

Moving Up the Ladder: Economic Inclusion of Safety Net Recipients in Bangladesh

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Bangladesh has made significant strides in poverty reduction over the past few decades, aided by its progressive and expansive social protection programs, including its social safety nets (SSNs).

The Department of Social Services' Widow, Deserted, and Destitute Women Allowance (WA) and Disability Allowance (DA) provide cash transfers to working-age widows and people with disabilities while the Local Government Division's Jawnno conditional cash transfer (Income Support Program for the Poorest – ISPP) targets pregnant women and mothers with children under five. Despite the cash assistance, beneficiaries remain vulnerable to further impoverishment due to their lagging labor market outcomes, and many lack access to services complementary to cash that can support their livelihoods. Those who are working are often restricted to low-paying and low-productivity livelihoods. Mothers with children under five face various constraints including a lack of childcare options and restrictive gender norms that prevent them from engaging in the labor market.

A recent profiling survey conducted in Bangladesh indicates that the three groups of SSN beneficiaries varied in their starting human capital (and thus employability and productivity), constraints (e.g. social norms and physical disabilities), and aspirations. WA and DA beneficiaries have, on average, lower levels of education, face worsening health outcomes in terms of disability and chronic illnesses, and display low levels of psychosocial well-being. In contrast, ISPP beneficiaries score well on socio-emotional outcomes, such as Emotional Stability and Conscientiousness, that correlate with higher degree of employability, and overall do not report any health difficulties.

Economic inclusion involves the gradual integration of individuals and households into broader economic and community development processes, with a focus on increasing their incomes and assets, and strengthening their resilience and future opportunities. They provide livelihood support, skills development, and social empowerment interventions, with the objective of outlining a clear exit strategy for cash transfer beneficiaries by helping them improve their earnings and employability prospects.

Economic inclusion interventions must be tailored to the different capabilities, needs, and aspirations among SSN beneficiaries in Bangladesh as identified in the profiling survey.

- A grant/asset that yields high and reliable income, combined with business skills training, could be most suited for ISPP beneficiaries, given their higher levels of education and socio-emotional outcomes. Based on qualitative data collection with community members and market actors, some of the identified non-agricultural livelihoods for ISPP beneficiaries include handicraft enterprises, tailoring, grocery shops, tea stalls, and stationery shops. Vocational training can also be suitable for those interested in readymade garments and handicrafts trade.
- For some of the WA and DA beneficiaries who may not benefit from technical training or microfinance due to their age and physical health, services could focus on enhancing their resilience and social inclusion, such as life skills training and adequate cash transfers. Life skills training that focuses on goal setting and overcoming obstacles can improve socioeconomic outcomes among beneficiaries.
- Mentorship and case management will be critical in addressing the social and emotional constraints that WA, DA, and ISPP face. Mentorship provides tailored support to beneficiaries to strengthen their confidence, self-esteem, and capacity to build sustainable livelihoods and yield better human development outcomes.
- Linkages to health and social care services will be essential for WA and DA beneficiaries living with disabilities. Linkages to childcare services will be key for ISPP beneficiaries who identify childcare responsibilities as their main constraint to engaging in paid employment.

Economic inclusion programs are costly compared to direct cash transfers¹ and implementing them at scale will need to be designed carefully to account for beneficiary constraints and characteristics. It will also require the Government of Bangladesh to build capacity in three areas:

- Increasing the footprint of field-level personnel to manage the increased coordination and case management burden.
- Building better coordination capacity for intra-agency cooperation to be able to cross-refer beneficiaries of one government program to services being offered by another.
- Leveraging national systems such as the National Household Database (NHD), government-to-person (G2P) platform, National ID (NID), and others to coordinate services along the service delivery chain – from beneficiary identification and eligibility verification to payment.

1. The cost of cash plus programs ranges from US\$ 200 to almost US\$ 900 per beneficiary across different contexts (Andrews et al., 2021; Sengupta, 2016; and IFAD, 2017).

In Practice

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