by the Dead

AMI was established in 1905 in Calcutta to undertake some humanitarian activities consistent with the religious beliefs and practices of the Muslims. AMI extends its activities in Dhaka in 1947. It is a nonprofit and non-political philanthropic organization that seeks to alleviate human sufferings and improve quality of life of people, particularly the poor and destitutes. AMI depends for its income mainly on the contribution of its members, “Zakat” and “Fitra,” donation of people, Government grant, rent, etc. The activities of AMI are:

- Free of cost burial of unclaimed dead bodies and those from helpless poor Muslim families
- Free ambulance service for patients irrespective of caste, creed, and nationality
- Free of cost transportation of patients to different hospitals and clinics for treatment
- Maintenance of orphan boys and girls and their rehabilitation in society through education, training, and marriage works
- Management of junior girl’s high school and a free primary section for both boys and girls students at Gandaria, Dhaka
- Free treatment of poor patients and distribution of free medicine among them through mobile medical camps/units regularly
- Free circumcision of poor Muslim boys through modern medical procedure
- Teaching of the Holy “Quran” at school, orphanage, and Rajshahi Central Jail through ‘Noorani’ process
- Regular financial assistance to poor and helpless families through providing regular monthly pension benefit
- Financial assistance to poor parents for marriage of their daughters
- Assistance to meritorious poor students
- Distribution of new clothes to the poor during Eid-ul-Fitr
- Relief operation during disaster and natural calamities

From 2002 to 2003, AMI buried 3,123 unclaimed corpses and dead bodies from helpless Muslim families free of cost. During the same year AMI provided free ambulance service to 6,829 persons irrespective of religion/nationality.

financial services such as credit, savings, and insurance targeted to the poor. In Bangladesh, the maximum amount of microcredit provided to a borrower is approximately Tk50,000 (\$877) and the average amount is about Tk3,000 (\$53) (Sagar, 2003).

Microcredit programs have been popularized in Bangladesh for almost three decades along with three associated innovations. First was the realisation that the rural poor are credit-worthy and that they can exploit self-employment opportunities if provided with small credit. Secondly, the poor can be provided collateral-free small credit and can meet repayments when organized into small groups, which provide support and peer monitoring. Thirdly, rural poor women can be a reliable clientele group. Grameen Bank deserves special mention as innovator of microcredit, while other NGOs such as BRAC and ASA have contributed to its refinement. In Bangladesh, it is currently estimated that around 55% of the total population have been covered by microfinance services and around 73% of these are poor (i.e. with incomes lying below the poverty line) (ibid.).

Table 4.10 presents summary information on larger microcredit programs operated by government and nongovernment providers for 2002-2003. The data provided refers to the value of loans provided in that year and the number of beneficiary households. The population that has benefited over the years will be obviously much greater. Details of some of the schemes are given in the following paragraphs.

Grameen Bank. It is the pioneer organization in introducing collateral-free microcredit for the poor, particularly women. Prof. M. Yunus, the founder of Grameen Bank, has described some of the salient features of Grameen microcredit (Yunus, 2003: 12-13) as follows:

- (i) The core objective is to provide support to the poor in order to bring them above the poverty line;
- (ii) Poor women are the main target group;
- (iii) Credit must be used in income-generating activities and strictly prohibited for use as direct consumption;
- (iv) Collateral is not a prerequisite to be eligible for credit;
- (v) Credit is being given to the poor, who are being usually rejected by the conventional banking system, which considers them to be “not credit-worthy;”
- (vi) Credit is being disbursed on the basis of “trust” rather than any legal contracts;
- (vii) The borrowers are obliged to repay the loans on weekly or bi-weekly installments;

Table 4.10. Major Microcredit Programs, 2002-2003

NGO/Program	Institution/ Agency	Beneficiaries (number)	Expenditure (Tk million)
Grameen Bank	GB	640,796	21,467
ASA	ASA	205,564	20,014
BRAC	BRAC	534,444	20,700
Buro, Tangail	Buro, Tangail	46,164	1,083
Caritas, Bangladesh	Caritas	49,996	901
Swanirvar Bangladesh	SB	54,467	458
Microfinance Program for the Marginalized	MSW	4,702	14
Interest-free Loan for Destitute Women	MSW	15,726	80
Housing Loan for Disadvantaged Groups	MSW	2,930	50
Microfinance for Poor Men and Women Through Pally Daridra Bimason Foundation (PDBF)	RDD	600,000	1,800
Total		2,154,789	66,567

Source: MSW-Ministry of Social Welfare, Credit and Development Forum (CDF). 2004. Microfinance Statistics, Volume 16.

- (viii) It is compulsory to participate in a group to be eligible for credit;
- (ix) New credit is provided only when the borrowers do not have any outstanding arrears from a previous loan;
- (x) It is mandatory to participate in the savings programs;
- (xi) Interest rates are close to the current market interest rate (bank rate)—much lower than the often-usurious rates offered by moneylenders;
- (xii) Doorstep services are being provided to the poor, based in the belief that the borrowers should not go to the Microfinance Institutions (MFI) but that the MFIs should go to the borrowers; and
- (xiii) Credit is considered as a human right.

During the period of 2002-2003, Grameen Bank disbursed Tk8,562.5 million to over 640,000 poor people, 95% women, in 44,636 villages through its 1,229 branches.

Bangladesh Rural Advancement Committee (BRAC). This has made a remarkable contribution to poverty alleviation and the empowerment of the poor through mobilizing savings, advancing credit, generating income and employment opportunities, and building capacity for the poor. During 2002-2003, BRAC disbursed Tk20,700 million as microcredit to over 570,000 borrowers throughout the country.

Proshika. This contributed considerably towards poverty alleviation by implementing various credit and social development programs across the country. Proshika distributed Tk4,389 million as credit to 42,774 poor people throughout the country during 2002-2003.

Bangladesh Rural Development Board (BRDB). This is one of the important government institutions working for poverty alleviation through cooperatives and nonformal group network all over the country. The small farmers owning land up to 0.50 acre of land and assetless men and women are the target groups of this program. As of June 2003, Tk24,302.9 million (cumulative) has been disbursed among total 1.6 million members in 449 upazilas.

Palli Karma-Sahayak Foundation (PKSF). This is a government apex microcredit and capacity-building organization. It acts as an umbrella organization for a number of NGOs directly involved in microcredit. PKSF has been working for poverty alleviation since its establishment in 1990 by providing credit through 192 partner organizations (3 big and 189 small and medium-sized NGOs).¹² Currently, it provides loanable funds under its different mainstream credit programs such as (i) rural microcredit, (ii) urban microcredit, (iii) microenterprise credit, and (iv) microcredit for the hardcore poor. A total amount of about \$276.87 million has been disbursed among 4.55 million poor borrowers by PKSF by the end of February 2004 since its creation.

An example of a typical microcredit beneficiary is given below (Box 2). Given that loan/credit programs to SMEs fall clearly within ADB's definition of microcredit, this example provides compelling reasons why household-based microcredit should also be included as a component of Social Protection, as it can both reduce poverty and lead to employment creation.

The **Ministry of Social Welfare** operates programs to assist victims of acid and explosive chemical attacks. These programs include interest-free credit under easy terms and conditions to acid-burnt victims of these attacks, most of who are women. The victim is provided interest-free credit, generally between Tk5,000 to Tk10,000, which is payable in 10 instalments. Under this program, Tk150 million was disbursed to over 15,000 victims during 2002-2003.

¹² As PKSF does not loan directly to beneficiaries, it does not figure in Table 4.10.

Box 2: Nasima: Owner of a Microenterprise

Nasima was married at the age of 12. Her husband had no shelter to live and the couple had to live in a hut made of thatch at Nasima's uncle's house. A *chawki* (silkworm) and a handloom were her husband's only assets. Both of them were physically strong, but due to scarcity of capital they were unable to undertake any income-generating activities. Beside domestic work, Nasima used to help her husband in his work. Within a few years, three new faces arrived in their family. They faced extremely difficult conditions as they had no cultivable land and alternative sources of income. Under these miserable conditions, Nasima sent her children to school; but this increased their expenditure. One day, a field worker of the Society for Social Service (SSS), a partner organization of PKSF, came to Nasima's house and told her about the advantages of joining a microcredit borrower group. Nasima discussed it with her husband and decided to join a group of SSS borrowers. Nasima started to deposit savings of Tk5 in group meetings. After a few months, Nasima took out a loan of Tk1,500 for the first time. Adding some money, she purchased another handloom with this loan. She felt a little bit comfortable after purchasing the second handloom. After repaying the loan installments, Nasima could meet the family expenditure and the educational expenses of her children from the income of handloom business. She took loans of Tk3,000 and Tk7,000 subsequently. She invested the entire loan amount in handloom business and as a result, her income started to increase rapidly. Nasima learnt about health and hygiene in group meetings, which inspired her to install a tube-well for pure drinking water and sanitary latrine. She also learnt poultry raising, vegetable cultivation, health and nutrition, and microenterprise management from SSS. She is proud to be a member of SSS. She made some furniture and purchased 27 decimal of land to make a house for their residence from her savings. She has recently taken a loan amount of Tk50,000 as a microenterprise borrower. Nasima invested her loans to expand her handloom business. Now under Nasima's possession there are 16 handlooms. Sixteen full time workers, including a woman, are working in her enterprise. She gives them Tk230 for each "sari." Nasima keeps the accounts of her business herself. Nasima's children are all attending school. She does not want her daughter to be married early. Today, her family and local society respect Nasima. Her husband discusses with her to take any decision about family matters. Nasima is satisfied to see that some poor neighbors have benefited from her business. She gets inspiration when the visitors from home and abroad come to see her handloom business. Nasima tells her past life story to her children to make them hardworking and confident. She wants more training and loan in the future to set up a showroom of her products in Tangail town.

Source: Micro Credit Programs in Bangladesh: Giving a Chance to the Poor, PKSF 2004.

F. Child Protection Programs

I. General

Many national and international organizations are working for child protection. The programs vary from one organization to another. Of the national interventions, the activities of MSW are the most important in protecting children's rights. MSW activities include financial allocations, training, and rehabilitation of the destitute children. The MoLE is also implementing some programs especially related to child labor. Apart from these, a large number of national and international NGOs are also working for children's development.

The majority of the international organizations do not produce country reports. They produce global reports instead that synthesise their activities throughout the world. This type of report rarely contains the statistical information regarding various activities, which falls into the broad category of child protection. Moreover, it proved difficult to obtain information on their programs in Bangladesh as much of their data was for their internal use and local officers often did not have access to this information. Thus, it proved impossible to provide a comprehensive review of child protection programs operated by INGOs; the same applies to programs targeted at children run by national NGOs. The following section describes the activities of some of the larger programs for which data could be obtained,¹³ while the main features of the schemes are summarized in Table 4.11.

2. Ministry of Social Welfare Child Protection Programs

The MSW is implementing various programs through its Department of Social Services for the welfare and development of children in Bangladesh. It has two types of implementation strategy: it operates its own programs, and it provides assistance and funding to NGOs running child protection programs. Currently, MSW operates programs for the rehabilitation of orphans and day care centers for the minors aged between zero to seven years. In 2003, 1,899 orphans were assisted through marriage (316), job placement (143), and

¹³ While this situation is unfortunate, experience from other countries revealed that (i) NGO expenditure tends to represent only a small fraction of total SP expenditure; and (ii) most programs operated by international NGOs do not involve direct transfers of resources to beneficiaries, a key element of the SP definition adopted for this project. In particular, several child protection programs identified in other countries were concentrating on advocacy and capacity-building, where any assessment of beneficiaries is impossible. Many of these programs would, thus, not qualify for inclusion in this project. Additionally, many government programs are operated through NGOs and information on these is available. The omission of the information on many NGO programs is, thus, not expected to significantly affect the outcome of this study.

Table 4.11. Child Protection Programs, 2002-2003

Program	Institution/ Agency	Beneficiaries (number)	Expenditure (million)
Rehabilitation of Orphan Children	MSW	1,889	3.0
Financial Allocations for Orphan Children	MSW	25,833	124.0
Rehabilitation of Young Children (0-7 yrs; baby homes)	MSW	124	1.5
Day Care Center for Children of Low Income Employed Women	MSW	101	0.1
Training and Rehabilitation of Destitute Children	MSW	1,895	19.0
Eradication of Hazardous Child Labor	MoLE	5,000	34.6
Vocational Training Program for Working Children	Dhaka Ahsania Mission	527	0.3
Job Placement Program for Working Children		268	0.1
Employment Generation Livelihood Skill Training for the Underprivileged Children		1,000	0.5
Advanced Vocational Training and Job Placement for the Underprivileged Children	UCEP	2,192	7.9
Cash for Education	Ministry of Education	550,000	550.0
School Feeding Program	WFP	1,200,000	1,141
Total		1,788,829	1,882

Source: Documents of various government departments and NGOs.

educational training (1,440). There are 73 centers for orphans in Bangladesh run by the Department of Social Services. The department is also providing grant support to NGOs to run 1,930 orphan rehabilitation centers. Total financial support in 2003 was Tk124 million and around 25,800 orphans benefited from it.

MSW also runs six homes for abandoned children aged between zero to seven years. These homes provide shelter, care, and schooling; 124 children were resident in these homes in 2003. In Dhaka city, there is a day care center for the children of low-income working women; 101 children received services from this center in 2003. Training and rehabilitation programs for the destitute children aged six to 14 years also strengthen children's protection. There are two such training and rehabilitation centers in Bangladesh—one in Gazipur and the other in Gopalganj district. Through a combination of general education and technical training, 1,895 boys and girls have been rehabilitated.

3. Ministry of Labor and Employment Child Protection Programs

The MoLE is mainly focused on the eradication of child labor. At present, it has one project titled, "Eradication of Hazardous Child Labour in Bangladesh." The program has targeted 10,000 child laborers working in hazardous jobs in Dhaka and Chittagong metropolitan areas. In the last year, phase 1 of the program has been completed and 5,000 child laborers have been rehabilitated through nonformal education and various types of vocational training. After being trained in different vocational trade courses, the parents of the child laborers received microcredit to make a job of their own and thus, freed the child from the need to work. A total of Tk34.7 million was spent in 2003 for this program. The program is being implemented by NGOs.

4. Ministry of Education Child Protection Programs

Primary education was made compulsory in Bangladesh with the enactment of Primary Education Act in 1990 in order to educate every child, so that the country could be emancipated from the curse of illiteracy by 2006. In order to make the program successful within the target period, the Government launched an incentive program to encourage poor guardians to send their children to school, instead of engaging them in income-generating activities. The goal of the program is to increase the enrolment rate as well as reduce the drop out rates. The Government introduced a Food for Education Program (FFE) to achieve this goal in FY1993/94 in 4,670 unions of 460 upazilas; this program finished in June 2002. Due to huge irregularities and malpractices, the FFE Program had not been renewed. A stipend program was simultaneously undertaken in 2000 in the remaining 3,208 unions of the country. A total amount of Tk550 million has been disbursed to approximately 0.55 million students across the country as Cash for Education, instead of FFE in the financial year 2002-2003. Under the program, poor families are getting stipend of Tk100 for one child and Tk125 for more than one child per month for sending their children to school.

The WFP also has a very large school feeding program that benefits around 1.2 million children with a total expenditure in excess of Tk1,100 million.

5. Plan Bangladesh

Children are at the heart of all activities of Plan Bangladesh. It is working in four districts: Dinajpur, Gazipur, Lalmonirhat and Nilphamari, and metropolitan city Dhaka with the commitment of reaching the poor people deprived of their rights through a highly participatory process called, "child-centered community development approach." It has four programs: community health care, community learning program, family economic security, and

enabling environment for children. Health care, vocational training, preschooling, and awareness development are the major activities of Plan Bangladesh under these programs. In 2003, a total of 145,000 people have benefited from these programs with a cost of Tk175.5 million. Although children are the prime targets of this program, in reality, it is essentially an integrated project involving community development, awareness-raising, training and capacity-building, health care and education. It is considered to fall outside our definition of SP in that it involves few direct transfers of resource to individual children or households. It will therefore not be included in this study.

6. UCEP and Dhaka Ahsania Mission

NGOs Dhaka Ahsania Mission and Underprivileged Children's Education Program (UCEP) are providing formal and nonformal education and vocational training for working children in urban areas. Both organizations concentrate their activities in Dhaka city. After successful skills development training, trainees are provided with a suitable job according to their qualifications. In 2002-2003, Dhaka Ahsania Mission and UCEP respectively assisted 1,795 and 2,192 working children in Dhaka city. More detail on UCEP's operation is given in Box 3.

V. Synthesis of Results

This chapter synthesizes the information obtained from the review of Bangladesh's SP activities contained in Chapter 4. Thus, the information obtained is used to derive indicators required to formulate an SPI. The proposed methodology concentrates on the following items:

- (i) annual expenditures on Social Protection,
- (ii) the coverage of SP programs and activities, i.e. the number of beneficiaries, and
- (iii) the distributional impact of SP activities.

For details concerning the methodology see the section Social Protection Index and Multicountry Analysis of this book.

A. Social Protection Expenditure

Ideally, the total expenditure on the activities that involve one or more of the SP components should be available from the government budget and other "top-level" information. In Bangladesh's case, it was, however, necessary to obtain almost all the information from discussions with agency representatives and miscellaneous reports, as there is no centralized source of data on Social Protection.

Box 3: UCEP: Creating Miracles for the Urban Working Children

UCEP (Underprivileged Children's Education Program) Bangladesh was established in 1972 with a vision to become a leading human resource development organization in providing cost-effective nonformal education, marketable skill development training, and employment promotion for poor, working, and distressed children and adolescents in urban Bangladesh. The underlying objective of the organization is to raise the socio-economic condition of the urban poor to a level that they can effectively participate in national development with enhanced capacity and dignity and fulfilment of their basic rights. UCEP believes that basic education, skill development training, and opportunity for employment can bring changes in the lives of the working children. To fulfill the mission of the organization, UCEP provides the following services:

- Provide nonformal primary and lower secondary education to prepare the target group for vocational education and enable them to continue further education in mainstream education system.
- Provide low cost market oriented effective technical education to general school graduates.
- Provide low cost marketable training to general school graduates.
- Arrange on the job training for the students and provide employment support services to the graduates.

Since its establishment, a total of 112,557 working children were enrolled in UCEP schools and more than 16,000 children were given skills development training and placed in different jobs after the employment support service was introduced in 1988. Besides carrying out the regular activities, UCEP has also undertaken activities to enrich the education program like health support to the children, publicity, and training.

Apart from the service delivery, UCEP is also carrying out advocacy and lobbying activities. The major activities are: (i) conduct sensitizing workshops with NGO/GO on the issues of Child Rights; (ii) organize exchange meetings between UCEP and the industrialists and employers on improvement of working conditions, wages and other issues of UCEP graduates and child laborers; (iii) strengthen networking and linkage with employers for uninterrupted opportunities for employment of the graduates and update the training curriculum as the changing demand of the market.

UCEP is supported by various development partners for its different programs. DANIDA, DFID, NORAD and SDC are the partners for regular programs and Save the Children, Sweden, Plan International, International Labour Organization and UNESCO are the partners for special programs. UCEP is now recognized as an organization, which is bringing a meaningful change in the lives of the working children. UCEP along with its development partners is creating miracles for the working children.

Table 5.1 consolidates the information on the annual expenditure on SP programs contained in Chapter 4. The data includes the major programs financed by the funding agencies and NGOs as well as the Government. In practice, the great majority of international funds are channelled through the central government or partner NGOs, who implement most of the SP programs in Bangladesh. Table 5.2 contains a summary of this information by SP component.

According to Table 5.2, the total expenditure on SP activities in Bangladesh for 2003 was around about Tk114 billion (\$1.93 billion), which is equivalent to around 3.8% of GDP and Tk850 per capita (\$14.4). Microcredit programs accounted for almost 60% of this expenditure, while social assistance programs accounted for another 23% of the total. Expenditure on the remaining components of SP (labor market, social insurance, and child protection programs) amounted to around 20% of the total. It should be noted that if microcredit were deemed to fall outside the definition of Social Protection, total SP expenditure would drop to Tk48 billion, 1.6% of GDP.

B. Coverage of Social Protection Programs

The second proposed component of the SPI is the coverage of SP programs. The available data and information on the number of beneficiaries of the SP programs listed in Table 5.2 are presented in Table 5.3. It was not possible to access data for some of the smaller programs. However, information on all the larger programs is available or can be estimated. It is not always possible to quantify the number of beneficiaries for those programs that deal primarily with capacity-building awareness-raising, and institutional/legislative reform.

Table 5.4. provides the basis for deriving the coverage component of the SPI. It establishes the pairings of SP programs and key target groups for SP activities, i.e. those that should be included as part of the SPI. This approach is considered to represent the most logical method for deriving a coverage indicator for SP. This method is preferred for three main reasons:

- (i) It overcomes the problem of different countries having different types of program targeted at identical groups, e.g. pensions and social assistance—both targeted towards the elderly, and health insurance and health subsidies both targeted to the sick;
- (ii) The coverage rates derived for each target group will be more easily understood by policymakers in both the national and international context, if they provide an indication of the demand for SP, e.g. the number of poor households in a country receiving assistance, the number of disabled people who are/ are not receiving assistance; and

Table 5.1. Annual Expenditure on Social Protection by Subcomponent

SP Component/Program	Institution/ Agency	Expenditure (Tk million)
Labor Market Programs		
Rural Social Service (RSS) for By-Passed Groups Through Income-Generation Activities	MSW	202.3
Self-Employment for Destitute Women (Sewing Machine)	MSW	4.0
Vocational Training, Employment Generation, Family Welfare, And Social Education For Destitute Women	MSW	0.2
Skills Training Program For Destitute Women	MWCA	11.0
Food/Cash For Work	MFDM	271.3
Test Relief (Tr)	MFDM	165.5
Employment Creation Through LGED's Rural Infrastructure Development Program	MLG	389.6
Providing Training Program	MSW	8.1
Providing Vocational Training	MSW	66.7
Employment-Generation for Women Through Rural Maintenance Program	Care Bangladesh	716.2
Employment Loan for the Poor	Karma Sangsthan (Employment) Bank	275.0
Practical Skills Development Training	Proshika	32.5
Urban Poor Development Program-Human Development Training and PSD	Proshika	192.8
State-Owned Enterprise Retrenchment Program	Ministry of Finance	6,595.3
Sub-Total		8,930.5
Social Insurance Programs		
Pensions and Family Pensions for Retired Government/Semi-Government Employees	Ministry of Finance	8,802.0
Medical Allowance to Pensioners	Ministry of Finance	800.0
Old Age Allowance	MSW	749.5
All Microinsurance Programs Involving Health Insurance	Various NGOs	25.0
Sub-total		10,376.5
Social Assistance Programs		
Rural Social Services for By-Passed Groups by Providing Education, Health, Water Supply and Sanitation	MSW	27.4
Widowed and Deserted Women	MSW	397.7
Honorary Allowance for Hard-Up Freedom Fighters	MSW	300.0
Financial Assistance for Treatment and Rehabilitation of Burn-Affected Poor People	MSW	4.9
Govt. Rehabilitation Center for Vagabonds	MSW	1.2
Treatment Facilities for Poor and Disadvantaged Patient	MSW	56.8
Vulnerable Group Feeding (VGF)	MSW	997.1

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Table 5.1. Annual Expenditure on Social Protection by Subcomponent
(continued)

SP Component/Program	Institution/ Agency	Expenditure (Tk million)
Gratuitous Relief (GR)	MSW	10.0
Food Based Social Safety Net Program	MFDM	18,000.0
Adasha Gram Project (shelter for poor families)	ML	1,999.0
Housing Fund for the Distressed	MFDM	535.0
Asrayan Project (rehabilitation program for the landless poor)	MH	570.6
Literacy Program for Destitute Women	MSW	17.7
Shakti Foundation for Disadvantaged Women	Shakti Foundation	842.8
Vulnerable Group Development	WFP	2,186.4
Integrated Food Security	WFP	237.6
Rural Development	WFP	237.6
Program on Mitigating Risk from Natural Disaster	MSW	250.0
All Disability Programs	MSW	162.0
Sub-total		26,833.80
Microcredit Programs		
Grameen Bank	GB	21,467
ASA	ASA	20,014
BRAC	BRAC	20,700
Buro, Tangail	Buro, Tangail	1,083
Caritas, Bangladesh	Caritas	901
Swanirvar Bangladesh	SB	458
Microfinance Program for the Marginalized	MSW	14
Interest-free Loan for Destitute Women	MSW	80
Housing Loan for Disadvantaged Groups	MSW	50
Microfinance for Poor Men and Women Through Pally Daridra Bimoson Foundation (PDBF)	RDD	1,800
Sub-total		66,567
Child Protection Programs		
All MSW Child Protection Programs	MSW	147.6
Eradication of Hazardous Child Labor	MoLE	34.6
Dhaka Ahsania Mission and UCEP programs	Dhaka Ahsania Mission/ UCEP	8.8
Food/Cash for Education	Ministry of Education	550.0
School Feeding Program	WFP	1,141.0
Sub-Total		1,882.0
GRAND TOTAL		114,589.80

Source: Chapter 4.

Table 5.2. Summary of Annual Social Protection Expenditure and Indicators

SP Component	Expenditure (Tk million)	(%)
Labor Market Programs	8,931	8
Social Insurance	10,377	9
Social Assistance	26,672	23
Micro-/Area-wide Programs	66,567	58
Child Protection	1,882	2
Total	114,429	100
Indicators of Social Protection Expenditure		
As % of GDP	3.8%	
SP expenditure per capita (Tk)	851	

Source: Table 5.1.

- (iii) The issue of double counting, which would have arisen if the beneficiaries of all programs had been added up and expressed as a percentage of the overall population,¹⁴ is largely avoided.

Table 5.4 shows the relationship between the categories of SP programs, the corresponding target groups and the reference population. It also defines the reference populations that will be used to derive the coverage indicators. In the course of the study, there was considerable debate over how to define the reference population. Table 5.4 presents two definitions of the reference population: the narrow definition of the reference population attempts to approximate the target population, while the wide definition includes the total population who could receive benefits from each category of program.

It should also be noted that there will sometimes be overlaps between both programs and target groups: social insurance schemes usually provide both health and pension benefits; on the other hand, poor children will be targeted by both education subsidy programs (directly) and microcredit programs (indirectly). With the approach being proposed, beneficiaries of a particular program can be allocated to more than one target group; conversely, overlaps between different programs for the same target group need to be excluded.

The next step is to relate the information on SP programs contained in Table 5.3 to the target groups shown in Table 5.4. The results of this step are presented in Table 5.5. Where beneficiary information was not available, the

¹⁴ Other reasons for discarding this approach are: (i) the indicator would be dominated by the largest programs (programs targeted at smaller groups, such as children and the disabled, would have minimal impact); and (ii) the resultant indicator would be difficult to interpret.

Table 5.3. Beneficiaries of Major SP Programs, 2003

SP Component/Program	Institution/ Agency	Beneficiaries (000s)
Labor Market Programs		
Rural Social Service (RSS) for By-Passed Groups	MSW	1
Through Income-Generation Activities	MSW	58
Self-Employment For Destitute Women (Sewing Machine)		
Vocational Training, Employment Generation, Family Welfare, and Social Education For Destitute Women	MSW	<1
Skills Training Program for Destitute Women	MWCA	22
Food/Cash For Work	MFDM	60
Test Relief (TR)	MFDM	331
Employment Creation Through LGED's Rural Infrastructure Development Program	MLG	260
Providing Training Program	MSW	8
Providing Vocational Training	MSW	67
Employment-Generation of Women Through Rural Maintenance Program	Care Bangladesh	160 (all participants)
Employment Loan for the Poor	Karma Sangsthan (Employment) Bank	9
Practical Skills Development Training	Proshika	65
Urban Poor Development Program–Human Development Training and PSD	Proshika	964
State-Owned Enterprise Retrenchment Program	Ministry of Finance	41
Social Insurance Programs		
Pensions and Family Pensions for the Retired Government/Semi-Government Employees	Ministry of Finance	180
Medical Allowance to Pensioners	Ministry of Finance	180
Old Age Allowance	MSW	500
All Microinsurance Programs Involving Health Insurance	Various NGOs	1,393
Social Assistance Programs		
Rural Social Services for By-Passed Groups by Providing Education, Health, Water Supply, and Sanitation	MSW	50
Widowed and Deserted Women	MSW	266
Honorary Allowance for Hard-Up Freedom Fighters	MSW	50
Financial Assistance for Treatment and Rehabilitation of Burn-Affected Poor People	MSW	8

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Table 5.3. Beneficiaries of Major SP Programs, 2003 (continued)

SP Component/Program	Institution/ Agency	Beneficiaries (000s)
Govt. Rehabilitation Center for Vagabonds	MSW	2
Treatment Facilities for the Poor and Disadvantaged Patient	MSW	284
Vulnerable Group Feeding (VGF)	MSW	648
Gratuitous Relief (GR)	MSW	13
Food-Based Social Safety Net Program	MFDM	10,000
Adasha Gram Project (Shelter For Poor Families)	ML	16
Housing Fund for Distressed	MFDM	15
Asrayan Project (Rehabilitation Program For Landless Poor)	MH	16
Literacy Program for Destitute Women	MSW	19
Shakti Foundation for Disadvantaged Women	Shakti Foundation	24
Vulnerable Group Development	WFP	2,300
Integrated Food Security	WFP	250
Rural Development	WFP	250
Program on Mitigating Risk From Natural Disaster	MSW	50
All Disability Programs	MSW	20
Microcredit Programs		
Grameen Bank	GB	641
ASA	ASA	206
BRAC	BRAC	534
Buro, Tangail	Buro, Tangail	46
Caritas, Bangladesh	Caritas	50
Swanirvar Bangladesh	SB	54
Microfinance Program for the Marginalized	MSW	5
Interest-free Loan for Destitute Women	MSW	16
Housing Loan for Disadvantaged Groups	MSW	3
Microfinance for Poor Men and Women Through Pally Daridra Bimoson Foundation (PDBF)	RDD	600
Child Protection Programs		
All MSW Child Protection Programs	MSW	30
Eradication of Hazardous Child Labor	MoLE	5
Dhaka Ahsania Mission and UCEP programs	Dhaka Ahsania Mission/ UCEP	4
Food/Cash for Education	Ministry of Education	550
School Feeding Program	WFP	1,200

Source: Chapter 4.

Table 5.4. Social Protection Target Groups, Types of SP Programs and Reference Populations

Target Group	Types of SP Program*	Reference Population—Narrowly Defined	Reference Population—Widely Defined**
The Unemployed and Underemployed	All labor market programs (relevant training and job creation through SME support); food for work programs; targeted public works programs	The unemployed and the underemployed	Total labor force/active population
The Elderly	Pensions Social assistance to the elderly	Population aged 60+ years	Population aged 60+ years
The Sick	Formal health insurance Microinsurance Subsidized health costs or exemptions Senior citizen treatment allowance	Total population	Total population
The Poor (especially the severely poor and disadvantaged)	All recipients of basic social welfare/assistance payments Land tax exemptions Residential care for vulnerable groups Food aid But excluding education and health programs as well as those for the disabled Microfinance/credit	Poor population Poor population	Total population Total population
The Disabled	All forms of assistance programs for the disabled (including recipients of social assistance, training programs)	The disabled population	The disabled population
Children with Special Needs (CWSN)	Educational programs (e.g. fee exemptions, scholarships, school feeding programs, etc.) All other identified child protection programs	Poor children, aged 5-14 years	All children, aged 5-14 years

* These are generic programs and will vary from country to country.

** Essentially equivalent to the target population.

Table 5.5. Coverage of Major¹ SP Programs by Target Group, 2002-2003

Target Group	Applicable programs (these should be specified for each country)	Beneficiaries (000s)		Reference Population (000s) ²		Coverage (%)	
		Program	Total	Narrow	Wide	Narrow	Wide
The Unemployed and Underemployed	Employment generation through loans	68					
	Training programs	1,125					
	Food for Work/direct employment creation programs	811					
	SOE Retrenchment programs	41	2,045	16,700	42,000	12	5
	Pensions for retired public sector employees	180					
The Elderly	Widowed and deserted women	266	996	8,300	8,300	12	12
	Old age allowance	500					
	Allowance for hard-up freedom fighters	50					
The Sick	Medical allowances for pensioners	180					
	Treatment facilities for poor and disadvantaged patient	284	1,857	134,000	134,000	1.4	1.4
	Microinsurance–health	1,393					
	MSW Social assistance allowances	124					
	Other social welfare programs	321	14,500 ³	66,700	134,000	22	11
The Poor—Social Assistance	Food security ³ /safety net programs	13,198					
	School feeding programs	1,750					
The Poor-Microcredit Programs	All microcredit programs	10,989					
	Loan-based income generation programs (RSS/ NGOs)	347 ⁴	11,336	66,700	134,000	17	8.5
Disability Programs	All disability programs	20	20	7,500 ⁵	7,500	0.3	0.3
	All CSWN programs	39					
	Food/Cash for Education	550	1,789	17,600	35,400	10	5
Children with Special Needs (CWSN)	School Feeding Program	1,200					

¹ Minor programs have been omitted.

² See Table 5.4 for definition; figures are estimated based on current population of 134 million, extrapolated from 2001 data.

³ Some overlap between food security and other programs.

⁴ Total population in recipient households.

⁵ Based on recent national survey of disability undertaken by Handicapped International and the National Forum of Organisations Working with the Disabled. Some disabled people will also benefit from general social assistance programs.

Source: Table 5.3 and consultant estimates for beneficiaries; Chapter 2 Tables for reference populations.

authors either used estimates based on discussions with the relevant officials or, especially where no published data existed, derived their own estimates.

Coverage rates were then calculated for both the narrowly- and widely-defined reference populations. In interpreting the information presented in Table 5.5, it should be noted that beneficiaries from some programs could appear in more than one category or target group. It should also be pointed out that in estimating the total number of beneficiaries within each target group, some overlaps are bound to occur. Where possible, these have been allowed for. However, given the nature of the programs for each target group, it is considered that these overlaps are not significant and will have negligible impact on the calculated coverage rates.

Using the narrow definition of the reference population more closely approximates the target group; Table 5.5 shows that SP coverage rates for most groups range from 0.3% to 22%, specifically:

- (i) The highest coverage rates are for the poor through social assistance, 22%, (especially food security) and microcredit programs, 17%;
- (ii) Coverage rates of 10-12% are obtained for labor market programs (training and direct employment), the elderly (MSW old age allowances) and children (school feeding);
- (iii) The very low coverage of the sick for health insurance reflects the absence of any formal health insurance system in the country as well as significant programs to subsidize the health costs of the poor; and
- (iv) Coverage for the disabled, even allowing for the uncertainty over the number of disabled is extreme, indicating the almost total absence of programs targeted at this group.

In the section Social Protection Index and Multicountry Analysis of this book, the seven indicators of coverage will be combined into a single indicator for the SP coverage component.

C. The Distributional Impact of Social Protection Programs

The third proposed component of the SPI is the Distributional Impact of SP programs in each country. This component of the SPI will be assessed:

- (i) by estimating the proportion of poor people/households benefiting from each type of SP program—poverty-targeting; and

- (ii) by examining the amount of income transferred by these programs to the poor in relation to their average household incomes/expenditures—impact on incomes.

I. Proportions of Poor Households Benefiting from SP Programs: Poverty-Targeting

The poverty-targeting indicator that has been adopted is the ratio of the number of poor beneficiaries of SP programs to the total poor population. This indicator can be derived from an ad hoc estimation of the proportion of a program's beneficiaries, who are poor (using the official poverty line) or through the analysis of household survey data. The second approach is likely to yield the more robust results:

- (i) Institutions responsible for executing the major SP programs rarely maintain data disaggregated by poor and nonpoor households; and
- (ii) Household survey information permits the identification of overlaps between programs (i.e. households receiving benefits from more than one program).

In Bangladesh's case, there is no recent available survey data on the poverty-targeting of SP programs. Accordingly, it was necessary to adopt an ad hoc approach, whereby estimates of the poverty-targeting were made based on interviews with government and nongovernment officials working in these areas, and the consultants' own estimates.¹⁵

The source data for estimating the poverty-targeting indicator is the information on coverage of SP programs contained in Tables 5.3 and 5.5. The results are presented in Table 5.6. There were two steps in preparing this Table:

- (i) estimating the number of poor beneficiaries for each of the identified SP programs, and
- (ii) estimating the overlaps between schemes.

2. Estimating the Number of Poor Beneficiaries

Given the unavailability of primary information, the number of poor beneficiaries of the SP programs has been estimated using the following principles:

- (i) if a program can be afforded only by the nonpoor, then 0% of the beneficiaries are assumed to be poor;
- (ii) if the program is exclusively targeted towards identifiable groups of poor, then close to 100% of the beneficiaries are assumed to be poor;

¹⁵ Where even qualitative estimates could not be obtained from the responsible agencies.

- (iii) if the program is more general in nature in terms of poverty-targeting, then 49.8% of the beneficiaries is assumed poor;¹⁶ and
- (iv) varying these percentages based on knowledge¹⁷ of the targeting of individual SP programs.

The resultant estimated poverty-targeting rates and numbers of poor beneficiaries are given in columns 3 and 5 of Table 5.6.

3. Estimation of Overlaps¹⁸

If there are no overlaps between programs, the overall poverty-targeting rate would be obtained by summing up the poor beneficiaries of all programs: 25.6 million, which would give a poverty-targeting of 38%—this can be seen as the “upper-bound” estimate. On the other hand, a “lower-bound” of 18% is obtained taking the poverty-targeting rate of the program with the highest number of poor beneficiaries, i.e. food security. This implies that the beneficiaries of all other programs receive food aid—this is the “lower-bound” estimate.

The actual poverty-targeting rate lies somewhere between these two extremes, i.e. some poor beneficiaries of other SP programs will also receive food aid. Most of Bangladesh’s SP programs are targeted at the poor, especially at rural areas and especially at women. Some overlaps are therefore probable, particularly between the food security programs and other programs. On the other hand, given that, even with the “upper-bound” estimate with less than half of the poor population is covered, overlaps will, in general, be small.

In order to obtain poverty-targeting the “best estimate” of the poverty-targeting of SP in Bangladesh, and in the absence of other information, it is assumed that the overlap rate between the food security and most other programs will be 18%, i.e. the same as the overall proportion of the poor benefiting from the food aid programs. Exceptions to this “rule” are shown in Table 5.6; they mostly concern MSW assistance programs targeted at distinct vulnerable groups, e.g. children with special needs, the disabled, and freedom fighters. The overlap rates are inserted into column 6 of Table 5.6 before being multiplied¹⁹ by the number of poor beneficiaries to give the net number

¹⁶ The headcount poverty estimate from Chapter 2.

¹⁷ From reports and discussions with officials concerning the amount of “leakage,” i.e. the proportion of beneficiaries who are not part of the original target group.

¹⁸ This is a necessary step. It is not realistic to use poverty-targeting rates for individual SP programs in the construction of an SPI, as these will vary considerably from country to country.

¹⁹ Zero percent means no overlap; 100% means a complete overlap. Therefore, Net Poor Beneficiaries = Poor Beneficiaries (1-overlap).

Table 5.6. Poverty-Targeting of Social Protection Programs

SP Program*	All Beneficiaries		Poverty-Targeting		Program Overlap		Net Poor Benefits
	(000s)	(%)	Comments	Poor Benefits	%	Comments	
Training Programs	1,125	50	Estimated from discussions	563	18	* (see note below)	461
Food for Work/Direct Employment-Creation Programs	811	90	Targeted at the poor but some leakage is probable	730	18	*	599
SOE Retrenchment Programs	41	25	Many will not be poor	10	0	Overlaps unlikely	10
Pensions for Retired Public Sector Employees	180	0	Not accessible to the poor	0	0	No poor beneficiaries	0
Old Age Allowances	500	100	Targeted at the poorest	500	18	*	410
Allowances for Hard-Up Freedom Fighters	50	100	Targeted at the poorest	50	0	Overlaps unlikely	50
Formal Health Insurance Schemes		0	Not accessible to the poor	0		No poor beneficiaries	0
Treatment Facilities for Poor and Disadvantaged Patient	284	100	Targeted at the poorest	284	18	*	233
Microinsurance-Health	1,278	73	Derived from Sagar, op cit	1,017	100	Will also receive microcredit	0
MSW Social Assistance Allowances	124	100	Targeted at the poorest	124	0	Overlaps unlikely	124
Other Social Welfare Programs	321	100	Targeted at the poorest	321	18	*	263
Food Security/Safety Net Programs	13,198	90	Some leakage is probable	11,878	0	Largest program	11,878
All Microcredit Programs	11,074	73	Derived from Sagar, op cit ions.	8,275	18	*	6,786

Table 5.6. Poverty-Targeting of Social Protection Programs
(continued)

SP Program*	All Beneficiaries		Poverty-Targeting		Program Overlap		Net Poor Benefits
	(000s)	(%)	Comments	Poor Benefits	%	Comments	
Loan-Based Income-Generation Programs	342	73	Derived from Sagar, op cit ions.	250	18	*	205
All Disability Programs	20	80	Some disabled will not be poor	16	0	Overlaps unlikely	16
All CSWN Programs	39	100	Targeted at the poorest	39	0	Overlaps unlikely	39
Food/Cash For Education	550	90	Some leakage is probable	495	18	*	406
School-Feeding Program (Wfp)	1,200	90	Some leakage is probable	1,080	18	*	886
All Beneficiaries (000)	31,137		Poor (including overlaps)	25,356		Poor (Excluding overlaps)	22,365
Poor Population (000)				66,700			
Upper-Bound (With Overlaps/ Double Counting)				38%			
Lower-Bound (Largest Program Only)				18%			
Best Estimate (Excluding Overlaps)				34%			

* The coverage rate of the food security programs is 18%. Therefore, we assume that 18% of beneficiaries of most other programs will also receive food aid. Overlaps between other programs are unlikely to be significant and will not significantly affect the results.

** Some small programs have been omitted to facilitate computations. Programs occurring twice in Table 5.5 have only been included once. Source: Tables 5.3, 5.5 and consultants' estimates.

of poor beneficiaries in column 8. The “best estimate” of the overall poverty-targeting rate is then obtained by summing this column. This summation produces a “best estimate” for the overall poverty-targeting rate of 34%²⁰—one in every three poor people, 22.3 million in Bangladesh currently receive some SP assistance. This estimate will be retained for the formulation of the SPI.

4. Impact of SP Programs on Household Incomes/Expenditures of Poor

The poverty-targeting rate provides an indication of the distributional impact of SP programs. However, it gives little indication of the “effectiveness” of the interventions, i.e. what impact do these interventions have on the income/expenditure of the poor. The objective is to derive an indicator of SP expenditure to the poor population as a percentage of the poverty line income.

The computation of this indicator is shown in Table 5.7. The Table essentially replicates Table 5.6 with the expenditure data from Table 5.2 being substituted for the beneficiary information. The poverty-targeting rates are the same as those from Table 5.6 and multiplying these by the expenditure on each program gives the amount of SP expenditure going to the poor. There is no need to allow for overlaps between programs, except to exclude those programs affecting more than one target group, e.g. social pensions for the elderly.

Table 5.7 shows that, in 2003, the total SP expenditure on poor beneficiaries was around Tk79 billion (\$1.35 billion), equivalent to just less than 70% of total SP expenditure. Almost 60% of this expenditure relates to microcredit loans.

Per capita SP expenditure on the poor was then calculated and related to the poverty line income. The results are shown in Table 5.8. Two indicators are presented:

- (i) Per capita SP expenditure on the poor as a percentage of the (estimated) 2002/03 poverty line: 15%;
- (ii) As above but for poor beneficiaries only: 45%.

Again, if microcredit was excluded, these percentages would decrease considerably.

The advantages and disadvantages of each will be discussed in the forthcoming section Social Protection Index and Multicountry Analysis of this book.

²⁰ It should be noted that major variations in the overlap rate would be required to significantly change the overall poverty-targeting rate. This is most sensitive to changes in the overlap rate between food aid and microcredit schemes.

Table 5.7. Impact of SP Expenditure on the Income of Poor Households

Variable	Value
Total SP Expenditure on the Poor (Tk million)	79,000
Poor Population ('000)66,700	
SP Expenditure/Poor Person (Tk/person)	1,184
Poverty Line Income Per Capita (annual) (Tk/person)*	7,820
Per Capita SP Expenditure as % of Poverty Line Income	15%
Percent of Poor Receiving SP Assistance (from Table 5.6)	34%
Per Capita SP Expenditure as % of Income of Poor Beneficiaries	45%

*From LSMS, 2002/03.

Source: Tables 5.6, 5.7 and consultants' estimates.

Table 5.8. SP Expenditure on the Poor

SP Program*	All SP Expenditure (Tk million)	Poverty-Targeting (%)	SP Expenditure on the Poor (Tk million)
Training Programs	311	50	156
Food for Work/Direct Employment-Creation Programs	1,543	90	1,388
SOE Retrenchment Programs	6,595	25	1,649
Pensions for Retired Public Sector Employees	8,802	0	0
Old Age Allowances	750	100	750
Allowances for Hard-Up Freedom Fighters	300	100	300
Formal Health Insurance Schemes	800	0	0
Treatment Facilities for the Poor and Disadvantaged Patient	57	100	57
Microinsurance-Health	25	73	18
MSW Social Assistance Allowances	459	100	459
Other Social Welfare Programs	4,185	100	4,185
Food Security/Safety Net Programs	21,421	90	19,279
All Microcredit Programs	66,567	73	48,594
Loan-Based Income-Generation Programs	481	73	351
All Disability Programs	162	80	130
All CSWN Programs	191	100	191
Food/Cash for Education	550	90	495
School feeding Program (Wfp)	1,141	90	1,027
All SP Expenditure	114,340		79,028

Source: Tables 5.2 and 5.6.