

Features, Challenges and Opportunities of Social Safety Net Programme for Aged Population in Bangladesh

Key Messages

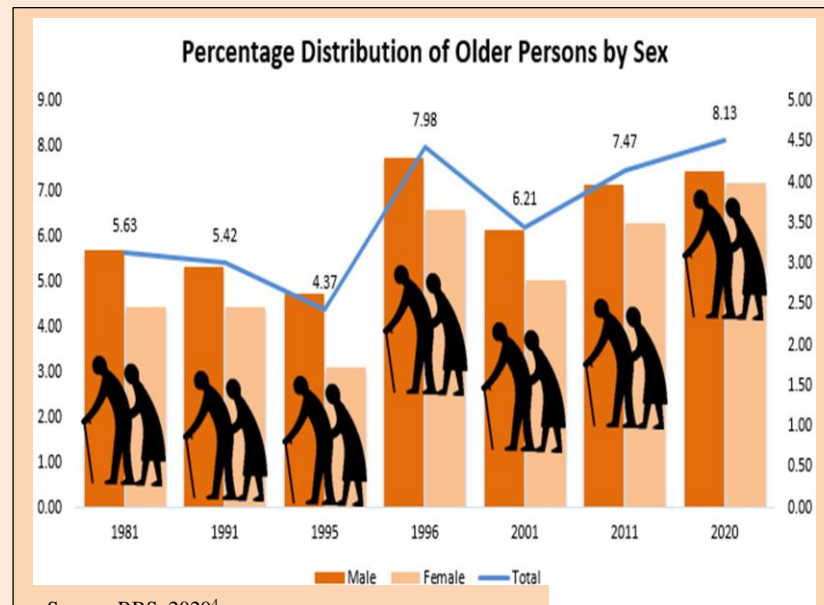
- Bangladesh population is on the verge of entering into an aging regime by the 2050s in parallel with deteriorating context of traditional familial-community support for the older people.
- Awareness as well as introduction of social safety net programmes from public-private levels are initiated
- Existing social safety net programmes seem absolutely inadequate in terms of the absolute number and extent of emerging vulnerability of the older population.
- Mainstreaming of this huge number of older people through creating more creative opportunities and reforming traditional social safety net programmes is urgently required to save this population and achieve the goals of the SDGs.

Background

The population ageing is an unpretentious feature of many developed and developing countries in the world today. Over the past years Bangladesh has encountered rapid demographic shifts from soaring fertility and mortality to plummet fertility and mortality. Due to this country's age structure is changing rapidly and the percentage of the aged population has reached to 8.13% from 5.63% in 1981, which is expected to increase to 22% by the year 2050¹⁻³. Besides percentage of the male aged population increased to 4.13% from 2.96% and percentage of the female aged population increased to 4% from 2.46%^{1,4}. At present Bangladesh is entering the intermediate stage of ageing and is projected by 2029 Bangladesh will start being an *ageing society*, and within two decade (2047) the country will transit to an *aged society*. In Bangladesh, population aging is taking place at expeditious rate which is speedier than European high-income countries and other Asian countries. As a result, there is a plausible chance

that Bangladesh might escapade demographic transition at a lower stage of economic development as there will be a momentous emanate of aged population dependency upon the economically active population. In general, aged population are being supported by the family and community. Therefore, it is the responsibility of state to provide basic economic wherewithal for

Percentage distribution of aged population by Sex



Source: BBS, 2020⁴

What is Aging Society?

The aging society is referred to a society whose median age rises due to rising life expectancy and/or declining birthrates. According to the UN standards, the aging society is defined as the country or region in which the share of population aged over 65 exceeds 7% of the whole population.

-United Nations, 2019¹

What is Aged Society?

According to United Nations aged society is defined as a society in which the population aged 65 or older exceeds 14% of the total population.

-United Nations, 2019¹

the aged population. In order to increase the poverty elasticity of Gross Domestic Product (GDP) and eliminate extreme poverty in Bangladesh by 2030 a combination of progressive income taxes and generous income transfers through the social safety net programme would be effective. Bangladesh is already spending 2.2 % of GDP on social safety net programme with the Sustainable development goals (SDGs) target of no one should left behind priority should be given to protect and promote the welfare of aged population².

In a decade of time Bangladesh will become an *ageing nation*, therefore, it will be the liability of the government to secure income and wellbeing of aged population, so it is essential to develop appropriate plan of actions. However, considering the number and extent of emerging vulnerability of the older population, the present social safety net programmes seem inadequate. Therefore, mainstreaming of this huge portion of aged population through creating more creative opportunities and reforming traditional

social safety net programmes is urgently required to save this population and achieve the goals of the SDGs. In this situation, the purpose of this policy brief will draw attention of the government and policymakers in addressing both challenges and opportunities of population ageing in the context of global agenda 2030, SDGs.

Methods and Materials

This policy brief mainly employed the data of the Study on Older Population in Bangladesh⁵, which was conducted by the Department of Population Sciences (DPS), University of Dhaka. This policy brief also used data of the Report on Bangladesh Sample Vital Statistics⁴, published by the Bangladesh Bureau of Statistics and World Population Prospects 2019 published by the United Nations Population Division¹, and data from Ministry of Social Welfare, GOB⁶.

Key Findings

Social Safety Net Programme

As Bangladesh steadily moving towards aging population; social safety net programme to aged population through social safety-net programmes has emerged as a crucial factor to ensure aged population health and well-being as well as their access to essential daily deity, goods, medicines and services.

What is Social Safety Net Programmes?

Social Safety Net Programme aims to protect and promote the welfare of individual beneficiaries as well as society as a whole.

- Government of Peoples' Republic of Bangladesh

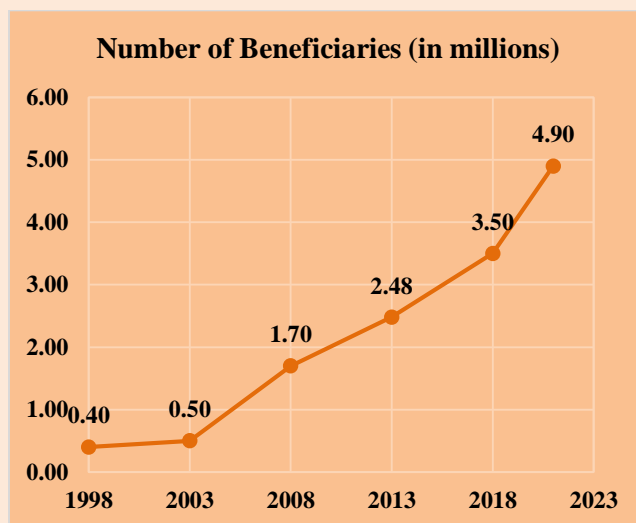
At present there are 145 social safety-net programmes running in Bangladesh while there are only 2 social safety-net programmes in Bangladesh that focus on aged population⁶. Among the two programmes Old Age Allowance programmes is the non-contributory tax-financed programme that is paid to the poor older people who were involved informal sector.

- Aged population represent 8.3% of total population whereas 72% of them receive the social safety net expenditure⁶. Older people have endured inequality in accessing social safety net expenditure. Among 90 % of social safety net for aged population, lion share of benefits allocated for retired Government employees and Freedom Fighters (14%)^{2,6}. Whereas, among 10% of social safety net for aged population, 86% are for widowed, deserted and destitute older women. Overall, Bangladesh spends 36% of total social safety expenditure on 0.45% of the country's aged population through pensions⁶.

Old Age Allowance Programme

- Social safety net programmes are progressive they benefit the aged population of rural areas compared to urban areas besides they primarily focused on the improvement of poor aged population than the rich aged population. However, 66 per cent of the aged population in Bangladesh, are still out of social safety net programmes benefits coverage⁶.

- Over the past 23 years, monthly allocation of social pension per person increased from 100 BDT/month in 1997-1998 to only 500 BDT/month in 2020-21^{6,7}
- At the beginning the beneficiaries of social safety net programmes were 0.40 million which increased to 4.90 million. Since inception of the programme in 1998, the number of beneficiaries had increased by 12 times as of 2021^{2,7}.



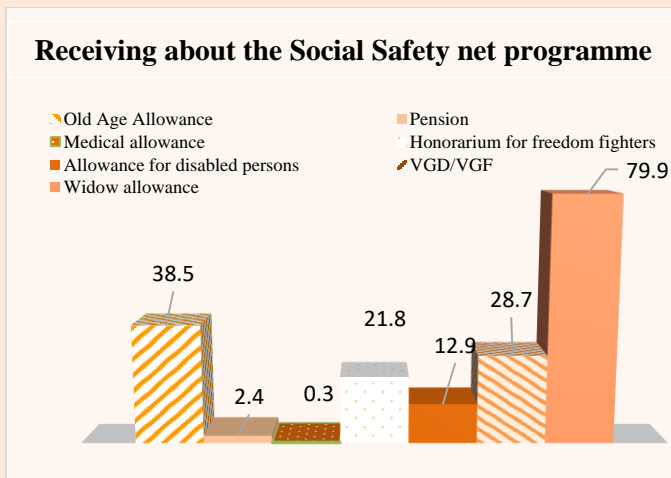
Source: DPS Calculation, 2019⁵

Knowledge About Various Social safety net programmes

- Overall, 90% older people reported that they had knowledge about old age allowance programme. About eight of ten older people knew about widow allowance. One-third (31.1%) had idea about Vulnerable Group Feeding (VGF)/ Vulnerable Group Development (VGD) programme. One fourth older people had knowledge about freedom fighter allowance⁷.

Receiving Allowance

- The Study on Older Population in Bangladesh also found that about great majority (90%) older people perceived that they are eligible to receive allowance. However, in reality less than one forth (24.3%) of older people are covered by the social safety net programme⁵.
- Older people those were receiving among them nearly 40 percent receiving old age allowance, eight in ten older people reported they are receiving widow allowance and less than one third where receiving VGD/VGF⁶. The result did not vary by age and sex.



Source: DPS Calculation, 2019⁵

Reasons of Satisfaction

- Only half of older people were satisfied as they could spend money on daily necessities.
- Four in ten reported that they were satisfied as they could spend money on healthcare.

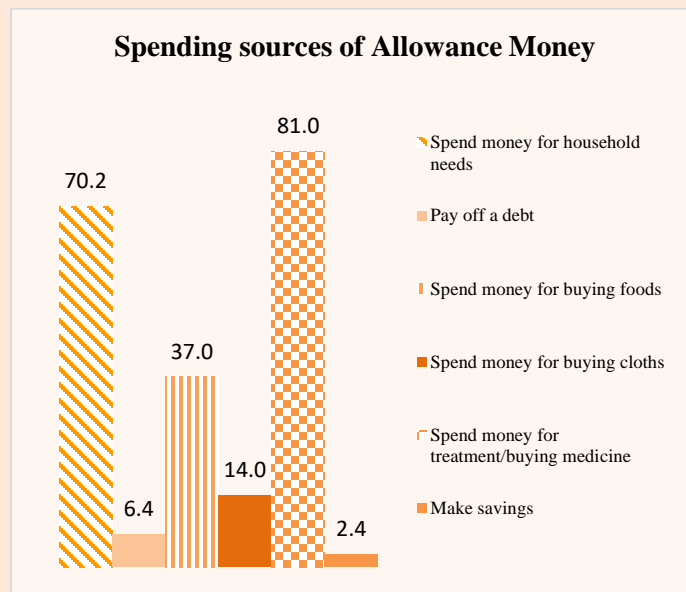
About 11% and 13% of the aged population were satisfied with the allowance as it has increased their social status and acceptability in family⁵.

Reason for Dissatisfaction

- Foremost reason for dissatisfaction among majority the older people was insufficient money followed by not receiving money at regular basis.
- Among other reason for dissatisfaction was long distance and paying speedy money.
- There were no different reasons of dissatisfaction by age and sex⁵.

Spending sources of Allowance Money

- Majority (81%) had spent the allowance money for treatment and buying medicines⁵.
- About seven in ten older people spent money for household needs.
- Just over one third spent money to buy food.
- Only 14% older people spent the allowance money for buying cloths⁵.



Source: DPS Calculation, 2019⁵

Call for Actions

- In order to ensure basic income security for the aged population a universal social support would be an effective and feasible solution.
- During this ongoing pandemic situation Government of Bangladesh should effectively target the provision of social safety net packages considering the older population to minimize socio-economic inequality and exclusion. For example: Old Age Allowance is a major solution where social pension paid to poor and vulnerable aged population without the prerequisite of previous contributions.
- Since Government has initiated the social allowance and finance programme through Government to Payment (G2P) system via ICT to increase the coverage of social safety net programme, therefore the older persons should be aware about the usage of G2PSystem.
- Prime priority should be given to providing them medicine voucher and health card, increasing the amount of old age allowance and focusing on poverty eradication of aged population to achieve zero extreme poverty by 2030.

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Prepared by:

Abu Hasanat Md. Kishowar Hossain
Md. Aminul Haque, PhD
Md. Mehedi Hasan Khan
Gaylan Peyari Tarannum Dana, PhD
Sawkia Afroz

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**Department of Population Sciences
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**United Nations Population Fund Dhaka
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