



Re-strategising Bangladesh's Social Protection: Addressing Poverty, Vulnerability, and Inequality

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Driving transformative change in the social protection system requires renewed political commitment, adequate resources, enhanced institutional capacity, and stronger accountability.

- The approach to social protection has undergone a fundamental shift, transitioning from an ad-hoc system to a more structured, lifecycle-based framework.
- However, as the decade-long reform period envisioned under the NSSS nears its conclusion, the social protection system continues to face persistent challenges that the reform programme sought to overcome.
- Inadequate resource allocation, structural inefficiencies, and weak institutional capacities remain critical constraints, undermining the effectiveness and sustainability of the system.

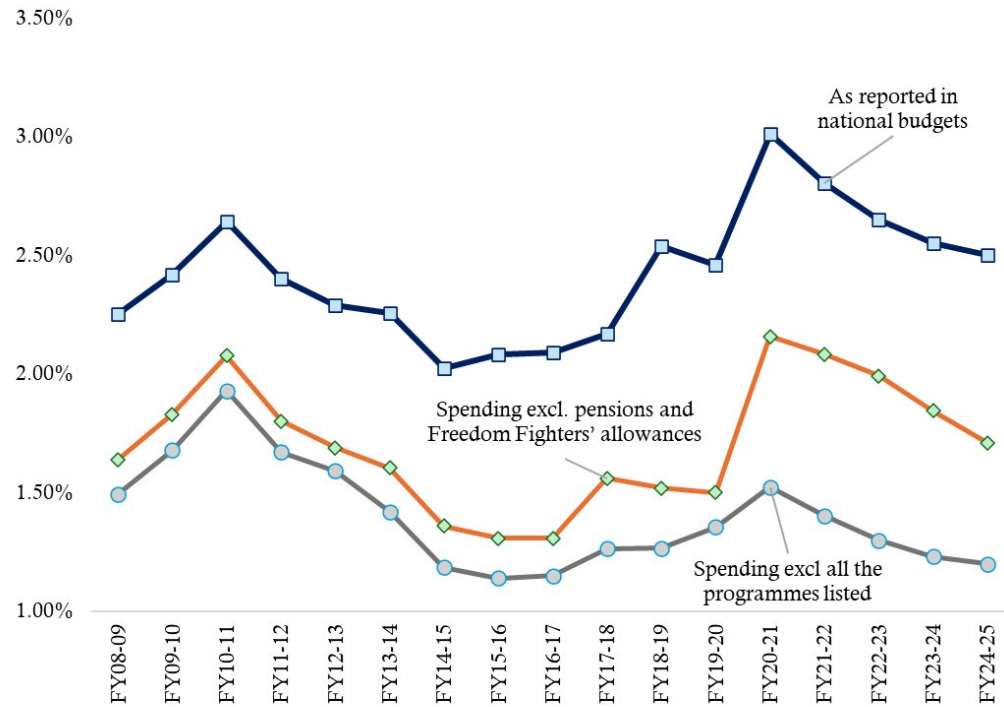


Stop inflating social protection allocation

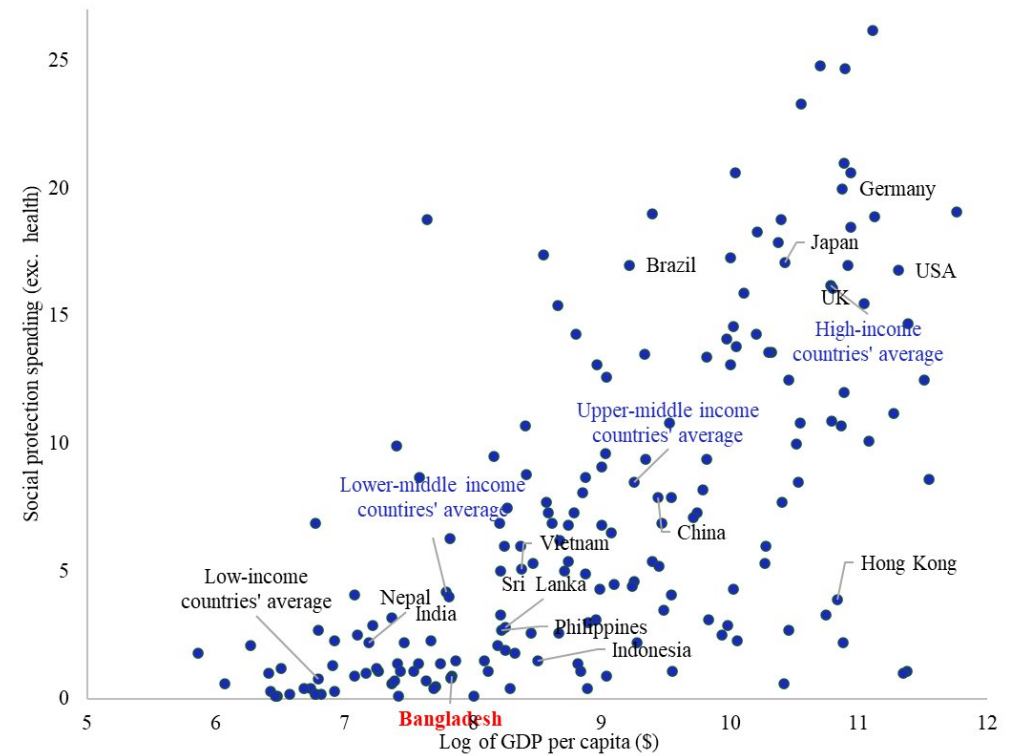
- Inclusion of unrelated schemes inflates the social protection budget and misrepresents actual commitment.
- Spending is exaggerated by incorporating pensions, subsidies, and infrastructure, distorting social protection allocations.
- Among the six largest schemes, only the old-age allowance qualifies as true social protection.
- A broad definition risks categorising nearly all public spending as social protection, undermining its core intent.

Name of program	Budget (2024-25) (Crore BDT)
Pension for retired government employees and their families	36,580
Agriculture Subsidy Management	17,000
Savings certificate interest assistance	8,828.3
Honorarium for freedom fighters	4,728
Free textbook distribution among students	1,195
Housing construction project for the insolvent freedom fighters	1,004
Rural connectivity improvement project	613
Honorarium & medical allowances for injured freedom fighters	480
Printing and distribution of free textbooks	447.1
Ministry of public administration (welfare grants)	349.3
Procurement of equipment for search, rescue operation and emergency communication for earthquake and other disaster	342.3
Water supply project in coastal area through rainwater harvesting system	216.5
Bangladesh Employees Welfare Board	192.9
Cash Transfer Modernization (CTM)	165.5
Lump Sum Provision for Development of Special Areas (Except Hill Tracts)	100
Ration for shaheed family and injured freedom fighters	90
Capacity building of Joyeeta Foundation & construction of Joyeeta Tower	89.1
Interest free micro credit programme	70
Hilsha Resource Development and Union Level Fisheries...Agriculture Technology Program	70
Victory day allowance for heroic freedom fighters	70
Social Development Foundation	64

Social protection spending (% of GDP)



Cross-country comparison of social protection spending

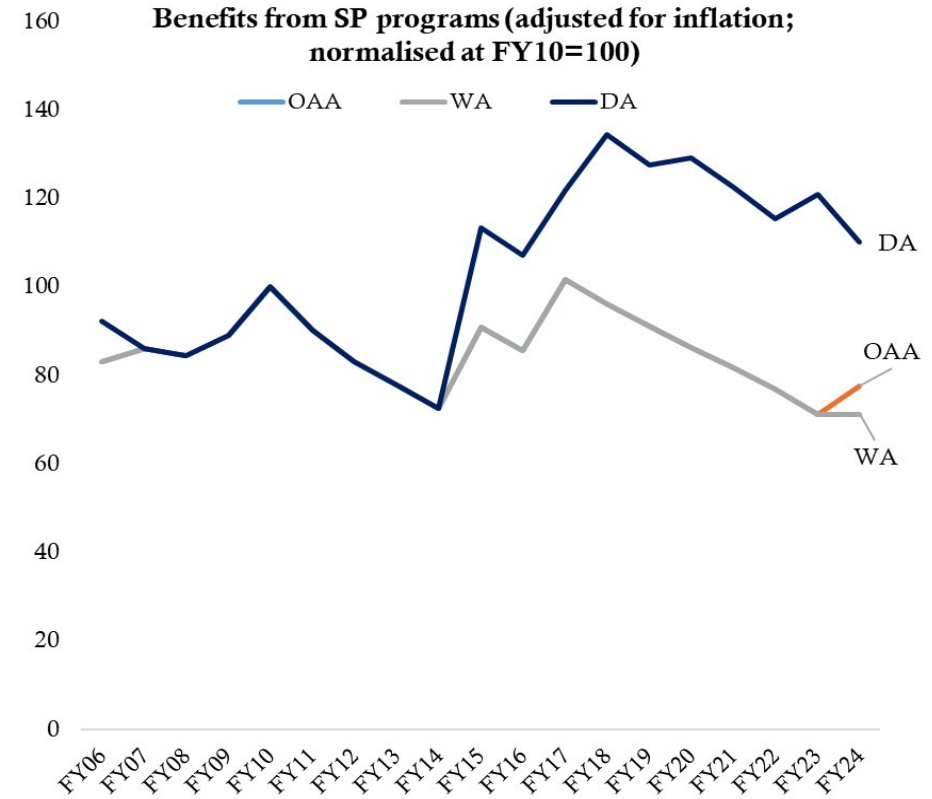


Social protection spending in FY25 is estimated at 2.5% of GDP and 17% of the budget, but drops to 1.2% of GDP and 7% of the budget when excluding irrelevant programmes

Implement inflation-adjusted transfer value for all social protection programmes on a regular interval. There has been a steady erosion of their real value over time.

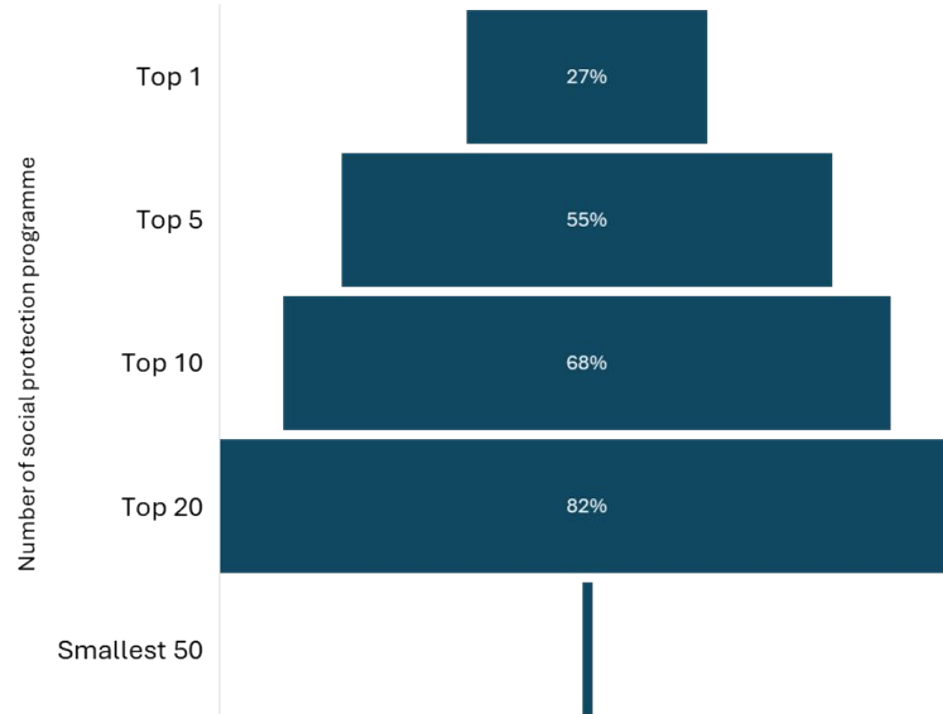
Benefits of major social protection programmes in Bangladesh

Program	Programme benefit	Nature of the transfer	Allowance as % of corresponding per capita GNI
Old-age allowance	Tk. 600 per month	Regular, monthly	2.35%
Allowance for widow, husband deserted and destitute women	Tk. 550 per month	Regular, monthly	2.16%
Allowances for persons with disability	Tk. 850 per month	Regular, monthly	3.33%
Stipends for PwDs	Tk. 900-1300 per month	Regular, monthly	3.5%-5.1%
Primary school stipends	Tk. 100-200 per student per month	Regular, monthly	0.4%-0.8%
Mother and child benefit program (MCBP)	Tk. 800 per month	Regular, monthly	3.14%
Employment Generation Program for the Poor (EGPP)	TK 200 for 7 hours work per day (for 80 days in a year)	Short period (lean period)	5.23%
Vulnerable Group Feeding (VGF)	10-30 Kg of food grain per month (for 2-5 months)	Short period (lean period)	0.3%-2%
Vulnerable women benefit (VWB)	30 Kg of food grain per month (for 2 years)	Regular, monthly for 2 years	4.70%

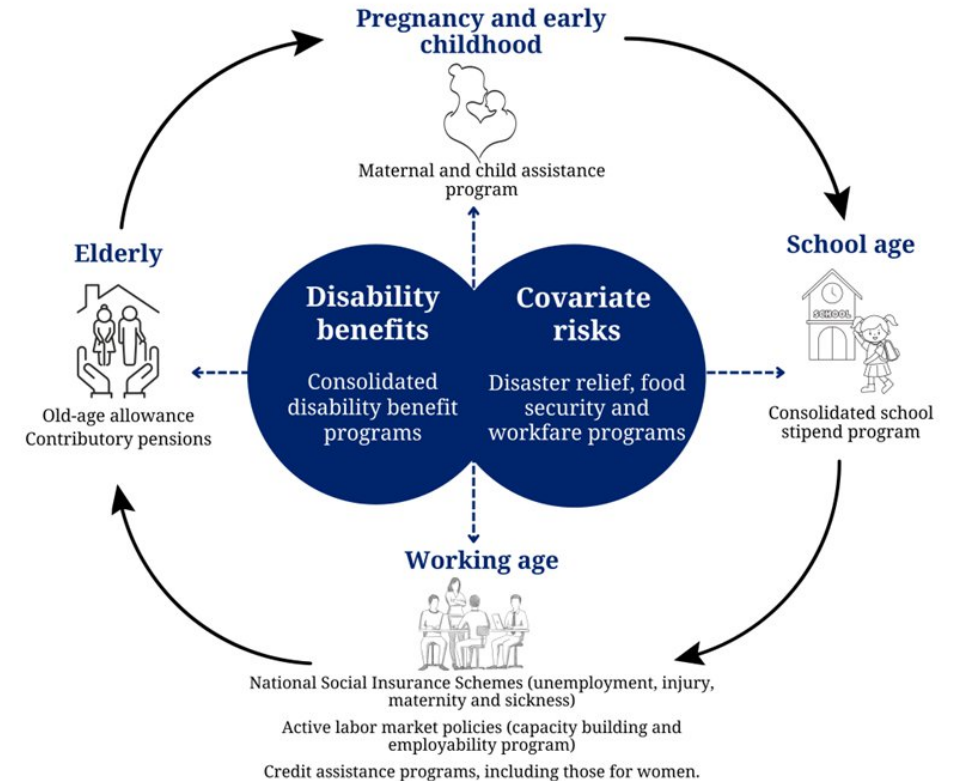


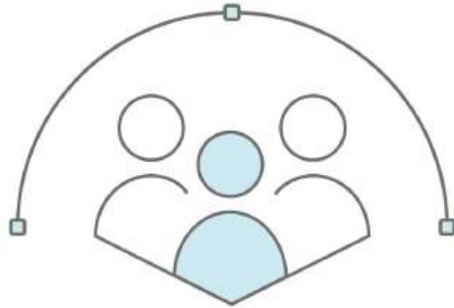
Consolidate and harmonise programmes across the lifecycle and covariate risks. Too many programmes with too little resources!

Allocation share of social protection programmes (in %):
Smallest 50 programmes have a share of just about 1%



Consolidate and harmonise to reduce the number of programmes to a manageable 15–20





Making progress on the National Social Insurance Scheme should constitute a policy priority.



- The lack of contributory social protection in Bangladesh leaves working-age populations vulnerable to risks like unemployment, workplace injuries, and sickness.
- Progress on the proposed National Social Insurance Scheme (NSIS) remains limited.
- Scaling up the Employment Injury Scheme (EIS) nationwide and introducing unemployment insurance should be prioritized, starting with the formal sector and gradually extending to informal workers.
- Effective implementation will require building institutional capacity, strengthening technical expertise, and raising awareness among employers, workers, and the public to ensure broad participation in contributory schemes.

Introducing poverty-targeted programmes can effectively address one critical missing link to social protection support for the poorest and most vulnerable.

- **Lack of Poverty-Focused Interventions:** Existing social protection schemes cannot effectively target poverty and vulnerability.
- **BRAC UPG Model:** Combines stipends, asset transfers, skills training, and mentoring, offering a cost-effective path out of poverty.
- **Universal Cash Transfer:** Covering 70% of poor and vulnerable households with BDT 2,500 per month would cost 2.8% of GDP annually.
- **UBI Prospects:** An UBI targeting the bottom 40% would cost 3.5% of GDP, with a poverty-line threshold model reducing the cost to 1.35% of GDP.



Dealing with beneficiary selection challenges will require a multifaceted approach.

A key issue in assessing targeting errors at the national level is the choice between using poverty and vulnerability criteria to determine eligibility versus programme-specific criteria.

- Overall, 53.9 per cent of poor and vulnerable families are currently not benefiting from social protection programmes
- 62 per cent of non-poor and non-vulnerable households receive some form of benefits
- In the absence of poverty-targeted social protection schemes, using national level inclusion and exclusion errors can be problematic.
- High exclusion errors are mostly due to lack of resources

Programme-specific exclusion and inclusion error (in %) in some selected schemes

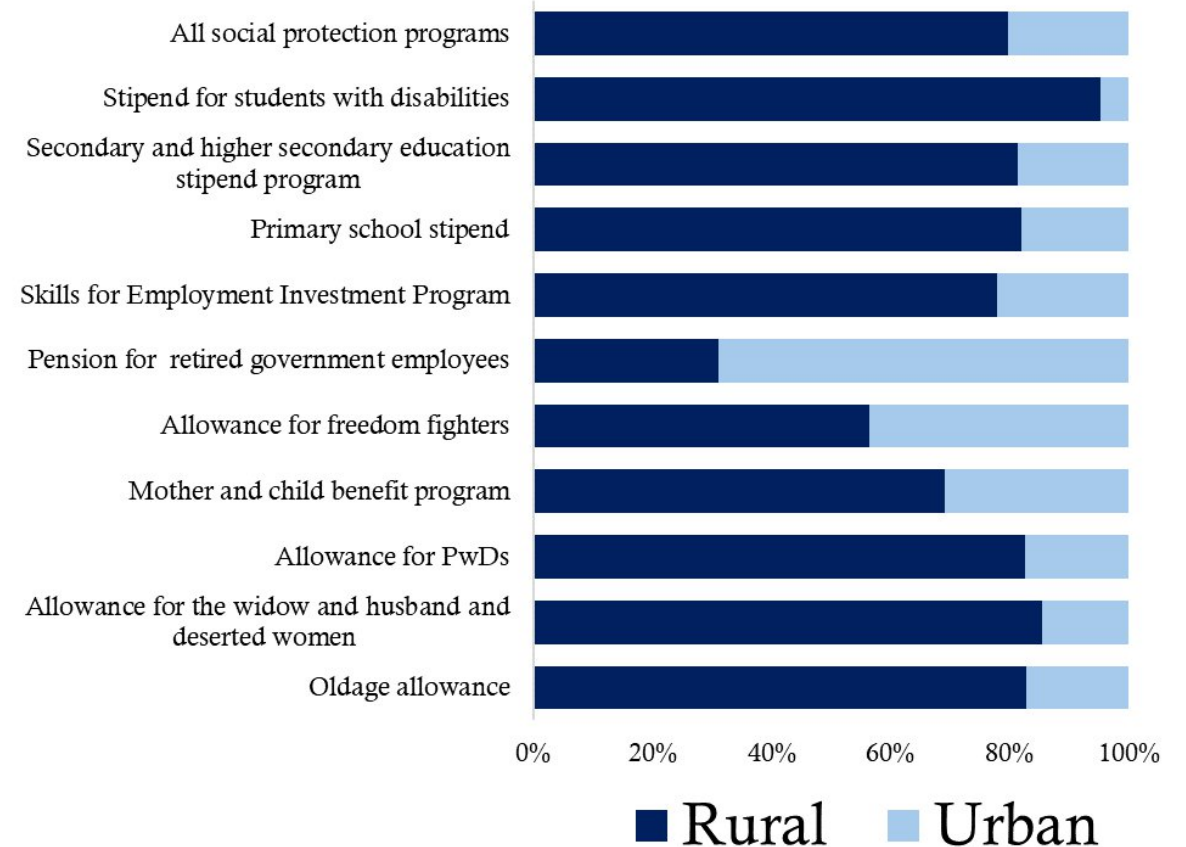
Programme and eligibility criteria	Exclusion error	Inclusion error
Old age allowance: Minimum age (male 65 years, female 62 years) and annual personal income below Tk. 10,000	25.03	16.28
Widow allowance: Widow / deserted by husband / destitute, annual individual income less than Tk. 15,000	84.80	26.47
Disability allowance: Severe disability and annual income of beneficiary (less than 36000)	75.49	56.07
VGF: Poor and Landless	97.69	80.65
Mother and child benefit programme (MCBP): Age (20-35) and income criteria (up to Tk 8,000 for rural areas; and up to Tk 12,000 for urban areas)	98.88	64.18

Source: Estimated from the Household Income and Expenditure Survey (HIES) data, BBS

Expanding life-cycle-based social protection schemes in urban areas should be an urgent policy consideration.

- By the mid-to late-2030s, the majority of Bangladesh's population will reside in urban areas.
- Only about 20% of social protection beneficiaries are from urban areas
- Programmes like Open Market Sale (OMS), which provide subsidised essential goods, are vital for protecting vulnerable urban households from food insecurity and economic shocks
- Programmes such as old-age and widow allowances, disability benefits, school stipends, and Mother and Child Benefit support should be scaled up for urban populations

Limited coverage of urban poor and vulnerable population groups



Strengthen adaptive social protection measures to enhance the resilience of climate vulnerable populations

- Expanding the coverage of programmes specifically targeting climate-affected populations.
- Embedding disaster risk reduction training and early warning systems within existing social protection frameworks
- Establishing dedicated adaptive social protection funds and piloting innovative insurance mechanisms to address climate risks.
- Strengthening coordination with local governance and community-based organisations for effective implementation.

Programme Name	Implementing Agency	Allocation in FY24-25 (BDT Crore)
Enhancing Adaptive Capacities of Coastal Communities, especially Women, to Cope with Climate Change-Induced Salinity	MoSW	61.20
Vulnerable Group Feeding Programme	MoDMR	1,184.02
Relief Operation-General	MoDMR	2,390.62
Food for Work (FFW)	MoDMR	1,024.01
Char Development and Settlement Project (Social Security Part)	MoWR	33.01
Employment Generation Programme for the Poorest (EGPP)	MoDMR	1,504.50
Employment Generation Programme for the Poorest Plus (EGPP+)	MoDMR	264.47
Relief Activities	MoDMR	80.12
Relief Operation – Rehabilitation	MoDMR	70.1
Relief Operation - Rehabilitation (House Grant)	MoDMR	28
Construction of Flood Shelter in the Flood Affected and River Prone Area	MoDMR	400
The Disaster Risk Management Enhancement Project	MoDMR	111.53
Bangladesh Environmental Sustainability and Transformation (BEST) Project	MoEFCC	793.11
Special Grant for the Development of Char, Haor and Backward Areas	Finance Division	50
Fund for Disaster Affected Marginal Farmers and Poultry Farm Owners	Ministry of Food	50
Fund for Mitigating Impacts of Economic and Natural Disaster	Ministry of Food	8,000.00
Expansion of Irrigation in Greater Rangpur District	Ministry of Food	60.51
Establishment of Multipurpose Disaster Shelter Centre	LGD	475.15
Water Supply Project in Coastal Area Through Rainwater Harvesting System	LGD	216.53
Climate Resilient Sustainable Water Supply, Sanitation and Hygiene Project in Bangladesh	LGD	38.33
Flood Reconstruction Emergency Assistance Project for Water Supply and Sanitation	LGD	70.91
Disaster Risk Management Enhancement Project (Social Security Part)	LGD	46.26
Resilient Infrastructure for Adaptation and Vulnerability Reduction Project (RIVER)	LGD	393.78
Coastal Towns Climate Resilience Project	LGD	450
Risk Management Fund on Climate Change	MoEFCC	100
Sustainable Forest and Livelihoods (SUFAL) Project	MoEFCC	95.95
Total		17992.11
Social Protection Budget		136026
Percentage of Social Protection Budget		13.23%
National Budget		797000
Percentage of National Budget		2.26%
GDP		5597414
Percentage of GDP		0.32%

Prepare for the next decade of social protection requires urgent evaluation of past lessons, capacity building, and an inclusive framework for emerging challenges.



Preparing for the Next Social Protection Strategy: With the NSSS concluding in 2026, immediate evaluation of achievements and gaps is crucial to shape a more inclusive and sustainable framework addressing poverty, inequality, urbanization, and climate change.



Strengthening the Ministry of Social Welfare (MoSW): MoSW should lead lifecycle-based programmes, requiring urgent capacity building through staffing, technical training, infrastructure investment, and a dedicated budget in the upcoming Fiscal Year.



Enhancing Coordination and Monitoring: Effective inter-ministerial collaboration and robust monitoring systems are essential to ensure smooth implementation and address capacity gaps across relevant ministries..

Strengthen data systems is critical for making informed policies in social protection

Developing a comprehensive MIS

A unified registry should integrate social protection data, ensuring efficiency, inclusiveness, and fair resource distribution. Public access, with privacy safeguards, enhances transparency, accountability, and gap identification.

Enhancing data systems and addressing gaps

New programmes like unemployment insurance need data on employment duration, salaries, and work histories, while closing disability data gaps is crucial for inclusive, targeted interventions and accessibility.

Building capacity for data management

Strengthening technical expertise, coordination, and accountability is essential. Sustainable implementation requires domestic ownership, adequate funding, trained personnel, and integration into national frameworks.



Thank you!