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SOCIAL PROTECTION FOR CHILDREN IN A
CHANGING DEMOGRAPHIC

Social Protection for Children in a Changing Demographic

Despite the high levels of poverty and non-monetary deprivations among children, social protection coverage for children is low and disproportionate compared to other age groups. Given the high level of deprivations and return to investment in early years of life is highest, Bangladesh must revisit its SP system to achieve an appropriate balance.

INTRODUCTION

The demographic structure of Bangladesh suggests that 49 per cent of its population is under 18. Rates of poverty and vulnerability are highest among this group. Reviews of literature and analysis of data also reveal the different forms of life-cycle risks among children (i.e., between 0 and 18). However, this age group has been disproportionately affected by the social protection allocation principle. It is also noted that COVID-19 has imposed harmful impacts on children.

Bangladesh is preparing the 8th Five-Year Plan (8FYP), where again poverty reduction through inclusive growth would strongly feature. Against this backdrop, this policy brief has been developed with an aim to highlight the need to invest in children using social protection instruments. Key objectives are:

1. Explain the role of social protection during early childhood in cognitive development and productivity, and their implications of future income generation in the context of Bangladesh.

2. A comprehensive assessment of child-sensitive social protection interventions adopted in other countries for adaptability in the context of Bangladesh.

3. Assess the value for money of Bangladesh social protection systems in general, and in particular on children's social protection programmes in Bangladesh, with a view to a better design of the social protection system.

4. Assess whether there is a need for a separate social protection programme for the urban underprivileged, as well as other marginal child groups.

5. Assess prevalence of disability (including autistics) among children up to 18 years of age, and what types of social protection programmes may be considered for them.

6. Assess whether current programmes are effective in reducing incidence of child marriages in Bangladesh, and if not, consider other measures that may be adopted.

7. Assess pathways to implement universal child benefit programmes for Bangladesh over the next five years.

8. Analyse future population structures by three specific child groups (i.e., 0-5; 6-9; and 10 to 18), along with other groups (i.e., working age and old age) to identify fiscal space for children-focused social protection systems for the perspective plan period (i.e., 2021 to 2041). In this context, using a costing module, determine the investment requirement for children-focused social protection programmes in Bangladesh under alternative parameters.

The analyses presented in this brief are based on published and unpublished official statistics (namely MICS 2019 and HIES 2016). Given the high level of deprivations, the policy brief argues for a comprehensive overhaul of the current social protection system, and align it to the needs of the various life-cycle groups –- especially children.

WHY INVEST IN CHILDREN?

Among other issues, poverty impedes cognitive development of children. There is a strong correlation between spending on families and child poverty. Universal coverage has been found more effective in reducing poverty among families with children, than coverage based on poverty targeting.
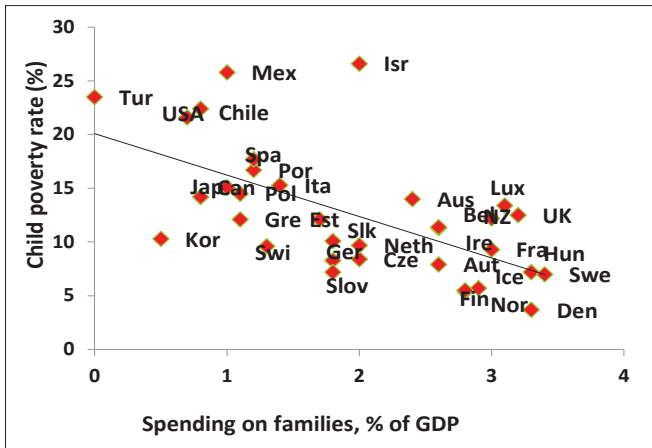
It is evident that countries providing more universal access to social protection schemes (such as Sweden, Norway, Denmark, Finland, France and the Czech Republic) tend to have lower levels of child poverty than countries committed to selecting only poor families and children (mainly the Anglo-Saxon nations).

Heckman, J. (2003) argued that investment in early age offered higher brain development and the best rates of return. Thus, waiting for intervention until preschool or primary school might be too late. An empirical study by Professor Seth Pollak et al found that poverty delays the development trajectory of brain growth. Infants living in impoverished environments have less executive functioning in memory, emotion and language, which accounted for a 21 per cent difference in academic achievement. Also, high schoolers living below the federal poverty line show a 16 per cent achievement gap in problem solving, attention and judgment areas. The failure to optimize brain development early in life appears to have an 'ultimate cost to society' for early life adversity.
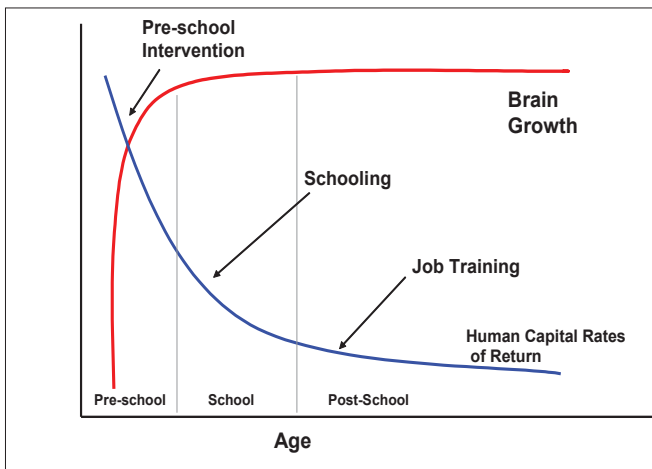
STATE OF CHILD DEPRIVATION

Poverty rates in households with children (i.e., 27.6 per cent) are higher than that of households without children (24.3 per cent). There are also variations in poverty rates among different age groups. Poverty rates in households with children aged from 0 to 5 years are higher (29.5 per cent) than that of households with children aged 10 to 18 years (23.3 per cent). Poverty and vulnerable rates are higher among households with children. Thus, children are disproportionately affected by poverty.

Figure 1. Child poverty in Bangladesh
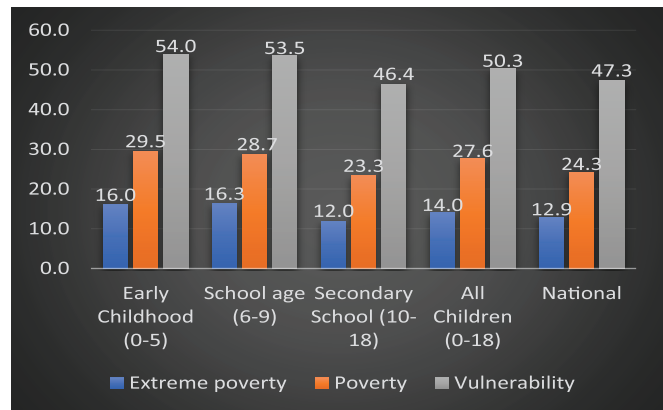
Poverty rates of the eight divisions by three-child age groups are then compared with the national poverty and vulnerability rates to determine the extent of division-specific child poverty and vulnerability rates over the national rates. The two worst divisions are Mymensingh and Rangpur. Here, the high extent of poverty and vulnerability has been found across all three-child age groups. Incidence of child poverty, although higher than the national rates in Khulna and Rajshahi, are substantially less than Mymensingh and Rangpur. Child poverty and vulnerability has been found to be significantly lower than the national average for three relatively well-off regions in Bangladesh -- Chattogram, Dhaka and Sylhet.

A high proportion of young children still suffer from malnutrition, which impacts their cognitive development and affects them throughout their lives. Stunting and underweight rates, estimated at 42 per cent and 32 per cent respectively in 2013, fell to 28 per cent and 22.6 per cent respectively in 2019. This suggests that despite progress, it is evident that significant challenges remain in tackling nutrition-related outcomes. And further dissection of the extent of malnutrition reveals important patterns across wealth quintiles.

Figure 2. Stunting, underweight and wasted (%)
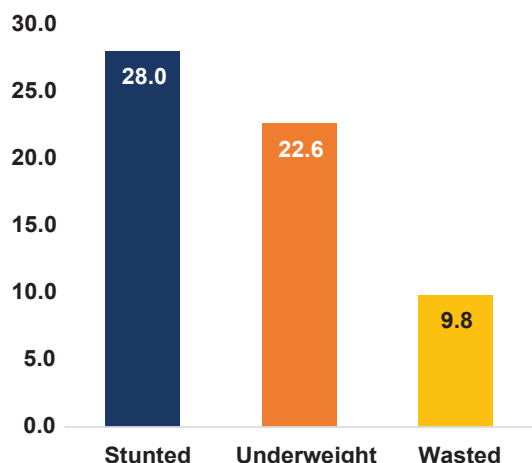
Despite legal sanctions, Bangladesh has one of the world's highest rates of child marriage, and such socio-cultural practices exacerbate female vulnerabilities. Child marriage compromises a girl's development through early pregnancy and social isolation, interruption of her schooling, limited opportunities for career and vocational advancement, and increased risk of domestic violence. According to the Multiple Indicators Cluster Surveys (MICs) (2019), the prevalence rate of median age of first marriages for girls aged between 0 and 14 is high at 19.7 per cent. The rate is very high at 49.7 per cent for girls between 15 and 19.

Progress made in various population and gender fronts -— especially in women empowerment -- have to a degree been dented by the prevalence of high rates of gender-based violence (GBV). Although the 2015 VAW (Violence Against Women) report suggests falling trends for all kinds of violence from 2011 to 2015, GBV rates are still high in Bangladesh, with the worst between the 15 to 19 age group.

Table 1. GBV prevalence rates (%)

Age	Physical violence	Sexual violence
15-19	30.9	3.4
20-24	29.9	4.3
25-29	28.5	3.9
30-34	26.3	2.7
35-39	27.9	3.4
40-44	27.0	2.7
45-49	29.7	2.9

Source: BBS VAW Survey (2015)

The outcomes of the COVID-19 simulation suggest a high and disproportionate impact of poverty on children. It has been found that levels of child poverty could more than double under the high-impact scenario. As a result of the economic fallout of the virus, monetary poverty among young children could be twice as high as what it would have been under the business-as-usual situation, increasing from 22-26 per cent to 50-55 per cent under the high-impact scenario.

Figure 3. Impact of COVID-19 on poverty rate (%)*
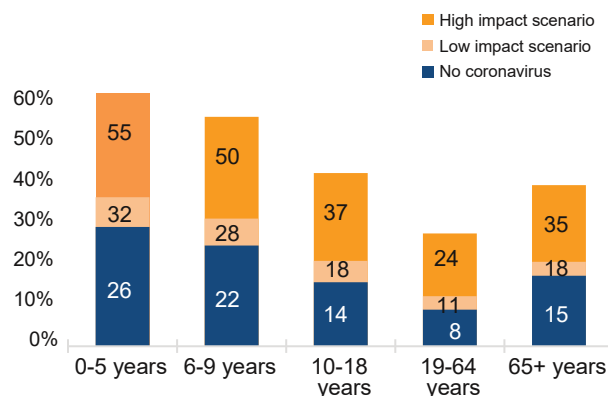
LOW SP COVERAGE FOR CHILDREN

Beneficiary coverage as a percentage of total population has hovered between 32 and 34 per cent during FY2015 and FY2018. It appears that the beneficiary coverage (i.e., more than 34 per cent) is higher than the prevailing poverty rate (around 20 per cent), implying all poor and vulnerable populations are covered. But the system also has large exclusion errors (71 per cent) and inclusion errors (47 per cent). When these are taken into consideration, coverage of the poor becomes very low.

Low coverage of children in the SP system.

In FY 2010, 3.5 per cent of the total social protection budget was spent for 5.6 per cent of child beneficiaries. While in FY 2016, 2.4 per cent of total social protection budget was spent for 2.3 per cent of child beneficiaries. There is no programme to support families and caregivers in their child-care roles other than a few child-care centres in urban areas for female government employees.

POLICY RECOMMENDATIONS

EXTENDED CHILD BENEFIT (ECB)

Poverty and nutrition deficiency are two main risks for children in the 0 to 5 age groups. Thus, Child Benefit (CB) programmes should be a priority. Nutrition deficiency is not only a poverty issue, but also a knowledge issue. In other words, provision of cash transfer may not be a sufficient condition to improve nutritional status. Thus the CB programme should include a training and awareness campaign on the nutrition front. The proposed ECB combines these two components to attain maximum benefits in lowering child poverty and improving nutrition deficiency.
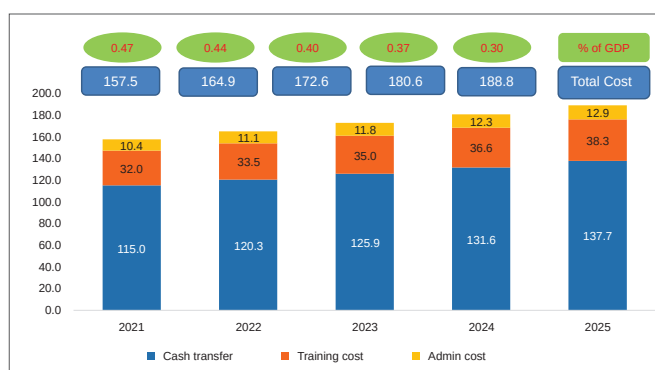
EXPANDING SCHEMES FOR DISABLED CHILDREN

A Care Dependency Benefit could be established/ expanded for families caring for children with disabilities. The scheme could focus on children with severe disabilities irrespective of whether or not they are attending school. Once children are in the programme, it would not be necessary to re-certify them on a regular basis. Children would automatically leave the programme when they reach 18, and would be transferred to the adult disability benefit if their incapacity were assessed to be sufficiently severe.

The programme cost may range from BDT 33.7 billion in FY 2021 to BDT 39.5 billion BDT in FY 2025. As a per cent of GDP, cost is small –- falling from 0.131 per cent in FY 2021 to 0.092 per cent in FY 2025.

IMPLEMENT NSSS SCHOOL STIPEND PROPOSAL

One of the recommendations of the Bangladesh National Social Security Strategy (NSSS) (2015)

was to enhance the school stipend amount to BDT 300 per student, per month. This has not been implemented yet. The real value of the school stipend amount has fallen significantly. Thus, it is proposed to implement the NSSS recommendation during the 8FYP.

Considering the number of beneficiaries would remain more or less close to 13 million over the 8FYP plan, and that they would be paid BDT 300 per month (which is inflation indexed), the estimated additional cost of the primary school stipend programmes may range between 0.105 per cent of GDP in FY 2021 to 0.082 per cent of GDP in FY 2025.
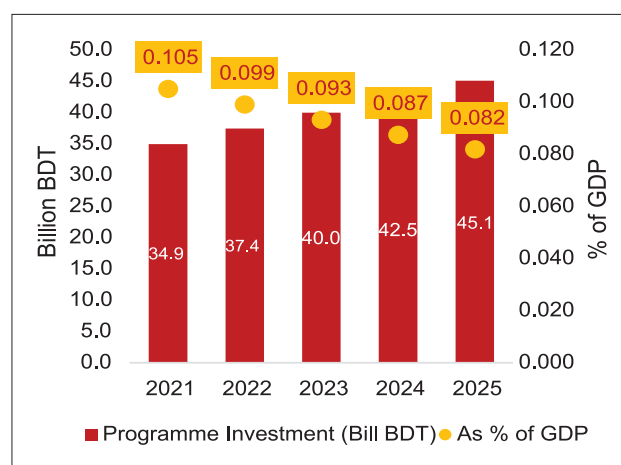

SCHEME FOR ADOLESCENT GIRLS

In the case of Bangladesh, according to the available data, the following aspects are important in designing interventions for adolescent girls, aimed at reducing dropouts and delaying child marriages:
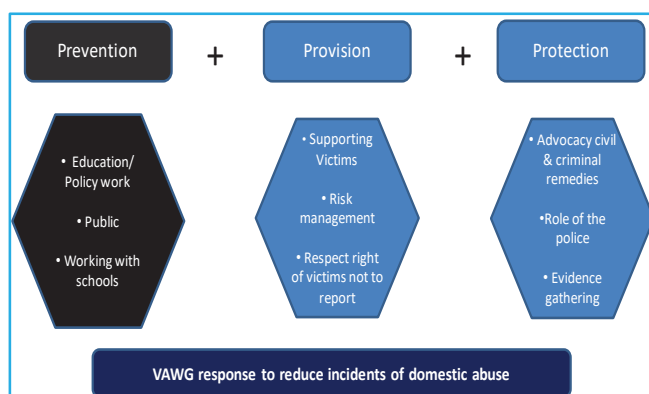
- Around 50 per cent of the adolescent girls are married and gave birth to their first child before the age of 15. The targeted groups for this intervention are girls between 10 and 18 or 19. Around 45 per cent of adolescent girls do not attend school. Therefore, at least two types of interventions are to be considered: one for girls attending school but susceptible to dropping out and early marriage; and another for girls who have already dropped-out and are very much subject to early marriage.

- Transfer size and types of interventions should be designed in ways that do not create 'perverse' incentives. One possible approach is to set the transfer (or enhanced stipend) amount equal to

- the child benefit amount (BDT 900 per month), but separated into three components: BDT 300 as a stipend; BDT 300 for the purchasing of hygiene products; and BDT 300 for health-related expenses. Moreover, interventions such as improved security at schools at local and community levels, as well as access to safe space groups to all girls aged from 10 to 19, are an important asset to the public.
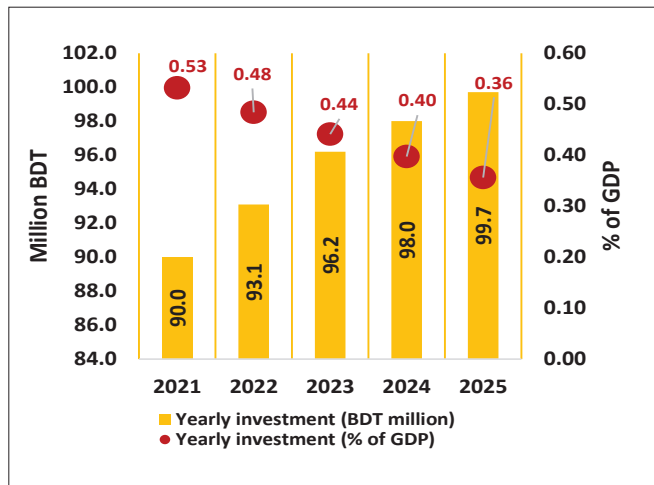
ADDRESSING GVB

Prevalence of GBV in Bangladesh (especially among adolescent girls) has to some extent propelled school dropouts and early marriages. The experience of other countries that have successfully reduced the incidence of GBV, point to the undertaking of strategic actions, along with the allocation of required resources.

Following Commonwealth Secretariat (2017), Bangladesh may formulate strategies and policies in line with the 'whole system' approach that focuses on all three aspects: prevention, provision and protection. This is a high-priority agenda for the 8th FYP.

OTHER REFORMS

1. International and national evidence clearly envisaged that allocating adequate resources for administrative costs are important for programme success. These costs are low in Bangladesh, resulting in an inefficient SP System. Thus, they should be aligned with the international level.

2. The Agamir Shishu Approach has been developed in response to the recommendation and strategic direction of the NSSS. The Policy Guidance Unit for Child sensitive social protection (PGU-CSP) of the Cabinet Division, in collaboration with MoWCA and UNICEF, has assessed the feasibility and scalability of the current schemes targeted to pregnant mothers and children, and came up with an operational design document and programme architecture —- labelled Agamir Shishu. A pilot project covering four to five regions in Bangladesh may be commissioned in the first year of the 8FYP, such that the programme is ready to scale up at the end of 8FYP, or in the first year of the 9FYP.

3. Currently, multiple payment methods are used to transfer funds to beneficiaries. A research study on Payment System for Social Protection in 2017 revealed several disadvantages of the current systems. Considering these demerits, the Finance Division (FD) has been implementing pilot fund transfers through G2P. But G2P is still very limited in scale, as only a few programmes are included in the G2P pilot. For instance, cash allowances for 11 SSPs are partially disbursed through G2P. Currently, only 1.3 per cent of SSP allocation goes through the digitized G2P national architecture. Given its merits, as well as to enhance financial inclusion, attention should be given to scale it to 60 to 70 per cent of the total SP fund transfer within the 8FYP.

NOTE

* In a low-impact scenario, exports from RMG fall by an annualized rate of 10 per cent, and remittance flows by 3.7 per cent. The agriculture sector grows by 3 per cent. The effects of a four-week lockdown on the industry and services sector are modelled through a reduction of 5.3 per cent in the utilization of capital in the production process. In a high impact scenario, the foreign demand for RMG and remittances fall by 30 per cent and 18 per cent respectively, on an annualized basis. Growth in the agriculture sector is more subdued (1 per cent). The industry and services sector experience an eight-week lockdown, modelled through a reduction of 10.6 per cent, in the intensity with which available capital is used.