

Governance Challenges in TCB's Family Card Programme

Executive Summary

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1. Background and Rationale

- The lockdown imposed to control the COVID-19 started in March 2020 along with other related issues pushed the economy of the country under challenges. Particularly, the lives and livelihoods of the lower-income population are disrupted.
- According to the government, the poverty rate has increased from 20.5 percent (2018-2019 FY) to 29.5 percent (2019-2020 FY) as an impact of COVID-19. However, research by non-governmental organisations shows that the overall poverty rate was at 35 percent (June 2020), and an additional 32 million people became newly poor (November 2021).
- The price hike of commodities for various reasons has emerged as a new crisis in the daily life of the lower-income population.
- One of the objectives of the Trading Corporation of Bangladesh (TCB) is to keep the commodity at stable price by maintaining emergency stocks of essential commodities and providing products at affordable price to the general consumer at the time of need.
- TCB decided to provide affordable products through 'Family Card' to 10 million low-income families in March-April 2022, where 3.85 million beneficiaries were included from the 'Tk 2,500 cash assistance' programme while 6.15 million were new beneficiaries.
- In the past, research of TIB and media identified the absence of good governance including irregularities and corruption in the 'Tk 2,500 cash assistance' and 'Rice sale at Tk 10 per kg' programmes undertaken by the government to deal with the economic impact of COVID-19.
- News of irregularities and corruption including various types of harassment of poor people in purchasing products at affordable prices from TCB's family card programme has been circulated through media and social media.
- TIB's regular activities include research and advocacy on issues with public importance, particularly accessibility and governance challenges in the programmes for the poor and disadvantaged segment of the population.
- This study was undertaken to identify the challenges of good governance in the implementation of TCB's 'Family Card' programme and conduct research-based advisory activities.

2. Research Objectives

The overall objective of the study is to analyse the sales activities through TCB's family card programme from the perspective of good governance. Specific objectives of the study are -

- to identify the gaps of good governance including irregularities and corruption in enrolment as beneficiaries and purchase of products at affordable prices;
- to identify the accessibility and inclusion challenges of target populations;
- to provide recommendations to address the various challenges of good governance arising out of the activities.

3. Scope of Research

- Enrolment and obtaining of family cards of the beneficiaries
- Purchase of goods through the provided card

- The survey included only those families who had previously received ‘Tk 2,500 cash assistance’ as primary beneficiaries of the Family Card programme and poor people who were excluded from the coverage of other social safety programmes.

The study scope has been analyzed in light of four indicators of good governance - (a) Responsiveness; (b) Transparency; (c) Irregularities and corruption; and (d) Accountability.

4. Research Method

Mixed methods (qualitative and quantitative) were followed to collect and analyze data.

4.1.1 Primary Data Collection Methods and Data Sources:

- **Questionnaire Survey:** A survey was conducted with the targeted beneficiaries of the family card programme.
- **Interview:** Interviews were conducted with the targeted beneficiaries of the family card programme and relevant officials.

4.1.2 Secondary Data Collection Method and Information Sources:

Reviewed articles, research papers, reports published in the media (print and electronic), and relevant documents.

4.2 Sampling Method

- The sample list was prepared from the list of beneficiaries of the ‘Tk 2,500 cash assistance’ programme collected by TIB in previous research work. A sample of 1,067 family card beneficiaries was determined considering 95% Confidence Interval and 3% Margin of Error.
- However, 1,500 beneficiaries were selected and contacted for interviews through systematic random sampling taking into account the issue of 'non-response'.
- Finally, a total of 1,047 beneficiaries participated in the survey; 30-35 beneficiaries from each of the specified 35 districts participate in the survey.

4.3 Data Collection Period:

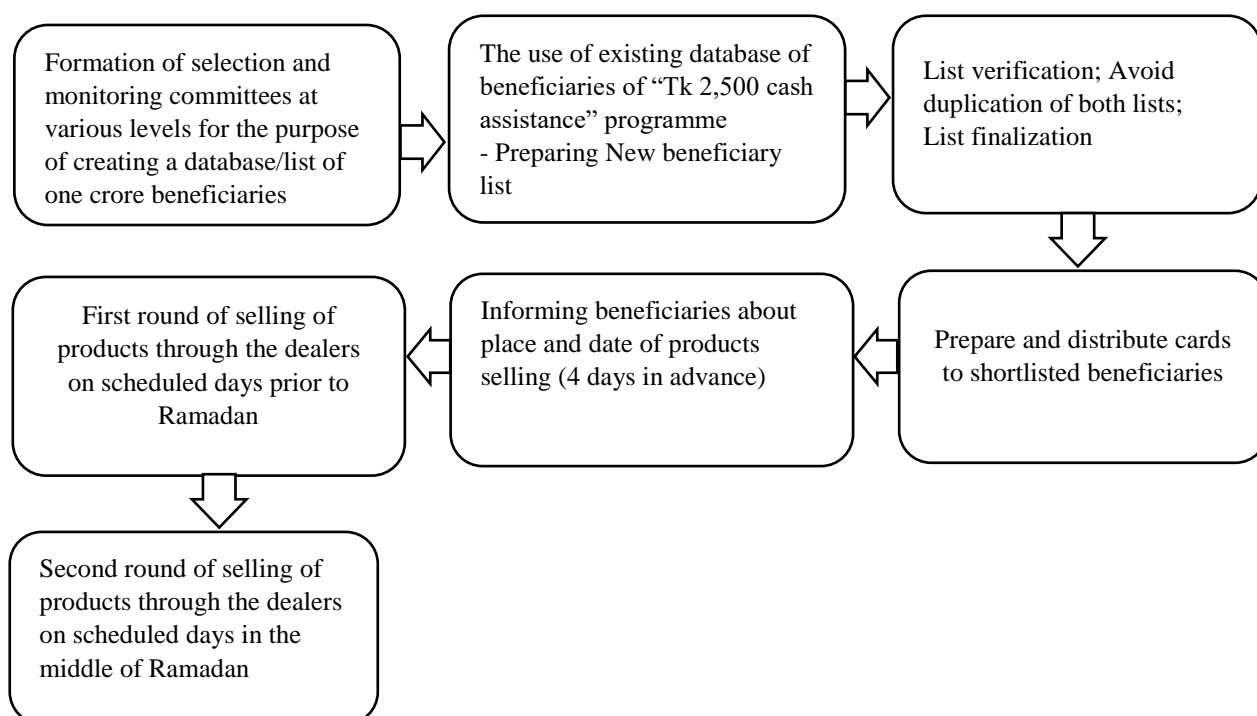
- The data collection period of the study was April-June, 2022 (this is a quick study considering the nature and duration of the programme).
- Survey activities took place from April 18-26, 2022.

5. Key Findings

5.1 Initiatives by the Government

- Initially, it was decided to include only the beneficiaries of the ‘Tk 2,500 cash assistance’ programme (3.85 million) in the family card programme, but later 6.15 million more families were included.
- The opportunities to buy essentials at low prices are availed to 40-50 million people (25-30 percent) of the country by including 10 million families in this programme; which implies almost everyone below the poverty line has the opportunity to come under this programme.
- Each household has received a subsidy of around Tk. 550 twice for four products that is usually overpriced during Ramadan (a product of Tk 1,570 is sold at Tk 1,020).
- TCB does not have the capacity to sell products to such a large number of people in all districts/Upazilas, although measures have been taken to sell products to rural areas with the help of local administration and other programmes.

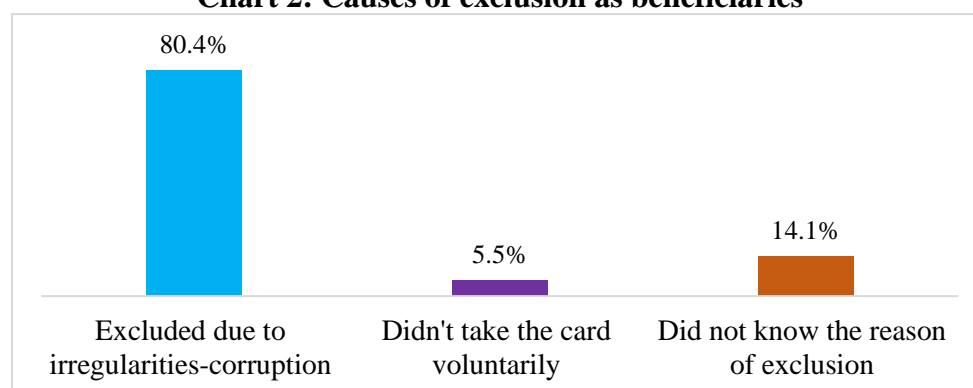
Chart 1: Enrollment of Family Card Beneficiaries and Product Sale Process



5.2 Challenges in Enrollment of Family Card Beneficiaries

Instructions/ Decisions	Challenge/ Reality
<ul style="list-style-type: none"> To sell the products at subsidized prices before and during the month of Ramadan to a total of 10 million families All beneficiaries of the “Tk. 2,500 cash assistance” programme (3.85 million) and new 6.15 million poor families would be included in this programme. 	<ul style="list-style-type: none"> 39.5% of the respondents participating in the survey did not receive family cards (Chart 2). 34.4% of female respondents and 31.4% of male respondents were excluded from ‘Family Card’ due to irregularities and corruption.

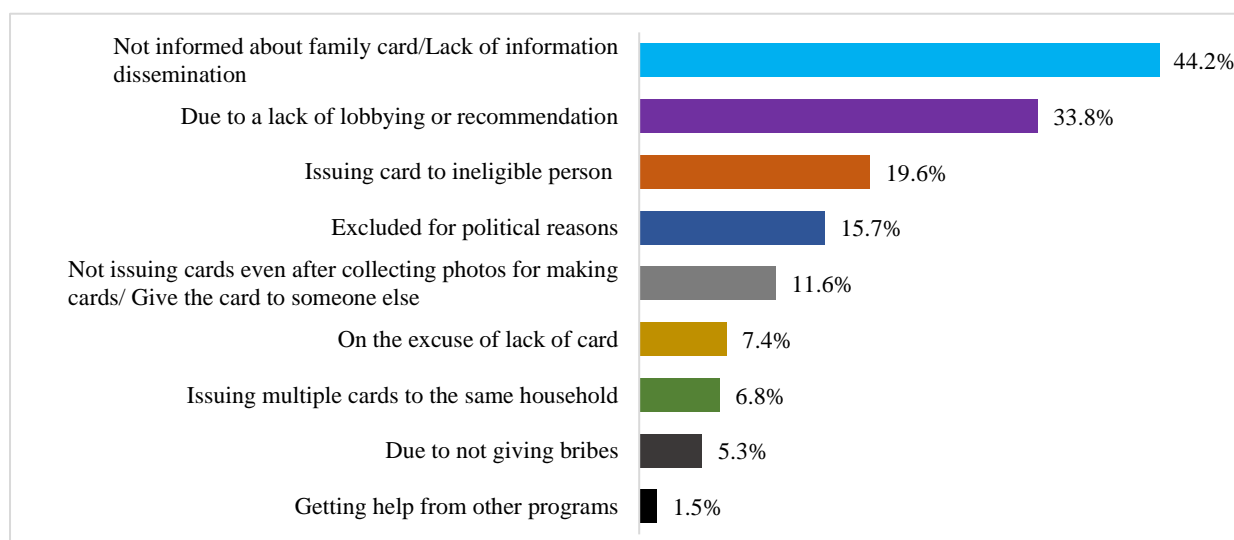
Chart 2: Causes of exclusion as beneficiaries



5.3 Irregularities in Enrollment

According to respondents of the survey who did not get the family card, the main reasons for not getting the card were lack of transparency/ publicity of the enlisting process, enrollment of wealthy people for political reasons, issuing multiple cards to the same family, changing the photo of the enlisted person with another person, do not give bribes, etc.

Chart 3: Exclusion of target population due to various irregularities and corruption



Instructions/ Decisions	Challenge/ Reality
<ul style="list-style-type: none"> A total of 10 million poor families would be included in the programme including all those who are enlisted in the database for the “Tk 2,500 cash assistance” programme (3.85 million) and the beneficiaries of the newly prepared database (6.15 million). 	<ul style="list-style-type: none"> Initially, 3.5 million families were included in the “cash assistance” programme; The number of families included later from road and water transport workers and non-MPO educational institutions is 0.35 million. According to the statement of the concerned authorities, 0.85 million families of various professionals (transport workers, professionals, etc. who have lost their jobs due to 'lockdown') have been excluded from the cash assistance programme list; However, no such instructions have been noticed in the notification/circular related to Family Card programme. It is not known by what consideration and process 0.85 million families were excluded and whether they were excluded based on economic status or not. On the other hand, there was inclusion of similar professionals in the new list; the new list includes village police, members of Ansar, retired government employees, teachers, lab assistants, doctors, village doctors, journalists, etc.
<ul style="list-style-type: none"> Priority should be given to the poor, helpless, low-income marginalized groups while developing the database 	<ul style="list-style-type: none"> Many of the marginalized people of remote areas have been deprived, especially women and ethnic minorities with whom public representatives have little contact.

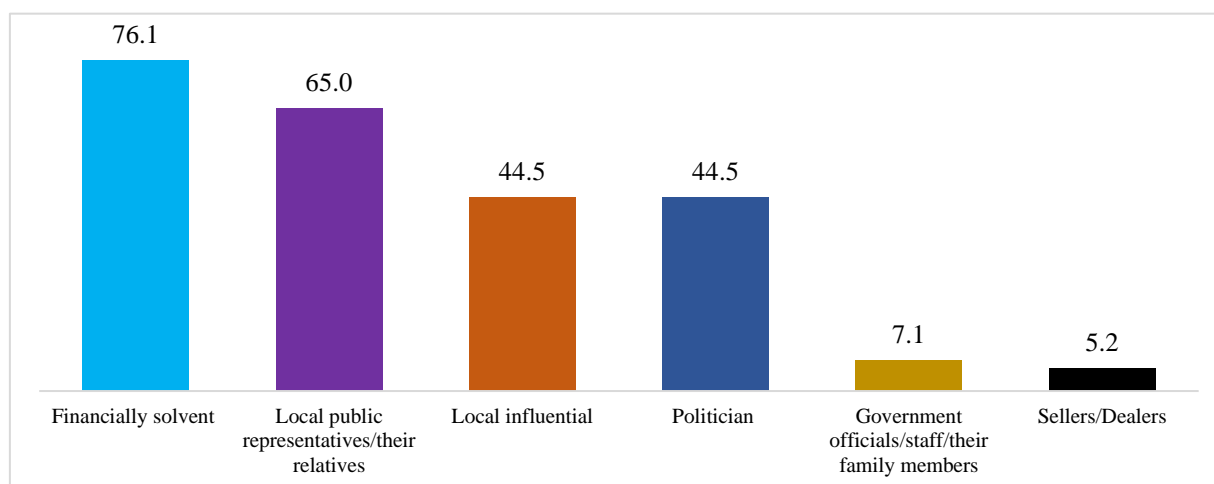
“There are many widows, helpless women in these hilly areas who have not got this card. They don't even get any government allowance/grant.”

- An indigenous respondent

5.3.1 Enrollment of Financially Solvent People

51.3 percent of the respondents thought that the list excludes eligible-poor people which includes a significant number of well-to-do and politically influential people and their relatives.

Chart 4: Type of ineligible people included in the list to get the card (%)



5.3.2 Irregularities in Enrollment

- Apart from being excluded from list due to irregularities and corruption, cardholders are also victims of irregularities and corruption; 4.0 percent of the respondents are victims of irregularities and corruption in enrolment and distribution of cards
- Most of the respondents did not want to comment on irregularities and corruption for fear of harassment and deprivation from future government facilities.

Types of irregularities and corruption in obtaining Family Card

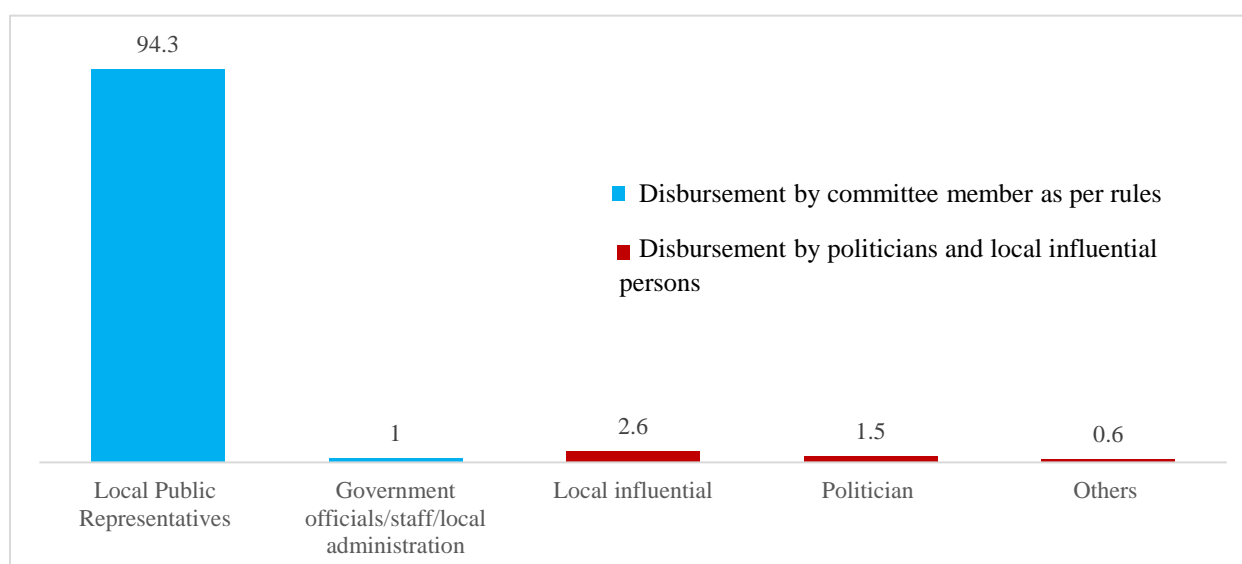
- Had to contact/request repeatedly to the card issuers
- Forced to collect references of influential or political persons
- Not giving information/disseminating insufficient information about the program
- Forced to give bribes
- Refused to give the family card
- Demanded bribe to get a family card

Beneficiaries are forced to pay Tk 50-200 as bribes or irregular payments to get the card. The highest allegations of irregularities and corruption are made against the local public representatives as they were involved in enrollment and distribution of cards; apart from this, influential people, politicians, and government officials were also involved.

5.4 Irregularities in Card Distribution

- Although there is a rule for the distribution of family cards through Upazila/ municipality/ city corporation committee members regarding the selection of beneficiaries, 4.7 percent of the beneficiaries received family cards from other persons.

Chart 5: From whom the informants received the family card (%)



6. Purchase of Products through Family Card

- The affordability of the very poor has not been taken into consideration to determine the quantity and price of the packaged product.

Instructions/ Decisions	Challenge/ Reality
<p>A package of 3 and 4 products can purchase twice with one 'Family Card'; the package price is Tk 460 and Tk 560.</p> <ul style="list-style-type: none"> 2 litres of edible oil (soybean oil Tk. 110 per litre), 2 kg sugar (Tk. 55 per kg), 2 kg lentils (Tk. 65 per kg), 2 kg chickpea (Tk. 50 per kg) 	<ul style="list-style-type: none"> It is mandatory to take all products covered by the package; many of the beneficiaries could not buy the product because they did not have the required amount of money. 7.5 percent of cardholders were unable to purchase a product once due to lack of affordability and 3.7 percent were able to purchase once.
<p>Among the products covered by TCB (17) the amount of the products for the package is determined considering the monthly demand of a household with the products whose prices increase during Ramadan.</p>	

"I got the card from the local administration. But I could not buy TCB products. They send me back as I did not have enough money to buy the product."

- A respondent

"Some beneficiaries did not take this card willingly. Because they did not find it profitable to take the products from truck considering the cost of travel, daily labor wages and other expenses."

- One of the respondents who got card

6.1 Challenges of Marginalized Communities in Purchasing Products; Lack of Capacity

Instructions/ Decisions	Challenge/ Reality
Sale of TCB products through 'Family Card' up to Union level across the country	<ul style="list-style-type: none"> Considering the number of dealers (2,881) and warehouses (16), TCB has the capacity to sell products to 40-45 lakh beneficiaries; Selling products at the

	<p>local level with the help of district administration and food programme dealers</p> <ul style="list-style-type: none"> - Challenge to come for buying products from remote areas; The average cost of travel of a beneficiary for purchasing goods from the specified point is Tk. 33 (maximum Tk. 300). • Packaging of products, reaching the sales points, lack of sales points compared to the ratio of beneficiaries, long waiting time for getting products due to single worker at the sales points. <ul style="list-style-type: none"> - On average 1.2 hour waiting time for getting products (maximum 10 hours) - The daily earnings of the poor people are disrupted
Provision for separate lines for women and persons with disabilities	Some sales centres could not manage separate lines for the women, elderly people, and persons with disabilities as there was only one selling person; 9.25 percent of the beneficiaries said there was no provision for separate lines for women and persons with disabilities

“There is no sales point in our area. The distance from our area to where the TCB trucks come is more than three kilometers. That is why no one in this area buys products from TCB.”

-A respondent

"I felt ill by standing from 10 am to 2 pm, so I could not bring the product."

- An elderly respondent

6.2 Irregularity-corruption in the purchase of goods from sales centre/point

- 13.7% of beneficiaries are victims of irregularities and corruption while purchasing products from TCB trucks or dealers.
- 13.8% of female beneficiaries and 13.7% of male beneficiaries
- 14.3% of rural beneficiaries and 11.5% of urban beneficiaries

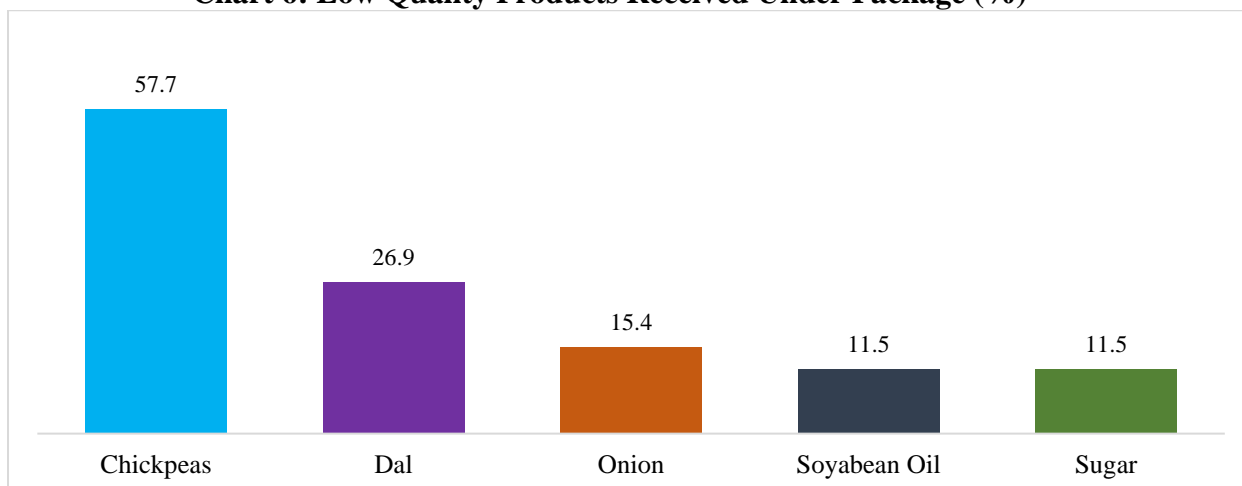
Table 1: Type of Irregularity-corruption reported at the selling point (%)

Type of Corruption	Percentage (%)
Sale of low quality product	33.3
Not maintaining serial during the sale of goods	15.5
Suppliers/trucks did not reach at the point of sale on time	13.1
Lack of disseminating information regarding the supply of goods	14.3
Selling extra products due to nepotism or influence/political interference	10.7
Return to home after waiting as supplier/truck of product did not arrive	9.5
The stock of supply ran out before coming the serial	7.1
Selling the less amount of products than the actual package	7.1
Forced to pay the excess price than the determined price on the list	7.1

6.3 Sale of low quality products from sales centres/points

33.3% of beneficiaries received low quality products in packets – crushed pulses, hardened sugar, low quality edible oil. According to TCB, some of the district level food warehouses have not followed proper standards for storing the products, therefore products need to change in some districts.

Chart 6: Low Quality Products Received Under Package (%)



6.4 In case of product selling, provided less amount of product

Instructions/Decisions	Challenge/Real Situation
To save time and prevent wastage, it has been decided that the products will be packaged according to the specified quantity	In some cases, the packet was torn and less quantity (100-200 g) was provided

“All the packets except the oil were cracked. Each packet contained 100-150 grams less than the fixed amount.”

- A beneficiary

6.5 Enrollment and purchase of products

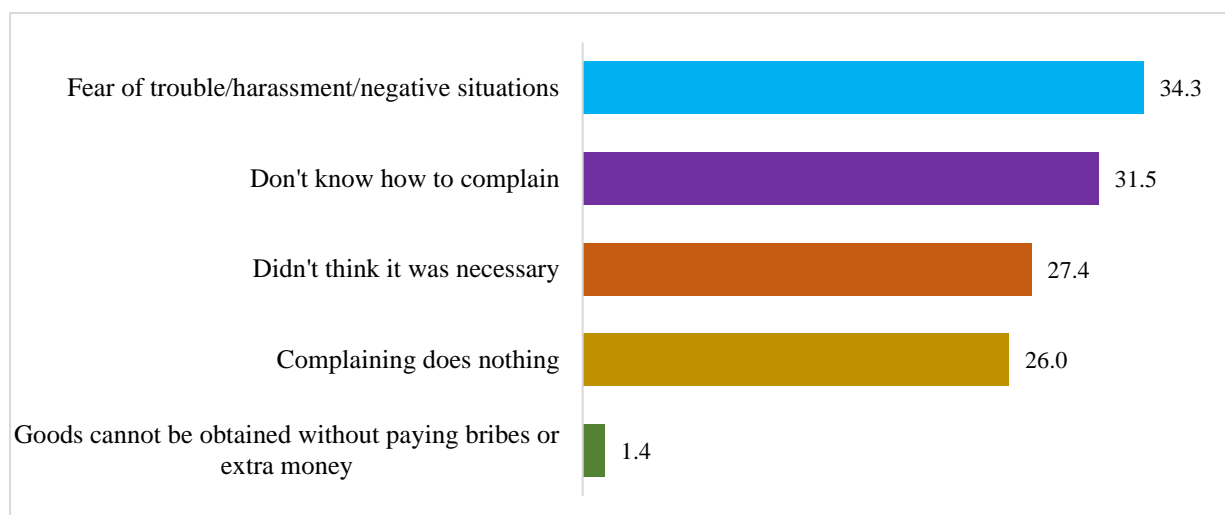
Challenges in publishing and disseminating information

Instructions/Decisions	Challenge/Real Situation
Create, notify and distribute the family cards to every family as per the prepared database	44.2 percent of the respondents did not get a card as they were not aware of the family card programme
Display the list of products with price at the sale centre/point	46.6 percent of the beneficiaries said there was no price list at the point of sale
Inform the family cardholders 4 days in advance about the determined area/place of sale of TCB products	14.3 percent said they did not get any information regarding the date/centre location or there was no promotion of the programme

7. Absence of Accountability Mechanisms

89.9 percent of beneficiaries who were victims of irregularities in enrolment, distribution of cards and purchase of products did not or could not lodge complaints. TCB has not taken any initiative to register a direct complaint against the dealers; However, if anyone wants to complain s/he can register to the local administration/ elected representatives, but no one informed the beneficiaries about it.

Chart 7: Reasons not to complain (%)



8. Overall observations

- The government has undertaken the Family Card Programme for the interest of the public; due to prompt decision to undertake such programmes without assessing the proper institutional capacity of the concerned departments, challenges to good governance have been observed at various levels.
- As a result of a lack of transparency and good governance including irregularities and corruption
 - On the one hand, a significant portion of the actual beneficiaries have been left out of the family card programme.
 - On the other hand, the benefits of these positive initiatives are not reaching the poor and marginalized communities due to a lack of proper consideration of the needs of beneficiaries, affordability, and accessibility and inclusion of marginalized communities, which hampers the purpose of the programme.
- Lack of disclosure and dissemination of information has left a significant portion of the intended beneficiaries deprived of the benefits of the programme and at the same time created a risk of corruption.
- Due to the lack of a complaint mechanism in the programme, it has not been possible to bring people involved in corruption under accountability.

9. Recommendations

A. Enrollment of beneficiaries and distribution of cards

1. After preparing the initial list of beneficiaries by the committee, the list should be decided based on the opinion of the local people through the ward meeting; In this regard, the inclusion of women, persons with disabilities, Dalits, ethnic communities, marginalized and remote areas etc. should be ensured.
2. Arrangements should be made to publish the list of beneficiaries at the local level; The list of total beneficiaries collected from all over the country should be published on the website of the Ministry/TCB
3. Family cards should be distributed only through authorized persons and information such as time, date and place of distribution should be disseminated at all levels.
4. To make the beneficiaries aware of free enrolment and card distribution, various awareness activities (such as sending SMS, printing such information on family cards, etc.) should be conducted at the field level; as well as complaint mechanisms should be publicized when incidents occur.

B. Product sales and supervision at affordable prices

5. To determine the type, quantity and price of products in the package the demand and capabilities of beneficiaries should be assessed; In addition to the sale of package-based products, the poor people who cannot afford to buy all the products in a package should be sold in small quantities according to their needs and capabilities.
6. 'Tag Team' activities should be strengthened to monitor product quality, quantity, centre/point opening hours and locations.
7. The number of sales centres/points should be increased and arrangements should be made to move these centres closer to the target population.

C. Transparency and accountability

8. Information on product type, quantity, fixed price, etc. on the package should be displayed at the point of sale; TCB/Hotline Number of Concerned Person/Responsible Person Name, Address & Phone Number, etc. should be displayed for lodging complaint.
9. Exemplary punishment should be imposed on those involved in irregularities and corruption in the listing and sale of products at affordable prices.
10. An independent audit should be undertaken on the list of beneficiaries and the list preparation process. The families not eligible for this programme should be identified and discarded.
