(In)-Effective targeting of Social Safety Net Programs (SSNPs) Beneficiaries?

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Note: *Opinions expressed in this article are those of the author; they do not necessarily reflect*
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Of the various Disaster Risk Mitigation Social Safety Net Programs (SSNPs) run by the Government of Bangladesh, this short article discusses three major ones. They are Vulnerable Group Feeding (VGF), Gratuitous Relief (GR) and Test Relief (TR). These SSNPs are designed to protect the poor and vulnerable people of society, especially those who are vulnerable to natural disasters, seasonal employment fluctuations, and food price shocks. The total amount of money allocated to these three programs is about Tk 3824 crore, which is about 8.5% of total allocation for social protection in 2018-2019 budget. Instead of focusing on what proportion of poor people are receiving SSNPs, the analysis presented below shows the profile of SSNP beneficiaries, whether they are from the poorest group or whether the selection criteria have been properly fulfilled? The main goal is to examine the quality of targeting of the three important SSNPs of the Bangladesh government.

Among many other criteria, the most important criteria for the inclusion in VGF, GR, and TR beneficiaries' lists are: whether a household or a person is poor (e.g., below poverty line or eats only two meals per day), is landless or has land less than 0.5 acres, is affected by natural disaster/food price shocks, and is a day labor. The single most general criterion is whether a household or a person is poor/vulnerable? Thus, the analysis starts with the question are all the beneficiaries included in the VGF, GR, and TR programs poor? This criterion is measured in relation to the national poverty line estimated using 2016 HIES data. Chart 1 shows that only 20 and 19% VGF recipients are extreme and moderate poor, respectively. This indicates the majority (61%) VGF beneficiaries are from the non-poor group. This is also evident for both GR and TR programs. Among the three programs, TR programs perform worse in terms including poor people as beneficiaries. Only 22% of TR recipients are poor. We further confirm this finding using the

per capita expenditure quintile as an alternative criterion. Chart 2 shows that the majority of the SSNP recipients are from the top three expenditure quintile. Of the total, 56% VGF, 61% GR, and 72% TR beneficiaries are from the top three expenditure quintile, again indicating TR includes more non-poor people than the other two programs. The average per capita expenditure of the third quintile group is Tk 2655, which is well above the 2016 national poverty line income of Tk 2268.

Chart 1. Poverty Status and Social Safety Net Programs (SSNPs)
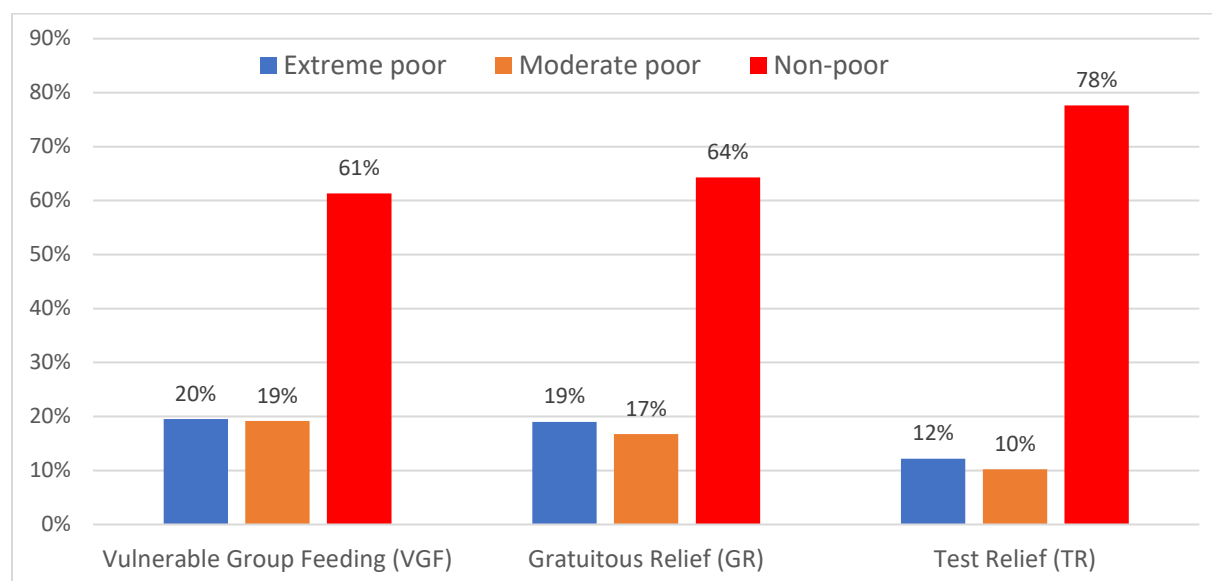
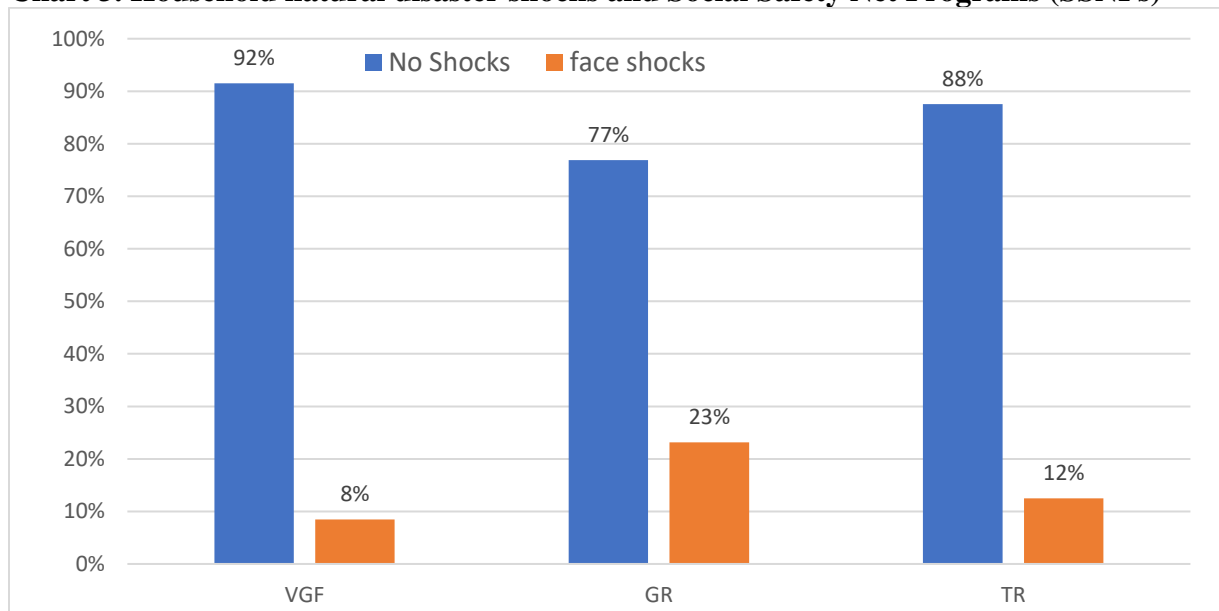*Source*: Author's estimate from Household Income Expenditure Survey (HIES) 2016.

Chart 2. Expenditure quintile and Social Safety Net Programs (SSNPs)
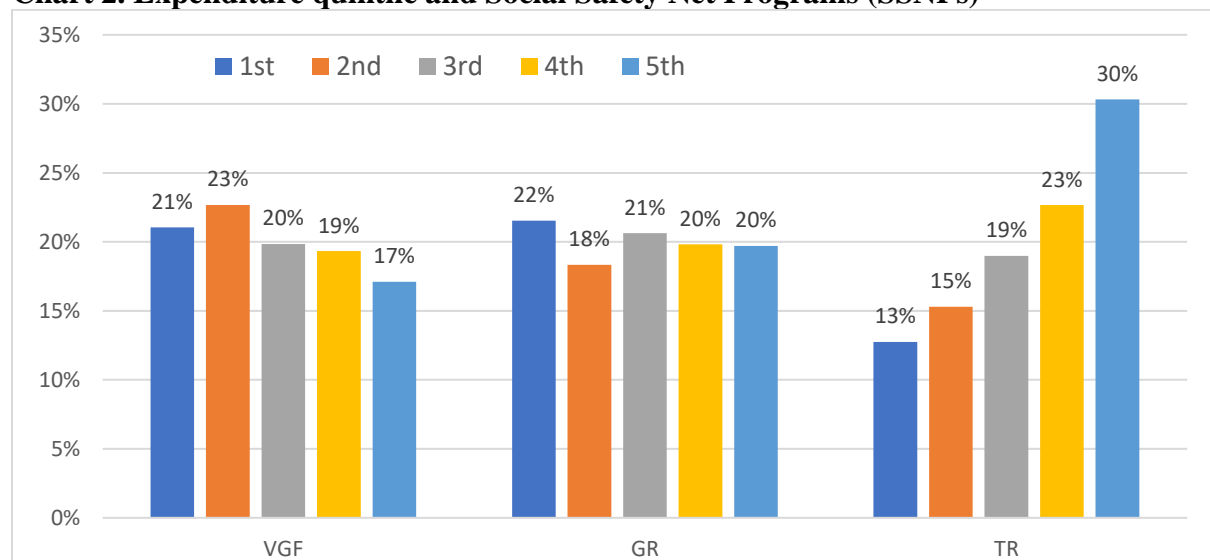
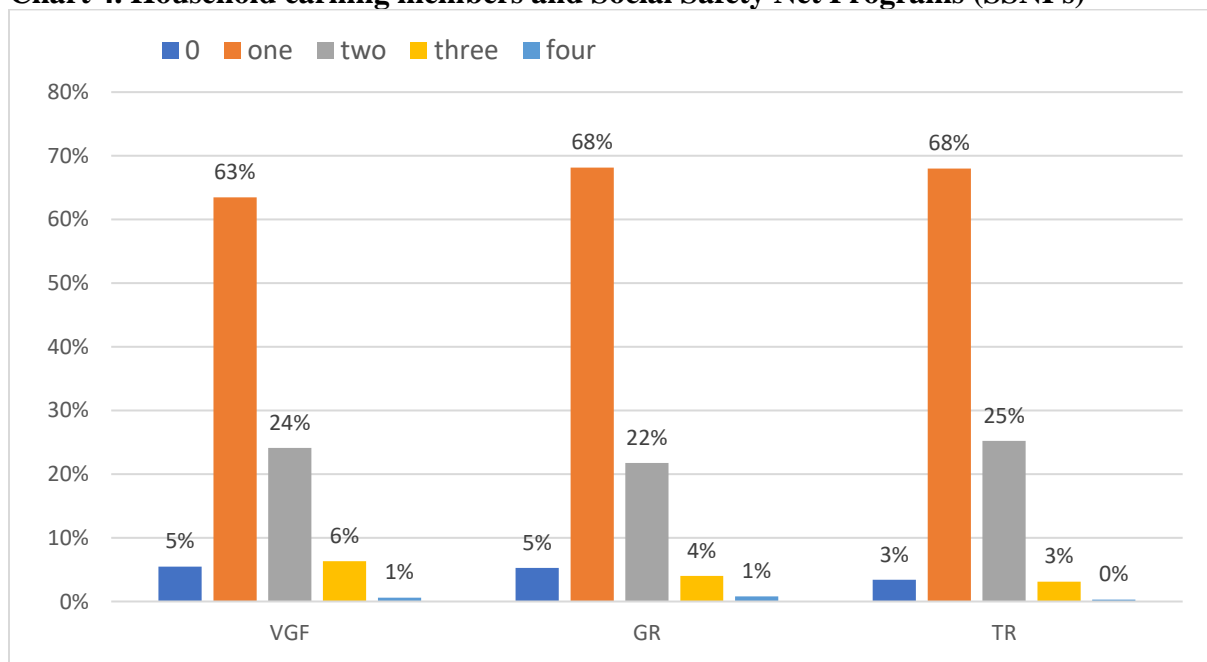*Source*: Author's estimate from Household Income Expenditure Survey (HIES) 2016.

Whether a household is affected by natural disasters is our next criterion to see the quality of targeting of SSNPs. Chart 3 shows that of the total VGF recipients, only 8% experience shocks from natural disasters and therefore were vulnerable. For GR and TR, these percentages were 23 and 12%, respectively. The corresponding figures for all kinds of shocks (natural disasters plus driven by human activities) are 12, 26, and 16% for VGF, GR, and TR beneficiaries, respectively. The results indicate the inclusion of a significant number of non-eligible beneficiaries. We also see the distribution of household earning members for the recipients of SSNPs. A household will be included in the SSNP beneficiaries list if it has no adult earning member. The results in Chart 4 do not go in line with this inclusion condition. Chart 4 shows that only 3-5% of SSNP beneficiaries have no earning member. About 63-88% has at least one earning member, followed by 22-25% of households with two earning members. This criterion also indicates the inclusion of a significant number of non-eligible households as beneficiaries.

Chart 3. Household natural disaster shocks and Social Safety Net Programs (SSNPs)

Source: Author's estimate from Household Income Expenditure Survey (HIES) 2016.
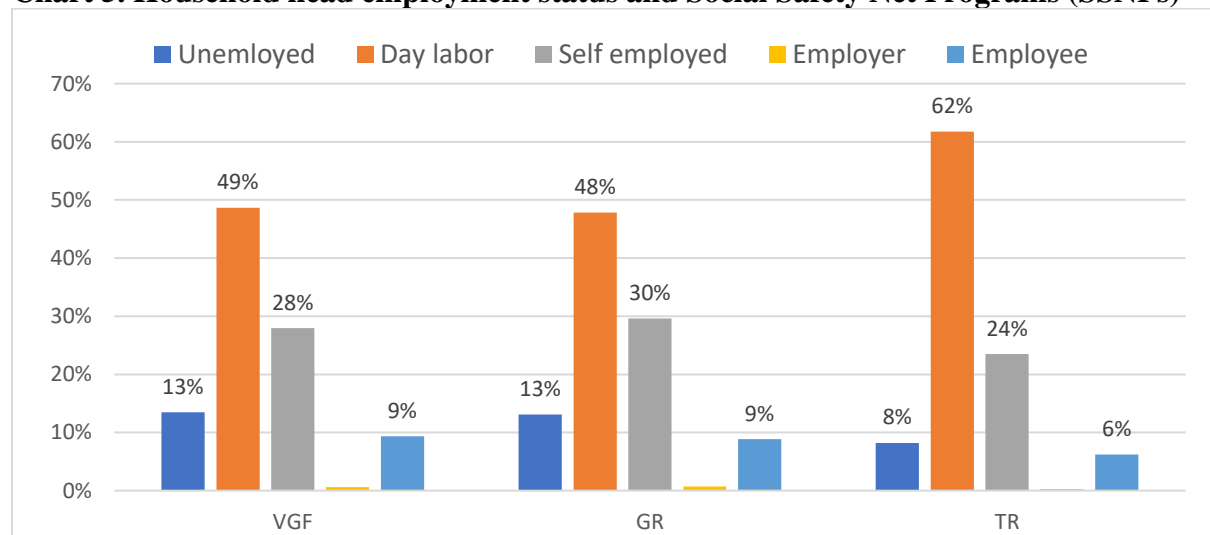
Chart 4. Household earning members and Social Safety Net Programs (SSNPs)

Source: Author's estimate from Household Income Expenditure Survey (HIES) 2016.

In terms of household head employment status and education, the targeting of SSNP performs better (Charts 5 and 6). Households with day labor heads are included more than other professions (Chart 5). About 48-62% of household beneficiaries have day labor heads while 24-30% are self-employed followed by 6-9% employees. About 6-9% of households with unemployed heads are included in the SSNPs. Households whose heads are less educated are most likely the recipient of the programs (Chart 6). The results show that about 48-53% of household heads of the SSNP recipients are illiterate, followed by 31-34% with primary education only. The results indicate the effective targeting of SSNP beneficiaries in terms of household head education and employment status. The effectiveness of targeting of SSNP in terms of land owned by a household is even better (Chart 7). Most recipients of VGF, GR, and TR programs either landless or marginal landowners. About 8-25% of beneficiary households have no land and about 71-78% of households own less than 0.5 acres (marginal landowner), indicating the effective targeting of beneficiaries. This leaves us a few percentages (14-23%) of the beneficiary households have land more than 0.5 acres.

**Chart 5. Household head employment status and Social Safety Net Programs (SSNPs)**

Source: Author's estimate from Household Income Expenditure Survey (HIES) 2016.

Chart 6. Household head education and Social Safety Net Programs (SSNPs)
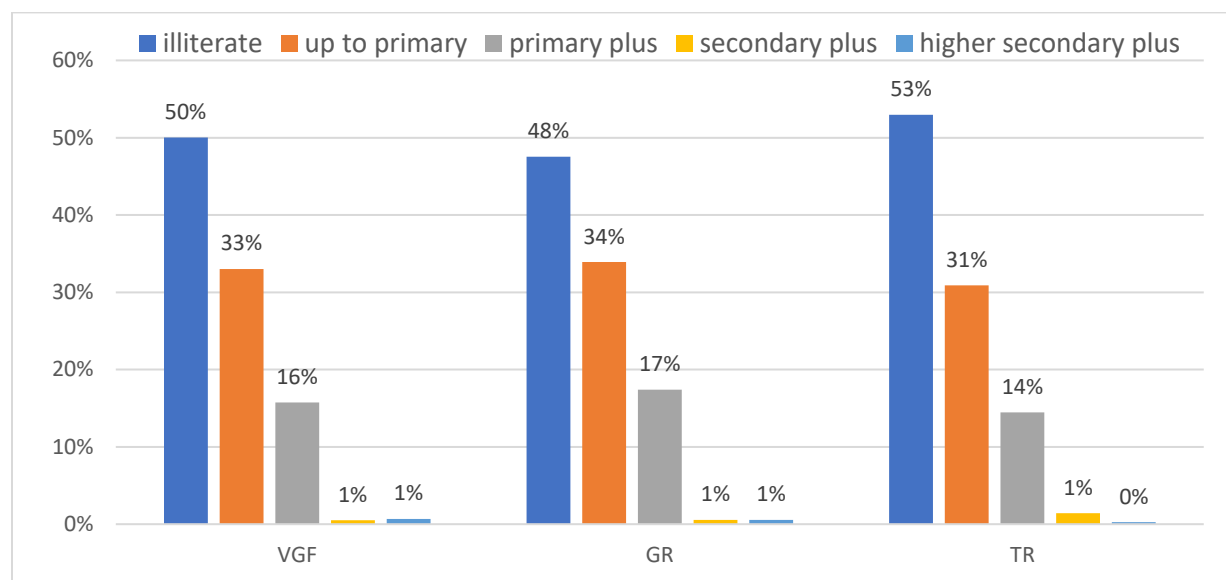
Source: Author's estimate from Household Income Expenditure Survey (HIES) 2016.

Chart 7. Household landholding and Social Safety Net Programs (SSNPs)
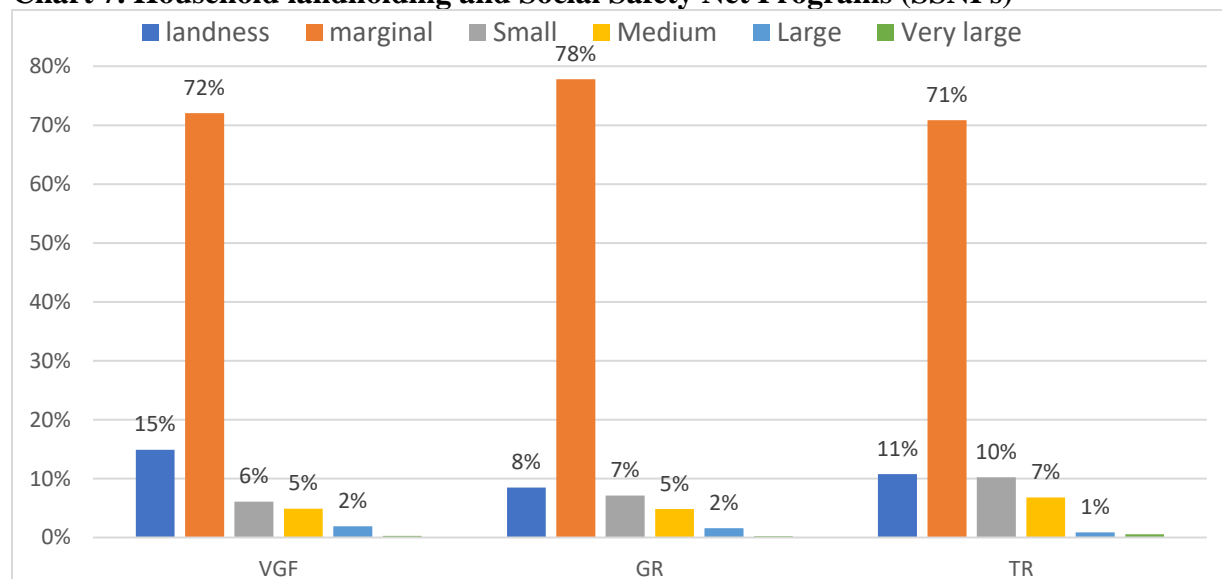
Source: Author's estimate from Household Income Expenditure Survey (HIES) 2016.

The analysis presented above indicates that though the recipients of VGF, GR, and TR programs are the largely marginal landowner (less than 0.5 acres), day labor, and illiterate or less educated, they are largely from the non-poor group of the society. The analysis suggests that the implementing agencies of SSNP put more weight on land owned by a household in targeting the beneficiaries of three SSNPs as discussed above rather than focusing on the poor and vulnerable condition of households. This also means owning a lower amount of land does not necessarily imply a particular household is poor and vulnerable to shocks. According to HIES 2016, about 70% of the marginal landowner are nonpoor. Thus, targeting SSNPs beneficiaries based on land ownership is ineffective. One could argue that the SSNPs lifted out people from poverty and therefore most of the recipients are non-poor. But, given the average amount of money received by per beneficiary of above mentioned three SSNPs is Tk 50 per month (HIES 2016), it is less likely that the SSNPs help households to get rid of poverty/vulnerable situations to a large extent.

Finally, what can be done to improve the targeting effectiveness of SSNPs to reach out to the poorest and most vulnerable households of the society? The implementing agencies of SSNPs can create a national database of the households based on the key selection criteria, particularly on income or expenditure and can update it every six months or one year. Then, based on household income, the implementing agencies can distribute ''below the poverty line'' (BPL) and ''above the poverty line'' (APL) cards to its people. This will help to identify vulnerable households when an intervention is required due to shocks arise from natural disasters, higher food prices, and seasonal employment fluctuations.