

TOWARDS A NEW PARADIGM OF SOCIAL PROTECTION IN BANGLADESH

by *Selim Raihan*

Bangladesh has reached a point where social protection can no longer be treated as a set of small compensatory programmes for the poor. The old vocabulary still dominates: safety nets, allowances, transfers, and relief. These instruments matter, and for many households, they remain a lifeline. Yet the country's economic and social realities have changed faster than the architecture of protection. Inflation has eroded purchasing power. Urban informality has expanded. Climate shocks are no longer exceptional. Migration, care deficits, ageing, youth unemployment, and insecure work now shape vulnerability in ways that narrow poverty lists cannot capture. A new paradigm is not administrative tidiness. It is necessary.

The first shift must be conceptual. Social protection should be part of Bangladesh's growth strategy, not merely a welfare obligation. A society cannot sustain productivity gains when large sections of its population live one illness, one flood, or one job loss away from distress. Workers cannot invest in skills when survival consumes all income. Children cannot learn properly when households cut food, health care, or school expenses during shocks. Women cannot participate fully when care work remains unsupported, and workplace risks remain high. Social protection is not charity. It is infrastructure.

This perspective matters because Bangladesh spends very little on social protection as a share of GDP compared with many countries in Asia and the Pacific. The issue is not only how much is spent; low spending sets a tight ceiling on ambition. It encourages fragmented schemes and thin benefits. When allocations are too small, programmes compete instead of complementing each other. The result is familiar: many initiatives, many lists, many channels, but limited protection against life-cycle risks.

A shift is needed in targeting. Bangladesh has long relied on poverty-based and category-based approaches. These remain relevant for groups facing chronic deprivation. But vulnerability is more fluid now. A household just above the poverty line may fall below it after a medical emergency, crop loss, cyclone, wage arrears, or food price spike. A

transport worker, platform worker, garment helper, or return migrant may not fit the image of the "destitute poor," yet their economic security can be fragile. A new system must combine poverty targeting with risk-based and life-cycle approaches.

This means taking urban poverty seriously. Bangladesh's social protection system remains heavily rural. That made sense earlier, but it is increasingly inadequate. Urban low-income households face volatile rents, insecure employment, limited subsidised services, and high out-of-pocket health costs. They are often invisible in local systems because of migration and weak documentation. If the system cannot see such workers, it cannot protect them.

There is a need for a shift concerning adequacy. Coverage has expanded in several areas, but the value of benefits often remains too low to make a meaningful difference. An economically insignificant transfer produces an illusion of protection. During high inflation, fixed benefits lose value quickly, and poor households adjust by reducing diet quality, delaying treatment, or borrowing at punitive rates. Benefit levels should be periodically reviewed,

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indexed where feasible, and linked to realistic estimates of household needs. Fiscal constraints are real, but underfunded protection can be inefficient too. It treats symptoms late, after capabilities have been damaged.

Bangladesh needs to move from fragmented programmes to integrated pathways. The current system contains useful elements, but operates in silos. Cash transfers are not consistently connected to health insurance, nutrition support, childcare, skills training, employment services, disability inclusion, or climate adaptation. A poor adolescent girl may receive a stipend, but not the support needed to move into decent work. A worker displaced by automation or factory closure may receive no retraining, counselling, or income support. A climate-affected family may receive relief after a flood, but not the instruments to rebuild livelihoods. The problem is not the absence of programmes; it is the weak bridge between them.

This is where social mobility becomes central. Social protection should help households manage shocks, but it should also expand their choices. For children, this means linking transfers to nutrition, early childhood development, school retention, and learning quality without punitive conditionalities. For working-age adults, it means connecting income support with skills, apprenticeships, job placement, transport access, and affordable childcare. For older persons, it means predictable pensions and access to health and long-term care. For persons with disabilities, it means moving beyond allowances toward assistive devices, inclusive education, accessible workplaces, and community services.

The labour market dimension deserves attention. Bangladesh's economy is dominated by informal work, while formal social insurance remains limited. This mismatch is one of the biggest weaknesses of the present model. A future-oriented system must gradually build contributory and subsidised social insurance for workers, including those outside standard formal employment. Health protection, unemployment support, maternity benefits, employment injury insurance, and pensions cannot be left entirely to households or employers. The garment sector, construction, transport, domestic work, platform work, and small enterprises require tailored mechanisms. Some schemes may begin with pilots. But pilots must not become permanent substitutes for reform.

Gender must be placed at the centre, not added as an afterthought. Women experience vulnerability differently because of unequal wages, unpaid care responsibilities, occupational segregation, mobility constraints, violence, and weaker claims over assets. A mother's allowance, by itself, does not constitute a gender-sensitive system. Bangladesh needs social protection that recognises care as an economic issue. Public childcare, maternity protection, safe transport, support for female-headed households, survivor-sensitive services, and pensions that account for interrupted work histories are not peripheral concerns. They influence labour force participation, intergenerational wellbeing, and women's dignity.

Climate change adds urgency. In Bangladesh, climate vulnerability is not only an environmental matter; it is a social protection challenge. Floods, salinity, river erosion, cyclones, heat stress, and livelihood displacement are changing the geography of risk. Traditional relief responses remain necessary, but they are not enough. Anticipatory cash transfers, shock-responsive registries, climate-risk insurance, livelihood diversification, public works linked to local adaptation, and planned support for displaced households should become mainstream.

Governance is the hard part. A new paradigm will remain rhetorical unless delivery systems improve. Bangladesh needs cleaner databases, stronger grievance mechanisms, transparent selection criteria, interoperable digital systems, and better coordination. Digital payments can reduce leakage, but technology is not a cure-all. Exclusion worsens when people lack documents, phones, literacy, or network access. Local accountability, social audits, and accessible appeal systems are essential. The poor must not be asked to prove their suffering repeatedly to a system that knows too little about them.

Financing is unavoidable. Expanding and modernising social protection requires fiscal space, and that leads directly to tax reform. Bangladesh cannot build a serious protection system on a persistently narrow revenue base. Higher domestic resource mobilisation, better tax compliance, rationalisation of inefficient subsidies, and improved expenditure prioritisation are all part of the same conversation. Development partners can support design and transitional financing, but the core responsibility must be domestic. A rights-oriented system cannot depend indefinitely on project cycles.

The political economy should not be ignored. Social protection programmes often become vehicles of patronage, visibility, and short-term electoral signalling. Reform will require a different bargain between the state and citizens. Citizens should be able to claim protection as a right, not as a favour. The state should expect social protection to strengthen human capability, labour productivity, social cohesion, and resilience. Countries that have built credible systems did so through gradual expansion, institutional discipline, and public trust.

In this context, the very new Family Card initiative could become a turning point, but only under demanding conditions. This initiative can be used as an opportunity to undertake long-standing reform of the social protection systems in Bangladesh. A pilot covering 6,500 families in 14 upazilas, with Tk 2,500 per month delivered through mobile wallets or bank accounts, is modest in its immediate scale. Its significance lies elsewhere: a dynamic social registry, integration of existing cards, and a common social identity instrument. If pursued seriously, this could replace fragmented entry points. The direction of the reform should be clear: from relief to resilience; from fragmented schemes to integrated systems; from charity to rights; from poverty lists to life-cycle and risk-based protection; from token benefits to adequate support; from administrative delivery to accountable citizenship.

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IS BENEFIT ADEQUACY THE FAMILY CARD'S BLIND SPOT?

by Zubayer Hossen and Bazlul Haque Khondker

The launch of the Family Card pilot on 10 March 2026 has spawned a debate about Bangladesh's social protection architecture. Is the Proxy Means Test (PMT) robust enough to identify the truly poor? Can a single household database finally untangle the 95 safety net programmes scattered across 24 ministries? Will digital transfers reduce the leakage that has long plagued this system? These are legitimate questions, and there is no shortage of commentary on each. Yet most of this debate has skirted a more fundamental issue, one that is hiding in plain sight: Is BDT 2,500 enough?

This is not a minor technical quibble. The adequacy of a cash transfer, the gap between what a household receives and what it actually costs to survive, is arguably the defining test of any social protection programme. A well-targeted card that delivers an insufficient amount offers limited protection, and at BDT 2,500 per household per month, the Family Card begins with a figure that deserves far more scrutiny than it has so far received.

What does a household actually need?

Bangladesh's upper poverty line stood at approximately BDT 3,578 per person per month in 2022, as reported by the Bangladesh Bureau of Statistics (BBS). Since then, the point-to-point inflation measured by the Consumer Price Index (CPI) has averaged 9.31 percent per fiscal year. Food inflation reached a peak of 14.1 percent in July 2024 and, while it has since moderated somewhat, still registered 8.24 percent point-to-point in March 2026. Adjusting for this cumulative price pressure, the upper poverty line for a single individual today is approximately BDT 4,673 per month and still climbing. This indicates that the Family Card's monthly benefit fell short of the upper poverty line as it existed four years ago.

According to BBS, with an average of 4.26 members per household in 2022, the inflation-adjusted poverty threshold for an entire family sits around BDT 19,907 per month. The Family Card offers BDT 2,500, which is nearly one-eighth of that figure.

Even against the food basket alone, the arithmetic is uncomfortable. The World Food Programme (WFP) Bangladesh Market Monitor estimated the monthly cost of a national food basket at BDT 2,995 per person as of July 2024 - a peak driven by record food inflation at the time. By October 2024,

this had risen further to BDT 3,051 per person per month, before moderating to BDT 2,918 by February 2025, reflecting some easing in vegetable prices. Even at the lower end of this range, a household of 4.26 members faces an approximate monthly food bill of BDT 12,431. The Family Card's BDT 2,500 covers barely one-fifth of that.

The depth of this shortfall is further illustrated by the poverty gap, i.e., a measure of how far below the poverty line the poor actually fall. In 2022, BBS recorded a poverty gap of 3.8 against the upper poverty line, implying an average household income shortfall of approximately BDT 3,097 per month. Adjusted for cumulative inflation since then, this gap has widened to an estimated BDT 4,275 per month by early 2026, which means the Family Card covers barely three-fifths of the average poor household's income deficit, let alone the full poverty threshold.

Not meant to replace, but does it even cushion?

Advocates will rightly note that BDT 2,500 was never intended to substitute for a household's full income. It is a supplementary transfer - partial support against vulnerability, not a living allowance. That framing is reasonable, but it does not resolve the adequacy question; it reframes it. If

the transfer is a supplement, the critical question becomes: does it materially reduce the vulnerability it sets out to address?

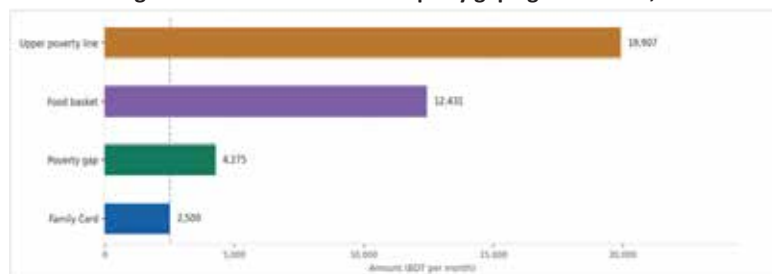
The World Bank's April 2026 Bangladesh Development Update found that roughly one-third of the population

remained at risk of falling into poverty from a single shock, such as a sudden illness, a seasonal flood, or an abrupt job loss. For households wobbling at that margin, BDT 2,500 is unlikely to prevent a crisis from tipping them over the edge. A transfer that cannot buffer against the most routine shocks has a credibility problem at the core of its design intent.

Do the new poor complicate the picture?

Bangladesh's poverty dynamics have shifted in character, not just in scale. According to the World Bank's April 2026 Bangladesh Development Update, the national poverty rate climbed from 18.7 percent in 2022, as recorded by BBS, to 21.4 percent in 2025, marking a third consecutive year of increase. In 2025 alone, this translated into approximately 1.4 million additional people falling into poverty. A significant portion of this increase comprises the newly poor, formerly self-sufficient middle- and lower-middle-class families whose modest savings were wiped out by successive shocks, for instance, the tail end of COVID-19 income disruptions, high food inflation, sharp currency depreciation, and the political turbulence of 2024.

Figure 1. 2026 household adequacy gap against BDT 2,500



Source: Authors' calculation based on BBS, HIES 2022; WFP, Bangladesh Market Monitor (Jul 2024, Oct 2024, Feb 2025); BBS, CPI (2023-2026)

These households occupy a structurally different position from the chronically extreme poor. They are often urban, asset-light, and in irregular employment. Standard PMT instruments tend to rely on proxies such as dwelling conditions, land ownership, and visible asset holdings, which this cohort may not exhibit in the conventional way. A family renting in a Dhaka tenement, having liquidated their last savings to survive, may not register as poor on a PMT score. Even if the Family Card reaches them, BDT 2,500 is likely to be deeply inadequate relative to the scale of income shortfall they have experienced.

Is the benefit a number without an anchor?

Perhaps the most consequential design omission in the Family Card's implementation guideline is the absence of any indexation mechanism. The election manifesto of the Bangladesh Nationalist Party (BNP) promised that the BDT 2,500 amount would "be increased gradually over time". No formula, i.e., inflation benchmark, legal obligation, or revision schedule, accompanies this promise.

Mature social protection systems handle this differently. India's Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGA) wages are revised annually using CPI-based indices. Brazil's Bolsa Familia grew its real benefit value over time through explicit policy commitments. Bangladesh's Family Card has no such anchor, and the arithmetic of this omission is stark.

At 9.31 percent annual inflation - broadly the current trajectory - a fixed BDT 2,500 transfer erodes in real purchasing power to approximately BDT 2,267 after one year, BDT 2,056 after two years, BDT 1,865 after three years, and around BDT 1691 after four years. That is a 32 percent reduction in real value over four years without a single policy decision being reversed. The programme would be quietly contracting even as its headline beneficiary numbers expanded.

Where is the exit?

There is a broader architectural question that the current design does not answer: what happens after the Family Card? Well-designed cash transfer programmes treat the benefit as a temporary stabilizer, that is, a means to maintain consumption, sustain school attendance, and preserve health outcomes while households build the capacity to move on. Brazil's Bolsa Familia linked transfers to school enrolment and health check-ups. Bangladesh's own Graduation Programme, pioneered by BRAC, combined asset transfers with skills training, mentoring, and livelihood support.

The Family Card, as currently structured, is an unconditional cash transfer with no graduation mechanism, no livelihood linkage, and no defined exit criteria. Unconditional transfers have genuine evidence behind them, and this is not an argument for loading the programme with conditions for their own sake. But the absence of any pathway towards economic independence raises a serious long-term question: will the card move families above the poverty line, or will it simply accompany them just below it with a monthly subsidy of diminishing real value?

What are the fixes that matter?

None of this renders the Family Card unworkable. Three targeted adjustments, however, could substantially improve its odds of making a real difference.

The benefit amount should be formally indexed to the consumer price index, with an annual revision mechanism written explicitly into the implementation guideline, not left to political discretion. A transparent formula, even a simple one, would protect the programme's real value and build public trust in its continuity.

The government should commission an independent adequacy assessment using current BBS household consumption data. The goal would be to establish a defensible minimum transfer level tied to the updated upper poverty line, a number grounded in evidence rather than campaign arithmetic.

Finally, the pilot evaluation framework should go beyond coverage metrics.

Tracking whether enrolled households show measurable improvement in food consumption scores, school attendance rates, and health service utilisation would generate the kind of evidence base that could guide the programme's design as it scales, and demonstrate to sceptics that the card is changing lives, not merely reaching them.

The Family Card carries genuine ambition. The intention to organise Bangladesh's fragmented welfare system around a single household identity is the right policy direction. But the structural integrity of any transfer programme ultimately comes down to one question: is the amount adequate? Until Bangladesh has a credible, evidence-based, inflation-protected answer to that question, the Family Card risks a peculiar fate, one that is as avoidable as it is foreseeable. It may expand its reach impressively while quietly diminishing its impact. That would be the most preventable failure of all.

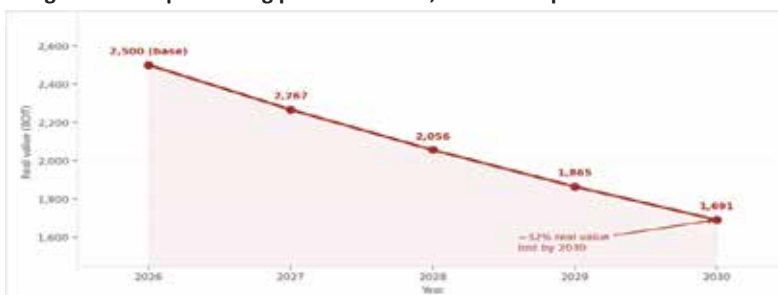
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Figure 2. Real purchasing power of BDT 2,500 at 9.31 percent annual inflation



Source: Authors' calculation based on BBS, CPI (2023-2025)