

Social Security Policy Support (SSPS) Programme

Policy Note 02

Labour and Livelihood Interventions in Bangladesh: Workfare, Skills Development, and Graduation Pathways

Policy Insights Drawing from the National Conference on Social Protection 2025

Overview

The Labour and Livelihood Intervention Cluster constitutes a core component of Bangladesh's social protection system, addressing poverty through employment generation, skills development, and structured graduation pathways. Coordinated by the Ministry of Disaster Management and Relief, the cluster aligns with the promotional function of the National Social Security Strategy (NSSS), which emphasizes enhancing productive capacity, employability, and sustainable incomes for poor and vulnerable populations. Its mandate reflects the recognition that sustainable poverty reduction requires moving beyond consumption support toward dignified work and livelihood resilience.

The cluster operates within a highly dynamic and constrained labour market context. Each year, approximately two million young people enter the labour force, intensifying pressures on employment creation, skills development, and job matching systems. These demographic dynamics are compounded by persistent unemployment and underemployment, limited fiscal space for large-scale training initiatives, and structural barriers that restrict access to productive and decent work. Addressing these challenges is

central to preventing poverty persistence and intergenerational vulnerability.

Functional Scope and Institutional Architecture

The cluster functions across multiple domains. Workfare programs represent a foundational pillar of social protection, rooted in Article 15(b) of the Constitution. Beneficiaries receive income or food assistance in exchange for labor, typically on community infrastructure or public works projects. Beyond providing seasonal income support, workfare programs serve as an entry point for skills development, social inclusion, and eventual graduation from poverty when effectively linked to complementary interventions.

Beyond workfare, the cluster delivers livelihood-focused interventions, including skills training, access to micro-credit, and structured graduation pathways. Special emphasis is placed on socially excluded and marginalized groups, such as Harijan, Hijra, and Bede communities, tea garden workers, and women entrepreneurs. These interventions recognize differentiated vulnerabilities and aim to address structural exclusion through tailored livelihood support, enterprise development, and income diversification.

Institutionally, the cluster operates within a multi-ministerial framework. While the Ministry of Disaster Management and Relief serves as the coordinating authority, key partner institutions include the Local Government Division, Finance Division, Ministry of Social Welfare, Ministry of Women and Children Affairs, and the Rural Development and Cooperatives Division. This cross-sectoral structure ensures alignment across employment, social welfare, finance, and local governance, facilitating effective implementation and policy coherence through regular coordination meetings and field-level consultations.

Systemic Challenges

Several structural and operational challenges continue to constrain the cluster's performance. Rapid labour force growth and demographic pressures place strain on employment creation, skills development, and job matching systems, while persistent unemployment and underemployment limit opportunities for meaningful work. The fiscal space for large-scale training initiatives remains constrained, restricting the cluster's ability to meet the demand for skills development. Fragmentation of programs and weak coordination across ministries reduce operational efficiency, while limited awareness among beneficiaries and implementers further constrains uptake and impact. Additional challenges include insufficient childcare support across both formal and informal employment contexts, gaps in labor rights enforcement, and weak mechanisms to connect training outputs with actual employment opportunities, particularly for marginalized groups.

Reform Priorities

Strengthening the Labour and Livelihood Intervention Cluster requires interventions that effectively bridge short-term support with long-term economic inclusion. Priority reforms include rigorous regulation and oversight of workfare programs, ensuring that income and food assistance are effectively linked to skills development and social inclusion objectives. The cluster also needs to scale up livelihood and skills initiatives, with targeted support for socially excluded and marginalized populations, ensuring that graduation pathways lead to sustainable employment. Strengthening institutional coordination through formalized reporting mechanisms, capacity-building of implementing agencies, and regular inter-agency collaboration is essential. Equally important is addressing structural barriers to labour market access, social inclusion, and equitable opportunity, ensuring that all beneficiaries can transition from temporary assistance to sustainable livelihoods.

Strategic Directions for System Strengthening

Looking forward, the cluster should evolve into a fully integrated labour and livelihood platform within the NSSS framework. This requires linking workfare, skills development, and graduation programs to labour market information systems and job placement mechanisms to ensure that interventions result in tangible employment outcomes. Expanding digital monitoring and beneficiary tracking systems will enhance targeting, efficiency, and accountability. Piloting flexible livelihood models for informal sector workers and marginalized communities can improve adaptability and responsiveness. Strengthening coordination with local

government bodies, private sector partners, and community-based organizations will enhance the reach and sustainability of interventions. Finally, evidence-based monitoring of outcomes, including employment generation, income trajectories, and graduation rates, will allow for adaptive policy adjustments and strengthen long-term impact.

Conclusion

The Labour and Livelihood Intervention Cluster represents a critical bridge between social protection and economic inclusion in Bangladesh. By combining workfare, skills development, targeted livelihood support, and structured graduation pathways, the cluster seeks to move vulnerable populations toward sustainable employment and reduced dependency. Strengthening institutional coordination, labour market linkages, and strategic integration across interventions will be essential for maximizing the cluster's contribution to inclusive growth, poverty reduction, and long-term resilience under the NSSS framework.

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