



Photo: Dominic Chavez / World Bank

# Taking Social Protection to the Next Level in Bangladesh

*Helping youth living in poverty improve their livelihoods*



## SUMMARY

Life in our rapidly changing world is fraught with increasingly complex risks, making social safety nets more important than ever for the extremely poor and vulnerable. Meanwhile, in addition to climate change- and conflict-induced shocks, among others, the COVID-19 pandemic has compounded existing challenges. These crises not only have had direct health impacts but also have affected household welfare through higher food prices and a reduction in sources of secure income. And the poor have been hit the hardest.

Clearly, business as usual is not sufficient. Moreover, the multidimensional nature of poverty calls for interventions that seek to address multiple constraints at various levels. Research shows that economic inclusion programs (a bundle of coordinated programs, with common interventions including cash transfers, skills training or coaching, and access to assets) help strengthen resilience and expand the economic opportunity of people living in poverty. The term “social safety net–plus” is gaining prominence, with the “plus” indicating the potential to complement cash transfers with, for instance, economic inclusion interventions aimed at providing better incomes for families. However, it is only when these programs are adopted by Governments that they can truly be brought to scale. One such way that this can happen is through leveraging existing social protection systems for rapid targeted reach.

This is the story of how the Government of Bangladesh, with support from the Partnership for Economic Inclusion (PEI) and in collaboration with the World Bank and various other stakeholders, has been able to achieve a groundbreaking moment in scaling up economic inclusion in the country.

The Government of Bangladesh implements over 100 safety net programs, largely focused on social assistance. A few non-government organizations have small-scale economic inclusion interventions; however, this has generally occurred in the absence of solid coordination efforts. In this context, the World Bank team introduced an innovative approach of using safety net systems as a platform to incorporate Government-led economic inclusion measures.

PEI supported the Government with the “know-how” and bridged a gap that otherwise would have remained in place between the Government, development partners, and academia. The future looks promising – or, in the words of one of the World Bank task team leaders:

“We are at the frontier of 'next level' social protection. The introduction of safety net systems as a platform to scale up economic inclusion will likely shape its future in Bangladesh. ... The PEI grant has given them access to a new way of thinking. Remember that no other program will have the scale of a government project, with tens of millions of beneficiaries.

Syud Amer Ahmed – World Bank Task Team Leader

**Bangladesh is a remarkable development story – both an inspiration and a challenge for policymakers and development practitioners.** A decade of consistently recording over 6 percent annual gross domestic product growth has allowed the country to reduce absolute poverty levels sharply (from 44 percent in 1991 to 13 percent in 2016). Alongside this, there have been impressive improvements in human development outcomes.

**Amid positive achievements, inequality levels have remained very high, with 22 million people still living below the poverty line.** This may seem surprising when seen in the context of significant government and non-governmental spending in sectors such as infant and maternal health, food security, provision of basic health services, and availability of credit. Experience demonstrates that failure to improve shared prosperity jeopardizes poverty eradication efforts.

**Often referred to as “ground zero for climate change,” and with looming shocks, refugee crises, and poverty – not to mention the impact of COVID-19 – Bangladesh is central to the global challenge of eliminating extreme poverty and boosting resilience.** Bangladesh ranked seventh on the 2021 Global Climate Risk Index, and it has been estimated that, by 2050, climate change will have displaced one in every seven Bangladeshis. The country’s low and flat topography makes it particularly vulnerable to the climate change-induced increase in the frequency and intensity of extreme weather events, and to sea-level rise. Consequently, social vulnerability to these types of shocks is high.

## **SOCIAL SAFETY NETS IN BANGLADESH: A NEED TO BROADEN THE SCOPE**

**Poor households frequently encounter “poverty traps” – yet the word “trap” suggests there is a way out. However, escape from poverty often requires some help. Social safety nets in Bangladesh have long helped poor households better manage these risks.** Poverty traps are at play when a vicious cycle undermines the efforts of the poor, with conditions of poverty feeding on themselves and creating further conditions of poverty. Social safety nets have the aim of catching those who fall on hard times or serving as “poverty insurance.”



Students at the Sujat Nagar school in an impoverished part of Dhaka  
Photo: Dominic Chavez / World Bank

In addition, the Rohingya refugee crisis (Bangladesh hosts around 1.1 million Rohingya from Myanmar) and the COVID-19 pandemic have underscored the urgency of programs that work on adapting to shocks – but also building resilience before their occurrence. Economic inclusion programs can protect the livelihoods of the poor by, for example, connecting them with market opportunities and increasing their income and assets, thereby building their resilience to withstand major shocks.

Bangladesh implements over a hundred social safety net programs, which has greatly contributed to consumption-smoothing and reducing poverty and vulnerability. Despite its accomplishments, though, challenges abound. Most programs focus on social assistance; few provide insurance in times of shock or support labor market insertion. Among other things, given the multiple constraints facing the poor when encountering poverty traps, a more multidimensional approach is needed.

In recent years, the Government of Bangladesh has made intensive efforts to streamline and modernize its social safety net systems. Implementing line ministries struggle with capacity issues, outdated administrative systems, duplicative efforts, and a lack of pro-poor targeting (in 2019 only one-third of the poor were covered).

To address this, the Government has worked toward modernizing its safety net systems through improved poverty targeting approaches and delivery systems, digital payment, and development of a national social registry. Yet the “jobs part” has remained largely missing from the equation.

## **ECONOMIC INCLUSION: A MULTIDIMENSIONAL APPROACH TO SUSTAINABLY ESCAPING POVERTY**

**Economic inclusion programs are an important complement to existing large-scale anti-poverty efforts as they support individuals, households, and communities to increase income, diversify, and transition to sustainable livelihoods.** They tend to have a foundational intervention that acts as the primary entry point, with other measures layered on top. Entry points can include social safety nets, livelihood and jobs initiatives, or financial inclusion programs. Terms such as “social safety net-plus” or “cash-plus” are gaining prominence, often with economic inclusion as the key driver, with the “plus” indicating the potential to complement cash transfers with additional inputs or services. Moving from standalone to more integrated or “bundled” approaches presents opportunities for improved program delivery and keeping costs low. And it is when governments adopt these programs that they can truly be brought to scale and gain instant reach.

**Numerous, comparatively small-scale, economic inclusion programs have been implemented by non-governmental organizations in Bangladesh. Yet this has taken place in the absence of solid coordination efforts between these and the many Government-led social safety net programs in existence.** The many Government-led social safety net programs and the non-governmental economic inclusion interventions, which present strong evidence of positive impact, have never been brought together under one umbrella. The idea of incorporating additional services into existing safety nets to generate more comprehensive and effective interventions has only recently been tested on a pilot scale, largely led by development partners.

“**The idea of incorporating additional services [economic inclusion] into safety nets and linking them together was a different approach for the Government of Bangladesh. It was a groundbreaking moment for senior officials! We helped bring and put the pieces together.**”

Aneeka Rahman - Co-Task Team Leader

## HOW PEI HELPED PROVIDE CRITICAL GOVERNMENT LEARNING AND CAPACITY-BUILDING ON IMPACTFUL SAFETY NETS PLUS ECONOMIC INCLUSION APPROACHES

The Bank team saw a unique opportunity to influence the broadening of scope of current safety net programs from a focus mainly on cash or food transfers to cover objectives that included economic inclusion, while capitalizing on the Government’s latest investments in such safety nets. Years earlier, the team had identified gaps in safety net programming and policy in Bangladesh – mainly a lack of economic opportunities for beneficiaries who had “graduated” out of cash transfer programs. However, it was not until much later – with the help of a PEI grant that brought in financial support, intellectual capital, and convening power – that the Developing an Economic Inclusion Program through Social Safety Net Platforms project could begin addressing some of these identified gaps. The goal was to design a sustainable economic inclusion program owned and implemented by the Government that could help young adults in the poorest households improve their livelihoods.

Among other things, the PEI grant financed the following activities:

**Presented supporting diagnostics and enabled the design of an economic inclusion package across a select number of locations** covering up to 5,000 beneficiaries with the potential to be implemented at scale/gain instant reach if using existing safety nets as a vehicle.



Young truck driver in Bangladesh  
Photo: Scott Wallace / World Bank

### **Box 1: The Income Support Program for the Poorest (ISPP) project - and its conditional cash transfer Jawtno (“Care” or “Nurture” in Bangla)**

The World Bank is supporting the Government of Bangladesh with a \$250 million IDA credit for the Income Support Program for the Poorest (ISPP). The social safety net program is implemented by the Local Government Division, under the Ministry of Local Government, Rural Development and Cooperatives.

The program benefits 600,000 mothers, 1 million children, and 2.7 million people living in poverty. Through the cash transfer program, mothers and pregnant women receive quarterly electronic income support in exchange for participating in activities to improve their children’s nutrition and cognitive development. As beneficiaries are often able to save some amount of their cash transfers and have invested in small income generating assets, such as livestock and poultry, that also provide nutritional value to the household, the program could be further strengthened by adding a productive inclusion component. This would help poor mothers improve their wellbeing and develop sustainable livelihoods. As many of the beneficiaries are young, this would present an important opportunity to empower them economically and make use of their skills and potential.

**Shared pivotal knowledge on linking services together and the fiscal and delivery benefits of economic inclusion, influencing the Government's broadening of scope of safety net programs.** This understanding constituted the foundational first step towards gaining political acceptability for the productive inclusion package as a government-led intervention.

**Leveraged World Bank International Development Association (IDA) complementarity** by exploring how to design economic inclusion models for specific groups of beneficiaries under existing World Bank-supported projects,

such as households with young children, which are among the most vulnerable, with increased dependency ratios and limited social assistance support (see Box 1).

**Helped strengthen local-level government capacity by providing niche knowledge, including through South-South learning.**

The team took government officials on one trip to Kenya and two trips to Korea. These trips proved invaluable from a cross-fertilization and deeper learning perspective.

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**Box 2: Bangladesh efforts to safeguard low-income urban youth and returnee migrants from the fallout of COVID-19 pandemic - through economic inclusion programming**

*In July 2021, the World Bank approved a \$200 million loan to help Bangladesh provide support and services to low-income urban youths affected by the COVID-19 pandemic and involuntary returnee migrants to improve earning opportunities and resilience. PEI support was critical in facilitating the design and implementation of the economic inclusion operation.*

The pandemic provided the impetus for the Government to push forward with the *Recovery and Advancement of Informal Sector Employment (RAISE)* project - with the objective of "providing services that can enhance earning opportunities for low-income urban youth, urban youth impacted by COVID-19, and returning migrants."

Prior to the pandemic, the Government displayed an interest in designing an economic inclusion program for the poor. As the pandemic set in, the Government leveraged World Bank and PEI support to prepare RAISE, with a focus on increasing access to a package of services, including training and microfinance paired with counselling and referral activities for youth in the informal sector and returning migrants. Services are tailored to fit the individual needs of eligible beneficiaries.

RAISE is implemented through the Palli Karma Sahayak Foundation (PKSF), the primary micro-finance and rural development agency under the remit of the Ministry of Finance, and the Wage Earners' Welfare Board (WEWB), under the Ministry of Expatriate Welfare and Overseas Employment. Activities under the PEI grant helped bridge the gap between academia, development partners, and the Government around program design.

With support from PEI, the Government secured additional services to PKSF microfinance core program offering. It drew on examples from Kenya and Togo, where coaching and training modules have been incorporated into microfinance with positive outcomes. Capacity-building for key government officials at the Wage and Welfare Board was also undertaken through "Real-time" technical assistance. The Government approved the RAISE project in July 2021, and it is expected to reach 375,000 beneficiaries.

Source: [PEI State of Economic Inclusion Report 2021](#)

The time between sessions was equally important: institutional matters and implementation were discussed/reflected upon informally, such as when traveling to meetings and over meals.

**Facilitated partnerships and capitalized on the benefits of stakeholder complementarity.**

Given the multidimensional nature of program delivery, partnership is integral to success. Intense coordination took place between the International Labour Organization (ILO) and the World Bank.

The Bank’s value added pertained to migration and taking things to scale, whereas the ILO sits on a wealth of labor market experience that can be built on.

**Moreover, with PEI support, the Government and Bank teams were able to prepare and deliver a new IDA-financed investment lending project – but with productive inclusion as the “entry point.”** This Government-led economic inclusion program was designed to be part of a larger COVID-19 response (see Box 2).

## **THE WAY FORWARD: WILL BANGLADESH BE ABLE TO TAKE SOCIAL PROTECTION TO THE NEXT LEVEL THROUGH ECONOMIC INCLUSION?**

**The new COVID-19 realities have shown that economic inclusion programs are well placed to respond rapidly to changing circumstances.**

The diversity of such programs with respect to bundling context-specific components gives them considerable flexibility in adapting to different population groups and across rural, urban, and fragile settings. Among other things, economic inclusion programs can build resilience ahead of shocks through the diversification of livelihoods. Moreover, since Bangladesh will continue to face the intense impacts of climate change-related shocks (well before most other countries), the case for economic inclusion through a multidimensional social safety net-plus program is clear.

**Through a renewed government commitment to build on existing safety nets, Bangladesh can take social protection to the next level,** by introducing economic inclusion interventions to complement current investments around human capital formation, breaking the poverty trap, and contributing to better livelihoods for vulnerable youth and women.

**Bangladesh has shown that an alignment between Government, non-governmental organizations, and development partners can greatly facilitate the scaling-up of economic inclusion interventions.** By leveraging the vast network of PKSF’s Partner Organizations, the RAISE project is well positioned to expand economic inclusion as a way to incorporate low-income, less-educated urban youth, including women and returning migrant workers, into the Bangladeshi labor market. Based on the experience of PKSF in providing tailored microfinance solutions and on-the-job training for the poor, the project is also expected to contribute towards improving institutional coordination through its Partner Organizations.

**The World Bank team – with the help of PEI and related critical partnerships, intellectual capital, and “how-to” support – has been able to introduce a “new social protection thinking.”** Together with the Government, the team began strategizing around ways to use the existing safety net system as a platform to bring in economic inclusion measures in alignment with social protection objectives.

This would enable a move from a narrow scope towards a broader and more multidimensional and impactful approach. Knowledge exchanges and hands-on South–South learning further contributed to an understanding among senior government officials of the importance of unleashing the productive potential of people living in poverty. Sustainable poverty reduction depends on an inclusive economy that “leaves no one behind.”

“I have benefited from the Jawtno program by learning about regular use of services for my child's good health and also playing with my children for their brain development. It would also be beneficial if we could also get training on income-generating activities as that will ensure long-lasting benefits for the family and our children in future.

Sufia Begum, ISPP beneficiary, 2021

**The Government remains committed to using existing safety nets as a vehicle to scale up economic inclusion programs – to gain instant reach by a wide population.** Although the pandemic forced the Government to focus on crisis management – with less bandwidth for a social safety net–plus program scale-up – it remains committed.

On the Bank team end, the pandemic caused bottlenecks and project delays. However, the team similarly stands ready to assist with scale-up, through leveraging the latest investments and modernizing safety net systems (such as through the development of a national social registry, poverty targeting approaches, and digital payment).

**The Government of Bangladesh has demonstrated its commitment to using economic inclusion programs as part of its COVID-19 recovery efforts through the recently approved \$200 million RAISE project.** The Government leveraged its relationship with the World Bank and PEI to prepare this project. This will contribute towards building a community network to deliver coaching and training components on life skills, business management, financial literacy, and psychosocial support, especially for women to overcome gender-specific constraints and exposure to climate hazards.

Bangladesh may face acute challenges, but it has also always been at the forefront of development innovation. Going forward, other countries will continue to look to Bangladesh for solutions. The use of social safety nets as a platform to scale up economic inclusion, once it happens, will likely shape the future of social protection – not only in Bangladesh but across the developing world.

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This brief utilizes the definition of **economic inclusion** programs as a multidimensional set of “bundled interventions” that support households and communities to increase their incomes and assets. These interventions are sometimes referred to as productive inclusion, graduation, or community-driven development programs. Common interventions include a combination of cash or in-kind transfers; skills training or coaching; access to finance; and linkages to market support.

**The Partnership for Economic Inclusion (PEI)** is a global partnership helping governments develop, implement, and scale economic inclusion programs to sustainably increase the income, assets, and economic resilience of extreme poor and vulnerable people. The work is guided by the Sustainable Development Goal to “end poverty in all its forms everywhere by 2030.” The PEI network includes national governments, policymakers, development partners, and non-governmental and research organizations. It is hosted by the Social Protection and Jobs Global Practice at the World Bank and PEI receives funding through a Multi-Donor Trust Fund administered by the World Bank.