This report summarizes results from a rapid phone survey conducted to understand welfare during the COVID lockdown of beneficiaries of two Department of Social Services’ programs - Old Age Allowance and Widow Allowance programs. Key findings suggest that these beneficiaries have been hit hard due to COVID restrictions, with 51% of our respondents having to cut down on medication and 22% having to cut down on food in the last week. The median household reports having earned no income in the two weeks prior to the survey. While timely payment of benefits is crucial at this moment, 41% of beneficiaries have not been paid the full payment amount that they were due prior to the COVID lockdown. This is not explained by an inability to retrieve payments from the banks due to mobility constraints imposed by the lockdown. Across our sample, 83% of respondents report that banks are currently operating and largely following COVID safety protocols.

We recommend that immediate policy decisions be geared towards smoothing the payment and disbursement processes at banks. We also urge strongly considering mobile money as a platform to get payments quickly to beneficiaries. 71% of beneficiaries expressed an ability and preference to receive their payments on a mobile money account. See interactive dashboard here.

Introduction

The research team, in collaboration with A2i, conducted a round of phone surveys covering 5,872 beneficiaries across 16 Districts (122 Upazillas) in Bangladesh between 30th April and 17th May, 2020.

The objective of these surveys was to understand how the lockdown or restrictions imposed by the government in response to the pandemic have affected households and their ability to retrieve Department of Social Services benefit payments. The survey focused on the most recent set of payments retrieved by beneficiaries, whether financial providers are operating during the pandemic, and how households are coping with the lockdown. We also collected data on phone ownership, as well as the ownership and use of mobile money accounts, both at the beneficiary and household level. 49% of surveyed beneficiaries receive the Old Age Allowance benefit. The remainder receive the Widows Allowance benefit. Analysis in this brief is also supplemented with data collected from these same beneficiaries in April 2019 as part of a broader research study on the digitization of Department of Social Services benefits payments.

The overall response rate is 96% out of 5,872 beneficiaries that we attempted. The response rate by Upazillas ranges from 76% to 100% (see Figure 1).

Figure 1. Survey Response Rate
Main Findings

1. **COVID restrictions are ubiquitous.** 94% of beneficiaries report that their villages are under general holidays or lockdown, facing mobility restrictions and limited hours to buy groceries and medications. 73% of beneficiaries report that they can only move around the village during specific hours (i.e., mornings) or cannot move at all, and 96% report that shops are either open only during limited hours or always closed.

2. **Our sample has been hit hard by these COVID restrictions.** The median household reports having earned no income in the two weeks prior to the survey. As shown in Figure 2, income of the average household has decreased by 83% when compared to income reported by the same households one year ago. Moreover, 51% of our respondents report having to cut down on medication in the last week, and 22% report having to cut down on food (see Figure 3). Only 21% of households report having received food assistance from the government since the start of the lockdown.

We split responses on hardships due to COVID by gender of the beneficiary and by program. Female-headed households are somewhat poorer pre-COVID (see Figure 2.1) and slightly more likely to report having to cut down food and medicine during COVID, although these differences are not statistically significant (see Figures 3.1, 3.2). So in general differences across the gender of beneficiaries are small.

Figure 2. Average household income in the past two weeks (Taka)

![Figure 2.1. Average household income in the past two weeks by gender of household head (Taka)](image1)

![Figure 3. Suffering due to COVID in the last week](image2)

![Figure 3.1. Suffering due to COVID in the last week, by gender of the household head](image3)
3. The current situation due to COVID makes timely benefit payments extremely crucial, but many people have not received them. 17% of beneficiaries have received no payments since January 2020. An additional 24% report having received only 1500 Taka in that same time period. 52% report a total of 3000 Taka in payments, with only the remaining 7% reporting payments of 4500 Taka or more (see Figure 4). We find no difference in the average payment amount received by gender of the beneficiary or by benefits program (Figure 4.1).

There is significant variation between upazillas. As is clear from Figure 5, upazillas in which there are many missing payments are distributed all over the country, rather than being concentrated in particular geographic regions.

Figure 3.2. Suffering due to COVID in the last week, by beneficiary type and gender

Figure 4.1. Average total payment amounts received since January 2020, by beneficiary type and gender (Taka)

Figure 4. Total payment amounts received since January 2020 (by payment category)

Figure 5. Percent of beneficiaries who received at least 3000 BDT since January 2020
4. **Beneficiaries who receive digitized payments, as opposed to payments through Link Branches, are significantly less likely to have experienced payment delays.** Beneficiaries who collect their benefits at the Union Digitization Centers (UDC) are 20 percentage points more likely to have received 3000 Taka than beneficiaries who received payments through the link branch (non-digitized payments). They are also 16 percentage points less likely to have received no payments since January than their non-digitized counterparts (see Figure 6). Beneficiaries with digitized payments are 60 percentage points more likely to have received a payment during April or May, indicating that the digitized system was functioning during the height of the pandemic lockdown.

Overall, respondents who have had their payments digitized received an extra 400 Taka over those whose payments have not been digitized (see Figure 7). All of these differences are statistically significant.

5. **Beneficiaries who are owed their benefits come from the most vulnerable populations.** Beneficiaries who report receiving no payments since January 2020 come from the poorest households in the sample. On average, a beneficiary who received no payments reported having earned 516 BDT in the two weeks prior to the survey, an amount 30% lower than beneficiaries who had received at least 3000 BDT since January 2020 is 7000 BDT per month.

**Figure 6. Differences in Total Payments Received since January 2020, by Digitization Status**

6. **Two-thirds of beneficiaries prefer to receive payments through mobile money.** Despite being 66 years of age on average and the fact that 78% of the sample have had no formal education, 71% of beneficiaries prefer to receive their DSS payments via mobile money. 43% of beneficiaries in our sample own their own mobile phone, while an additional 51% have access to a shared household phone. Mobile money ownership is common in our beneficiaries’ households: 15% have a mobile money account in their own name and 54% live in a household in which at least one household member has an account. 93% of these mobile money accounts are with BKash. As can be seen in Figures 8 and 9, owning your own mobile phone or owning a mobile money account is more common among widows and male old age allowance beneficiaries than among female old age allowance beneficiaries.
Nearly all beneficiaries who already have a mobile money account in their name prefer receiving benefits payments in their own mobile money account (see Figure 10). Nonetheless, 67% of those who do not currently own a mobile money account would still prefer to receive their payments via mobile money. Of the 67%, 33% expressed an interest in opening a mobile money account if there was an option for them to receive their DSS benefits in this manner. The remaining 34% expressed a desire to receive their benefits into a family member’s mobile money account.

Qualitative interviews indicate that convenience is the primary reason why beneficiaries prefer mobile money over receiving benefits at the link branch. Although the UDC is generally closer to a beneficiary’s household than a link branch, 81% of those who currently receive their payments at the UDC would still prefer to receive the DSS benefit in a mobile money account. In comparison, 71% of beneficiaries who currently receive their payments at the link branch reported a preference to receive their benefits in a mobile money account. Thus, having experience with digitization is associated with a higher likelihood of preferring mobile money.

**Figure 8. Mobile Phone Ownership by Beneficiary Type and Gender**

**Figure 9. Beneficiary Preferences for Payment Platforms, by Mobile Money Ownership, Beneficiary Type and Gender**

**Figure 10. Beneficiary Preferences for Payment Platforms, by Mobile Money Ownership**

**Recommendations**

1. Banks are still operating across most of our sample region, and public health measures are being followed during collection times. Therefore, DSS energy might be well spent ensuring that payments arrive at bank branches and that banks are able to push these payments to beneficiaries in a timely manner.
80% of beneficiaries who have received fewer than 3000 Taka since January 2020 report that the bank branch where they collect their benefits from is currently operating. Yet, 75% of these same beneficiaries reported retrieving their last payment before lockdown restrictions were imposed in their village. As Figure 11 shows, banks seem to be operating under the current restrictions consistently across the upazillas that were surveyed. Although the research team cannot verify how COVID-safe banking branches are, 98% of respondents who collected a payment after the lockdown report having been asked to maintain 2m distance or use a face covering while collecting their benefits.

Thus, understanding what constraints banks might be facing with respect to payment disbursement may enhance efforts to help beneficiaries cope with the current crisis.

2. **Mobile money may be an effective way to get payments quickly to beneficiaries.**

Mobile money is a viable strategy to disburse payments quickly. 84% of beneficiaries report that mobile agents are still operating and in close proximity to respondents – the median distance to the closest agent is 15 minutes.

Moreover, mobile money seems to be very common among our beneficiaries: 54% of them live in a household where a household member owns one and all beneficiaries were familiar with what mobile money is. 71% of our beneficiaries (nearly all of whom have their own phone or a common household phone) report that they would prefer to receive their payments via mobile money over banks or the UDC (see Figure 10).

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