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POLICY BRIEF

Understanding Urban Poverty

and Strengthening Social Protection

for Urban poor and Vulnerable population



Urban Poverty, Vulnerability, and Social Protection: An Assessment Using HIES 2022

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Abstract: Urban poverty and vulnerability in Bangladesh have intensified amid rapid urbanisation and rural-urban migration, with cities becoming both engines of economic growth and hubs of concentrated poverty. Despite economic progress, urban poverty reduction has lagged behind rural areas, with urban moderate poverty decreasing at an annual rate of 0.5 percentage points compared to 1.2 percentage points in rural areas between 2010 and 2022. The urban population share rose from 23.4% in 2011 to 31.7% in 2022, with projections indicating it will surpass the rural population by the late 2030s. This demographic shift has led to a rise in urban poor and vulnerable populations, with 28.5% of urban residents classified as poor or vulnerable in 2022. The policy brief finds that the absolute number of urban poor and vulnerable people has risen, with urban poor increasing from 7.4 million in 2010 to 7.9 million in 2022, and vulnerable urban residents growing from 13.3 million to 15.3 million. While the number of poor and vulnerable people increased in urban areas, Bangladesh's social protection system remains predominantly rural-focused, with only 23 out of over 100 programs exclusively targeting urban populations, accounting for just 4.1% of the social protection budget. Urban coverage is significantly lower (24%) compared to rural areas (44%), and targeting errors—both exclusion and inclusion—are prevalent. To address these gaps, this policy brief recommends expanding key lifecycle-based social protection programs, introducing urban workfare initiatives, strengthening food-based programs, and refining eligibility criteria to prioritise poverty and vulnerability. Additionally, it calls for the introduction of social insurance schemes and adaptive social protection measures to enhance resilience and address the unique challenges of urbanisation. These reforms aim to create a more inclusive and effective social protection system for urban poor and vulnerable populations.

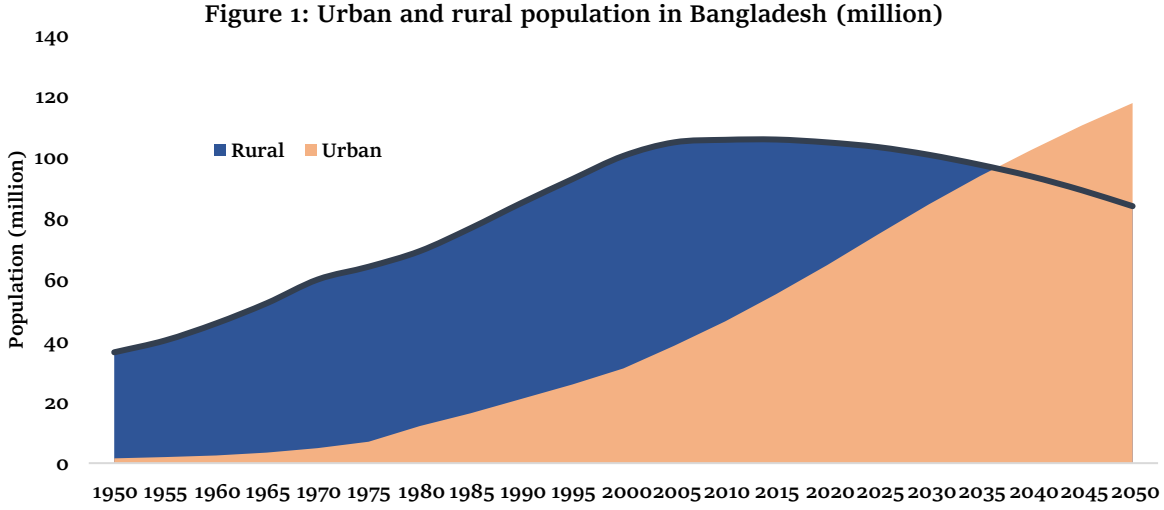
[1] This policy brief is an outgrowth of a paper prepared by RAPID with support from the United Nations development Programme (UNDP) Bangladesh. Any limitations and/or views expressed in the paper are those of the authors. M.A. Razzaque is the Chairman of Research and Policy Integration for Development (RAPID), and Jillur Rahman is Deputy Director of RAPID and Assistant Professor of Economics at Jagannath University, Dhaka. Helpful research assistance was provided by Mohammad Mahedi Hasan (Coordinator of RAPID Data Innovation Lab, RAPID), Samiha Chowdhury (Research Associate, RAPID), and Khawaja Sazzad Ali (Research Associate, RAPID).

I. Background

Urban poverty and vulnerability have become increasingly significant in Bangladesh amid rapid urbanisation and rural-urban migration. As cities expand and attract migrants seeking better livelihoods, they serve as engines of economic growth but also concentrate poverty. Rapid urbanisation exacerbates poverty in urban peripheries, where residents face challenges like informal employment, unemployment, high living costs, and congestion. Rural poverty drives migration to cities, transferring poverty from rural to urban areas. This dual nature of urbanisation—driving growth while deepening inequalities—has drawn greater policy attention, as unchecked urban poverty threatens social stability and sustainable development.

Despite economic progress, urban poverty reduction has lagged behind rural areas. Between 2010 and 2022, urban moderate poverty decreased at an annual rate of just 0.5 percentage points, compared to 1.2 percentage points in rural areas. Urban extreme poverty reduction was even slower, at 0.32 percentage points annually, compared to 1.22 percentage points in rural areas. During this period, the urban population share rose from 23.4% in 2011 to 31.7% in 2022, with projections indicating it will surpass the rural population by the late 2030s and reach 58% by 2050. This rapid urbanisation risks concentrating poverty in urban areas, making it more challenging to address.

Figure 1: Urban and rural population in Bangladesh (million)



Source: United Nations Department of Economic and Social Affairs (UNDESA) World Urbanisation Prospects.

While a well-designed social protection system can help reduce urban poverty by offering assistance to vulnerable households (Rahman & Hill, 2019), Bangladesh's current system remains predominantly rural-focused, despite the growing urban poor population. The National Social Security Strategy (NSSS) of 2015 recognised these challenges and proposed reforms to expand social protection for urban vulnerable groups, including women, children, the elderly, and persons with disabilities. However, implementation has been slow, highlighting the urgent need for recalibrated strategies to address urban poverty and vulnerability effectively.

Against this backdrop, this policy brief explores the features of urban poverty and income disparities using the latest Household Income and Expenditure Survey (HIES), 2022. It then portrays the state

of public social protection support for the urban population using the same data, highlighting its coverage, identifying gaps, assessing targeting errors, and estimating. Based on the findings, the policy brief provides a set of policy recommendations to strengthen social protection for urban residents.

II. The Urban Divide: Exploring Salient Features of Urban Poverty and Income Disparities

State of poverty and vulnerability

With sustained economic growth, Bangladesh has witnessed declining poverty incidences. Headcount poverty in Bangladesh, defined as the proportion of households living below the upper poverty line, has significantly declined over the past three decades, dropping from 56.6% in 1991-92 to 18.7% in 2022 (Figure 2). While poverty has decreased in both rural and urban areas, urban poverty reduction has been slower compared to rural areas. Between 1991-92 and 2022, urban moderate poverty fell from 42.7% to 14.7%, at an annual rate of 0.9 percentage points, whereas rural moderate poverty declined from 58.7% to 20.5%, at a faster annual rate of 1.3 percentage points. Similarly, extreme poverty reduction has been more pronounced in rural areas. Nationally, extreme poverty dropped from 41.1% in 1991-92 to 5.6% in 2022, a decline of 35.5 percentage points (Figure 3). Urban extreme poverty decreased from 24% to 3.8%, while rural extreme poverty fell from 43.8% to 6.5%, highlighting the persistent disparity in poverty reduction between urban and rural regions.

Figure 2: Trends in poverty (moderate) incidence in Bangladesh

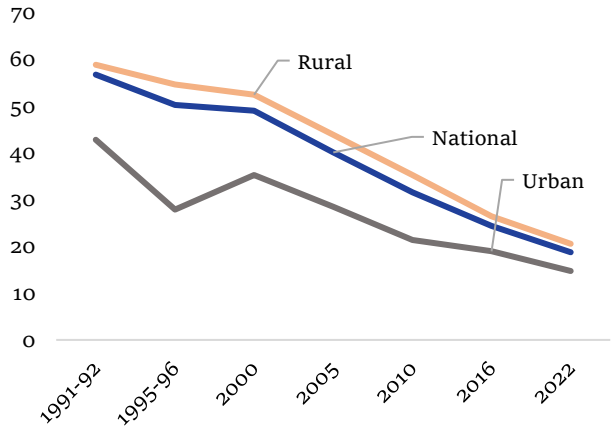
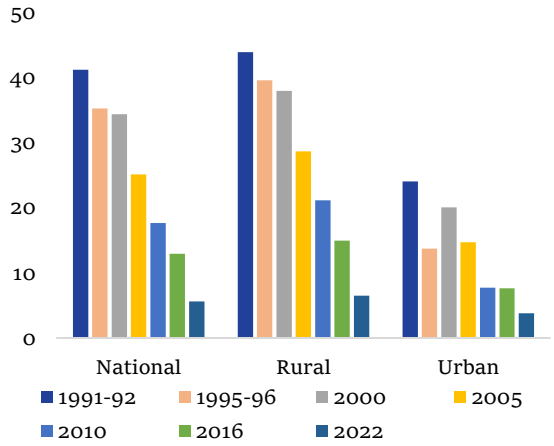


Figure 3: Trends of extreme poverty in Bangladesh, 1992-2022 (%)



Source: Based on Household Income and Expenditure Survey (HIES), various years, Bangladesh Bureau of Statistics (BBS).

Alongside poverty, a significant portion of the population is vulnerable, defined as those living above the upper poverty line but below 1.25 times that threshold.[2] Nationally, one-third of the population is either poor or vulnerable (Figure 4). Poverty and vulnerability in urban areas are estimated at 28.5 per cent - meaning that more than one-fourth of people living in urban areas are either poor or vulnerable. Between 2010 and 2022, urban poverty and vulnerability rates declined by 10 percentage

[2] The National Social Security Strategy (NSSS) provides the definition of vulnerable population as the share of population living below the line which is 1.25 times (that is, 25% higher) the poverty line.

points (from 38.1% to 28.5%), while rural rates dropped by 18.6 percentage points (from 55% to 36.4%). However, the absolute number of urban poor and vulnerable people has risen, with urban poor increasing from 7.4 million in 2010 to 7.9 million in 2022, and vulnerable urban residents growing from 13.3 million to 15.3 million (Figure 5). This rise is driven by rural-urban migration, insufficient job opportunities, and high living costs. In contrast, rural poverty and vulnerability have decreased significantly, with the rural poor population falling from 34.2 million to 23.7 million during the same period. Nationally, the total number of poor and vulnerable people stood at 57.6 million in 2022, with urban areas accounting for 15.3 million and rural areas for 42 million. The influx of migrants to cities, such as Dhaka, where 80% of household heads were not born in the city and 47% migrated in the last decade, underscores the challenges of urbanisation. Despite overall progress, the growing concentration of poverty and vulnerability in urban areas highlights the need for targeted interventions to address urban poverty and support vulnerable populations.

Figure 4: Poverty and vulnerability in Bangladesh (% of total population), 2010-2022

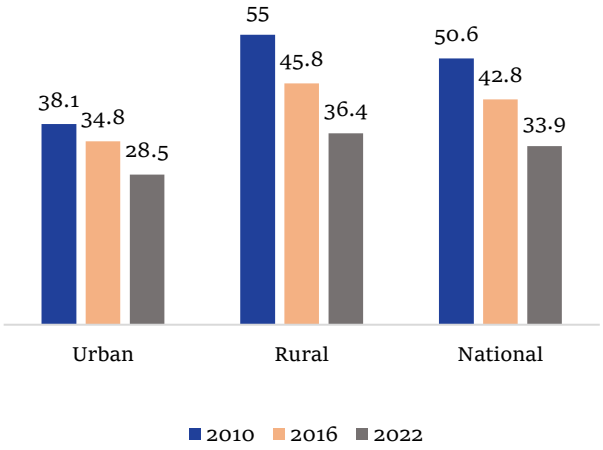
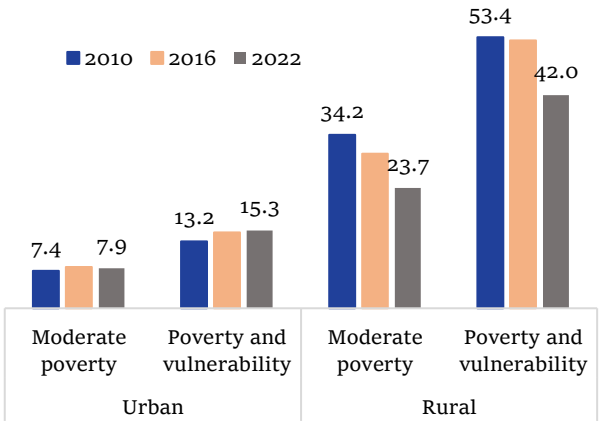


Figure 5: Number of poor and vulnerable in urban and rural areas (million)



Source: Authors' analysis using HIES data.

The depth and severity of poverty decreased more in rural areas compared to urban areas. The poverty gap (PG) ratio, which measures the depth of poverty, fell from 6.5 per cent to 2.9 per cent in urban areas, between 2010 and 2022, a reduction of 3.6 percentage points. In comparison, the same ratio in rural areas declined from 9.8 per cent to 4.2 per cent, a reduction of 5.6 percentage points. A similar uneven reduction in the squared poverty gap (SPG) ratio, which assesses the severity of poverty, has been observed in both urban and rural areas. Thus, the depth and severity of poverty decrease was more significant in rural areas than urban ones.

The traditional headcount poverty measure focuses primarily on income and consumption, overlooking other critical dimensions of deprivation such as health, education, and living standards. In contrast, the Multidimensional Poverty Index (MPI) provides a more comprehensive assessment by incorporating these factors. For Bangladesh, the MPI is typically estimated using the Multiple Indicator Cluster Survey (MICS), but recent data is unavailable. Using the Household Income and Expenditure Survey (HIES) 2022, an estimated 24.1% of the population (approximately 41 million

people) were multidimensionally poor in 2022, meaning they were deprived in at least one-third of weighted indicators (Figure 6).[3] Between 2010 and 2022, multidimensional poverty in urban areas declined from 30.8% to 14.9%, while rural areas saw a sharper drop from 59% to 28.3%. This period lifted nearly 25 million rural people out of multidimensional poverty, compared to just 3 million in urban areas, highlighting faster progress in rural regions.

The intensity of poverty, reflecting the average share of deprivations experienced by the poor, remained high at 49.4% nationally. Urban areas saw a decline from 53.2% to 47.5%, while rural areas experienced a more significant reduction from 59.2% to 49.9% (Figure 7). The national MPI was estimated at 0.119, with urban and rural MPIs at 0.07 and 0.14, respectively. A study by OPHI and UNICEF using MICS 2019 data found similar trends, with 24.1% of the population multidimensionally poor in 2019. The corresponding figures in urban and rural areas are 13.6 per cent and 27 per cent respectively. According to the same study, multidimensional poverty nearly halved in both regions between 2012-13 and 2019.

Figure 6: Multidimensional headcount poverty rate (%), 2010-2022

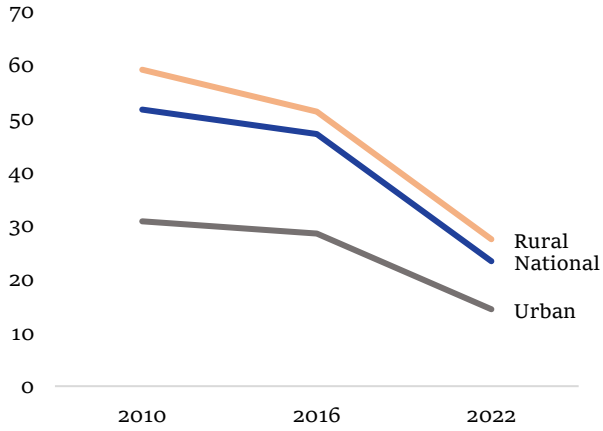
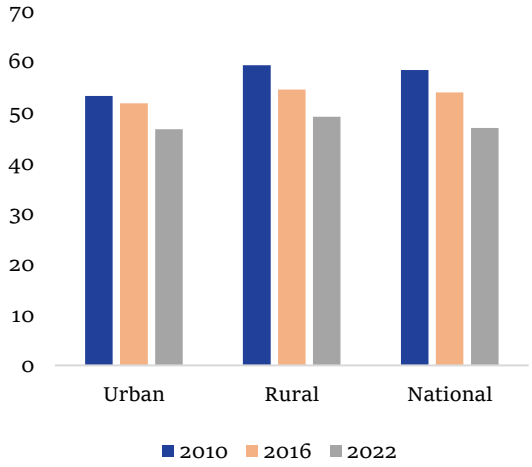


Figure 7: Intensity of multidimensional poverty (%)



Source: Author's estimation using HIES data, various years.

Breaking down the Multidimensional Poverty Index (MPI) by indicators reveals distinct deprivation patterns in urban and rural areas. Urban households face significant deprivation in access to safe drinking water (over 60%), while rural populations struggle more with housing conditions, clean cooking fuel, and sanitation. Nutritional deprivation is the largest contributor to multidimensional poverty in both areas. In urban settings, the second-largest driver is the lack of safe drinking water, followed by clean cooking fuel and sanitation. In rural areas, after nutrition, clean cooking fuel, sanitation, and housing are the primary contributors. These findings emphasise the need for

[3] Multidimensional Poverty Index (MPI) is calculated with respect to 10 predefined indicators (Box 1). For this paper, the MPI is calculated based on 9 indicators from HIES data. Child mortality data is not available in the HIES dataset; therefore, the full health-related weight (1/3) was assigned to nutrition. Since direct nutrition data is also unavailable, food poverty was used as a proxy. Households with food consumption expenditures below the food poverty line—equivalent to an average intake of less than 2,122 kcal per person per day—were considered to be experiencing malnutrition. Other indicators of multidimensional poverty can be calculated from the HIES data. For detailed estimation method, see the full paper: Razzai

targeted, context-specific interventions to address the unique drivers of poverty in urban and rural Bangladesh.

Income Distribution Trends and Inequality

Rising income inequality in Bangladesh, particularly in urban areas, has become a pressing issue. HIEES data reveal that the richest 5% of urban households now hold 33.4% of total urban income, up from 22.8% in 2005, while the poorest 5% saw their share drop from 1% to 0.48% over the same period (Figure 7). Rural areas also experienced growing inequality, though at a slower pace, with the richest 5% increasing their income share from 20.4% to 24.2%, while the poorest 5% saw their share fall from 1.2% to 0.37% (Figure 8). Urban inequality has grown faster due to a rapid rise in wealth among the urban rich. The Gini index, a key measure of inequality, further highlights this trend. In urban areas, the income Gini index rose sharply from 0.46 in 2010 to 0.54 in 2022, crossing the high inequality threshold of 0.5. In rural areas, it increased modestly from 0.43 to 0.45. These figures highlight a much faster growth in income inequality in urban areas compared to rural ones due to a rapid increase in rich people's income in urban areas.

Figure 7: Share of richest and poorest 5% of households in urban areas (% of urban total income)

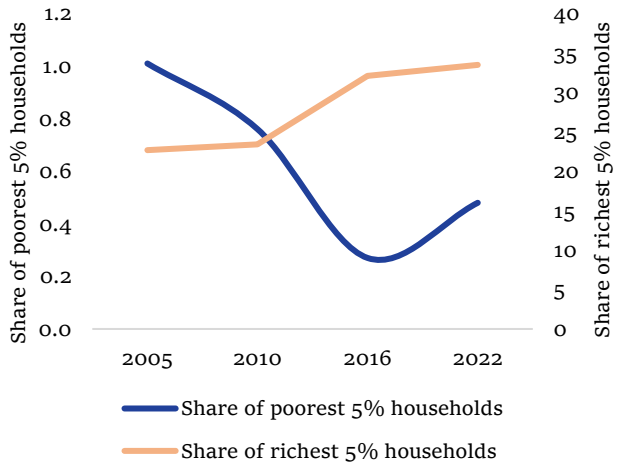
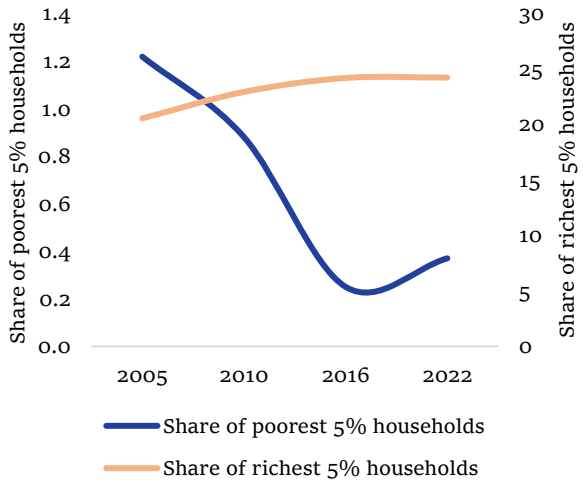


Figure 8: Share of richest and poorest 5% of households in rural areas (% of rural total income)



Source: Authors' estimation using HIES (BBS) data.

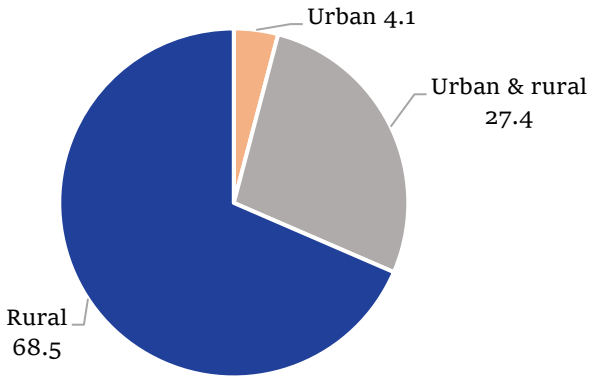
III. Social Protection Support for the Urban Poor and Vulnerable Populations

Social protection programme coverage

The coverage of social protection, however, has not kept pace with Bangladesh's ongoing structural changes or the rural-urban demographic shift. Bangladesh's social protection system remains predominantly focused on rural areas. Out of over 100 social protection programmes in 2024-25, only 23 exclusively target urban populations, accounting for just 4.1% of the total social protection budget (Figure 9), despite the increasing urban poor population. In contrast, around 50 rural-focused programmes make up 27.4% of spending. While 70 programmes cover both urban and rural areas, covering more than two-thirds of the social protection budget, urban coverage remains

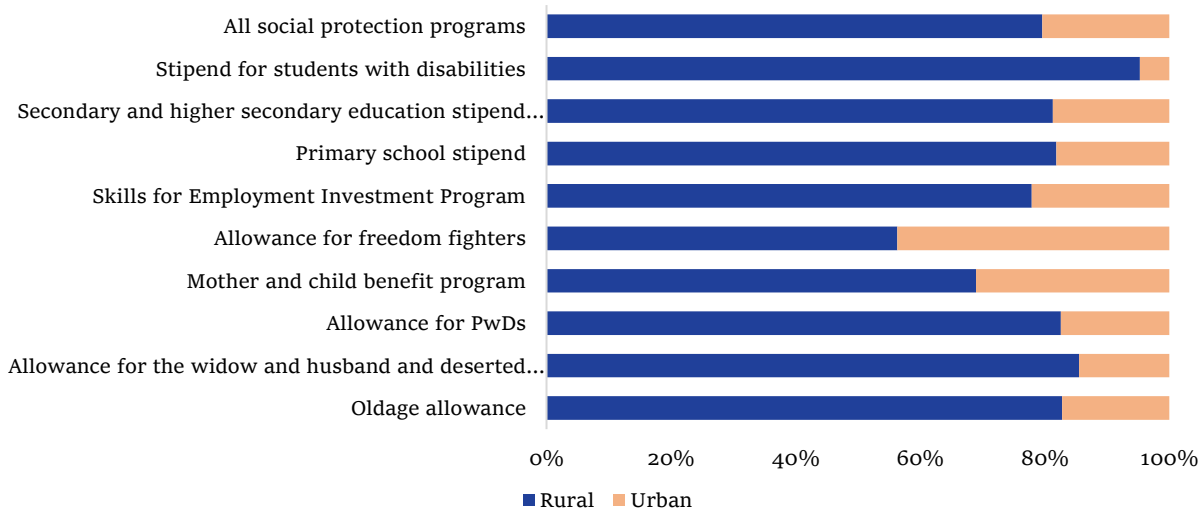
disproportionately low. Only about 20% of all social protection beneficiaries are urban residents, with major programmes like old-age allowances, widow allowances, and disability allowances showing minimal urban representation (15-19%) (Figure 10). In fact, the widow allowance scheme is not even operational in city corporation areas.

Figure 9: Distribution of social protection programmes by urban and rural areas (%)



Source: Authors' analysis using MoF data.

Figure 10: Urban-rural social protection coverage (% of total), 2022



Source: Authors' analysis using HIES 2022 data.

According to HIES 2022 data, 37.5% of households nationwide benefit from at least one social protection programme. However, urban coverage is significantly lower at 24%, compared to 44% in rural areas. While stipend programmes make up the largest share of beneficiaries, their benefits are minimal. Many schemes do not prioritise poverty or vulnerability as eligibility criteria and may not meet the ILO definition of social protection. Excluding programmes like stipends, freedom fighter allowances, and government pensions—which do not directly target poor or vulnerable households—only 14% of urban households benefit from social protection schemes, compared to 30% in rural areas. This highlights that urban social protection coverage is less than half that of rural areas, underscoring a critical gap in addressing urban poverty.

In 2022, a significant portion of households receiving social protection in Bangladesh were not poor or vulnerable. Nationally, 62.8% of beneficiary households were non-poor and non-vulnerable, while only 6.6% were extremely poor, 13.5% moderately poor, and 17.1% vulnerable (Figure 11). Urban areas showed a similar trend, with 62% of beneficiaries being non-poor and non-vulnerable, compared to 4.9% extremely poor, 12% moderately poor, and 16.2% vulnerable. In rural areas, 61.8% of beneficiaries were non-poor and non-vulnerable, while 7.1% were extremely poor, 13.9% moderately poor, and 17.3% vulnerable. The high proportion of non-poor and non-vulnerable households in social protection implies the inappropriate focus of social protection programmes, contrasting the broader objective of social protection as stipulated in the NSSS.

Exclusion among the poor and vulnerable is also high. Nationally, 48% of extremely poor households lack social protection coverage, with urban areas facing a higher exclusion rate of 63.9% compared to 43.9% in rural areas (Figure 12). Similarly, over two-thirds of urban moderately poor households (compared to 47% in rural areas) and 68.6% of urban vulnerable households (compared to 48.5% in rural areas) are excluded from social protection programmes.

Figure 11: Households with any social protection coverage, by poverty status (%), 2022

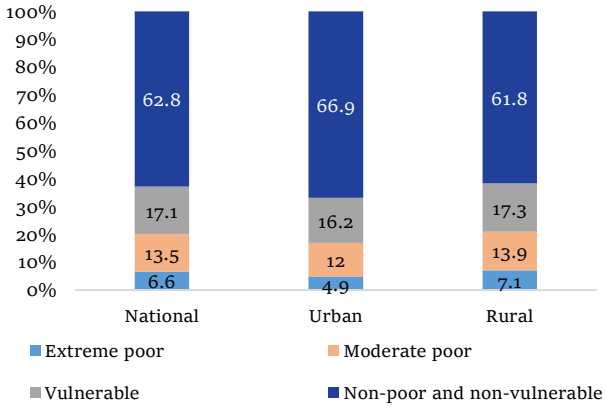
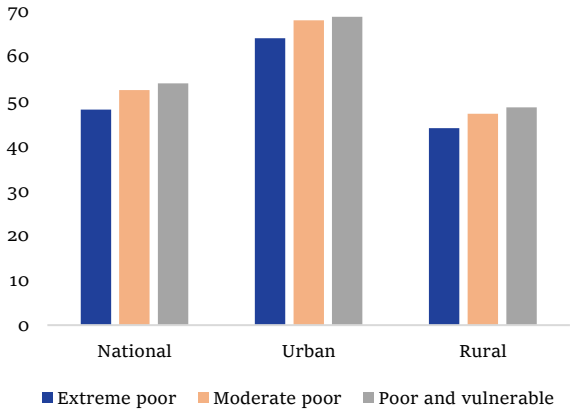


Figure 12: Poor and vulnerble households not covered by any social protection schemes (%)



Source: Authors' analysis using HIES 2022 data.

Targeting errors in SSPs

Social protection programmes in Bangladesh suffer from significant targeting inefficiencies, marked by exclusion errors (eligible individuals not covered) and inclusion errors (ineligible individuals receiving benefits).[4] These inefficiencies arise due to limited resources, political influence, corruption, and complex eligibility criteria such as income, land ownership, and age. A major challenge in evaluating targeting errors in social protection programmes is deciding whether to use poverty and vulnerability levels or programme-specific criteria for eligibility. When poverty and

[4] When households/individuals eligible for social security benefits are not covered in the relevant programmes result in exclusion errors. This is measured as the share of eligible people not covered under social protection programmes. Inclusion errors arise as non-eligible individuals are enrolled into social protection programmes. Inclusion error is measured as the share of ineligible people included in social protection schemes.

vulnerability are used as the basis, targeting errors are high. According to HIES 2022 data, exclusion errors are significantly higher in urban areas (68.6%) compared to rural areas (48.5%). Similarly, inclusion errors are substantial, with 67% in urban areas and 62% in rural areas.

Using poverty and vulnerability criteria to assess targeting errors faces criticism because most social protection programmes rely on specific eligibility factors like age, income, marital status, or landholding rather than household poverty levels. Using programme-specific criteria, targeting errors in major social protection programmes were analysed using HIES 2022 data. The Old Age Allowance shows relatively low exclusion errors (34.7% urban, 22.7% rural) and inclusion errors (16-17%) (Table 1). The expanded coverage of the Old Age Allowance in recent years has contributed to the relatively low targeting errors in this programme. In contrast, other programmes face significantly high inefficiencies. The Widow Allowance (WA) scheme excludes over 90% of eligible urban widows and 84% in rural areas, while including 20% ineligible urban and 28% rural widows. Similarly, the Mother and Child Benefit Programme (MCBP) fails to reach 98% of eligible women nationwide, with 63-65% of beneficiaries being ineligible. The Disability Allowance (DA), though universalised, still shows high exclusion errors (82.3% urban, 73.4% rural) and inclusion errors (57.5% urban, 55.8% rural) for severe disabilities, but these drop significantly for mild disabilities (25% urban, 28% rural). These inefficiencies highlight critical gaps in targeting and coverage across social protection programmes.

In summary, exclusion errors in urban areas are higher across all major schemes due to lower coverage. Inclusion errors significantly declined when programme-specific eligibility criteria were considered. The higher coverage of social protection programmes in rural areas might have contributed to relatively higher inclusion errors in some schemes.

Table 1: Programme-specific targeting errors in urban and rural areas (%)

Programme and eligibility criteria	Exclusion error		Inclusion error	
	Urban	Rural	Urban	Rural
Old age allowance: Minimum age (male 65 years, female 62 years) and annual personal income below Tk. 10,000	34.7	22.7	16.9	16.2
Widow allowance: Widow/deserted by husband/destitute, annual individual income less than Tk. 15,000	90.1	83.7	19.8	27.6
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)	98.8	98.9	62.9	64.8
Disability allowance: Severe disability and annual income of beneficiary (less than 36000)	82.3	73.4	57.5	55.8
Secondary and higher secondary education stipend programme: student belongs to poor and vulnerable family	90.9	85.7	72.1	70.7

Source: Authors' analysis using HIES 2022 data.

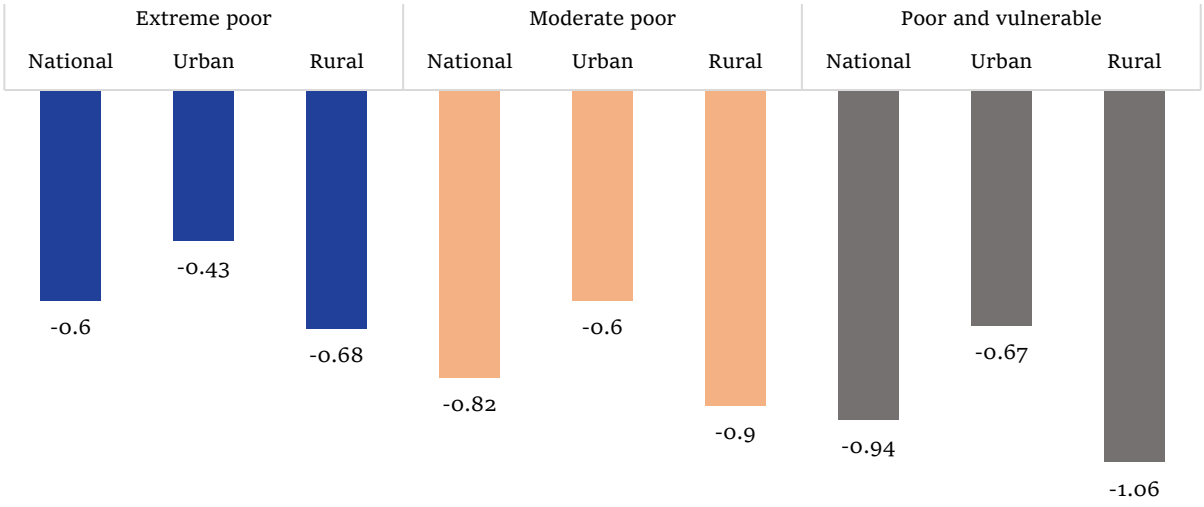
Impact of social protection programmes: simulation exercises

A microsimulation analysis using HIES 2022 data evaluated the impact of social protection programmes on poverty and vulnerability in Bangladesh. By deducting social protection allowances from household expenditure and assuming full consumption of transfers, counterfactual poverty and

vulnerability rates were calculated to estimate the effects of these programmes.[5] The analysis found that social protection reduced national moderate poverty by 0.8 percentage points and extreme poverty by 0.6 percentage points in 2022 (Figure 13). However, the impact was limited in urban areas, where moderate poverty decreased by 0.5 percentage points and extreme poverty by 0.43 percentage points, lifting 0.25 million and 0.3 million people out of extreme and moderate poverty, respectively. Urban vulnerability also declined by 0.67 percentage points, benefiting half a million people. Despite these gains, the modest reductions highlight the inadequacy of current programmes in addressing urban challenges, likely due to higher living costs and limited coverage.

In contrast, rural areas saw more significant impacts, with extreme poverty reduced by 0.68 percentage points, moderate poverty by 0.9 percentage points, and vulnerability by 1.06 percentage points. These changes lifted 0.8 million out of extreme poverty, 1 million out of moderate poverty, and 1.2 million out of vulnerability. The greater effectiveness in rural areas is attributed to higher programme coverage.

Figure 13: Impact of social protection programmes on poverty and vulnerability (percentage points), 2022



Source: Authors' analysis using HIES 2022 data.

Social protection would have a much higher impact on poverty reduction if inclusion errors could have been eliminated. Another simulation has been undertaken to understand the potential impact of social protection if inclusion errors are eliminated. It is estimated that the poverty impact of social protection programmes would be more than doubled if inclusion errors were brought down to zero. Thus, the impact of poverty on social protection is low due to the lower level of benefits and high targeting errors.

[5] See the detail methodology in the full paper, Razzaque et al (2025). Understanding Urban Poverty and Strengthening Social Protection for Urban Poor and Vulnerable Population.

IV. Policy Recommendations

The urban poor population in Bangladesh has grown over the past decade, facing challenges such as inadequate housing, poor living conditions, high living costs, limited access to healthcare and education, and precarious informal labour markets. These issues are compounded by insufficient social protection coverage. This policy brief provides policy recommendations to strengthen urban social protection, aligning with and complementing the Urban Social Protection Strategy and Action Plan (USPSAP). These recommendations aim to create a more inclusive and effective social protection system for urban poor and vulnerable populations.

Increasing the coverage of key lifecycle-based social protection in urban poor and vulnerable should be a priority.

To effectively tackle urban poverty in Bangladesh, key social protection programmes like the Mother and Child Benefit Programme (MCBP), Old Age Allowance, Widow Allowance, Disability Allowance, and stipend programmes need to be expanded and scaled up.

- Immediate steps should include introducing the Widow Allowance in city corporation areas, where it is currently unavailable, and reducing urban-rural coverage gaps in programmes like the Old Age Allowance, MCBP, and Disability Allowance.
- A comprehensive approach, similar to the Old Age and Widow Allowance programmes, should be adopted, with increased budget allocations to ensure coverage for all eligible individuals, particularly the urban poor. Expanding the Mother and Child Benefit Programme (MCBP), Old Age Allowance, Widow Allowance, Disability Allowance, and stipend programmes to match rural coverage in urban areas would require an additional Tk. 705 crore (0.01% of GDP), while universalising them would cost Tk. 25,255 crore (0.5% of GDP). These measures are essential to address the higher cost of living and rapid urbanisation, ensuring equitable support for vulnerable populations.

Expanding food-based social protection programmes in urban areas to ensure food security

Rising inflation has exacerbated food insecurity in Bangladesh, with 18.4% of the urban population facing moderate to severe food insecurity and 0.9% experiencing severe food insecurity, rates higher than urban poverty. To address this, food-based social protection programmes like Open Market Sales (OMS) and Trading Corporation of Bangladesh (TCB) truck sales should be expanded. Additionally, introducing urban adaptations of rural programmes such as Vulnerable Group Development (VGD) and Vulnerable Group Feeding (VGF) could help alleviate food and nutritional insecurity for vulnerable urban populations.

The introduction of workfare programmes suitable for urban settings can provide protection against poverty and vulnerability.

Bangladesh has successfully implemented rural workfare programmes like EGPP, FFW, WFM, and TR to provide temporary employment and disaster recovery. However, urban areas lack similar initiatives despite their potential to support the urban poor. Expanding programmes like EGPP and WFM to urban settings, with modifications to include urban public works, could effectively address urban poverty and unemployment.

Increasing the coverage of key lifecycle-based social protection in urban areas is one important option (low-hanging fruit)

Expanding and scaling up major lifecycle-based social protection programmes such as the Mother and Child Benefit Programme (MCBP), Old Age Allowance, Allowance for Widow, Husband Deserted and Destitute Women, Allowance for Persons with Disabilities, and stipend programmes should be a priority. If these social protection programmes are expanded in urban areas to match the coverage in rural areas, an additional around Tk 1,100 crore will be required. If these schemes are made universal, an additional Tk. 30,000 crore (Tk. 300 billion), which is equivalent to 0.6 per cent of GDP – will be needed to add to the existing allocation.

Expanding food-based social protection programmes in urban areas to ensure food security

Addressing food security amid rising inflation requires increasing the allocation for food-based social protection programmes like the Open Market Sales (OMS) and Trading Corporation of Bangladesh (TCB). With rising inflation over the past few years, ensuring food security has become increasingly challenging. According to HIES 2022 data, 18.4 per cent of the urban population experienced moderate to severe food insecurity – higher than the urban poverty rate – and 0.9 per cent encountered severe food insecurity. It necessitates the expansion of food-based social protection programmes, such as the Open Market Sales (OMS) and Trading Corporation of Bangladesh (TCB) truck sale initiatives. Introducing rural food programmes like Vulnerable Group Development (VGD) and Vulnerable Group Feeding (VGF) in urban areas can help mitigate food and nutritional insecurity for vulnerable urban populations.

Strengthening social protection for the urban working population by introducing critical social insurance programmes

The NSSS proposed a National Social Insurance Scheme (NSIS) to offer unemployment, maternity, sickness, and accidental insurance for the formal sector, funded by employer-employee contributions. While the NSSS Action Plan aimed for a framework by June 2022, unemployment insurance piloting by July 2024, and national rollout by July 2025, progress has been slow. Only the Employment Injury Scheme (EIS) is being piloted in the RMG sector. Key gaps for introducing social insurance schemes, such as creating an employment database, building capacity, and establishing a legal framework, must be addressed. A robust operational model is crucial, with EIS expansion to all formal workers as a priority before extending to the informal sector. Other insurance schemes require a detailed roadmap for effective implementation.

Strengthening skill development programmes and active labour market policies for youth

Youth unemployment in Bangladesh is notably high, particularly in urban areas (11.1%) compared to rural areas (7.2%), with 37.2% of urban youth not in employment, education, or training (NEET). To address this, Bangladesh must strengthen skill development programmes targeting urban youth, such as Driving Training, Freelancing Training, Vulnerable Women Benefit (VWB), and Joyeeta Foundation initiatives. The National Skill Development Authority (NSDA) also oversees skill development efforts, though these are not classified as social protection schemes. Enhancing these programmes with increased investment in vocational training, urban-centric initiatives, and digital literacy courses is crucial to equip youth for the evolving job market. Additionally, implementing active labour market policies (ALMPs) can bridge the gap between labour supply and demand, creating a more dynamic and responsive labour market to support urban youth effectively.

Refine the scope of social protection schemes to include poverty and vulnerability in eligibility criteria.

Bangladesh's social protection system lacks large-scale, poverty-focused interventions, limiting its effectiveness in reducing moderate and extreme poverty. Despite the NSSS prioritising poor and vulnerable groups, many schemes fail to align with this goal. To improve targeting, programmes should adopt a poverty- and vulnerability-focused eligibility framework, prioritising schemes addressing lifecycle risks and poverty, as per NSSS and ILO guidelines. Non-poverty-focused schemes should be reassessed to ensure resources are directed to those most in need, enhancing overall impact.

Bangladesh should undertake a multifaceted approach to minimise targeting errors in social protection programmes.

Targeting errors in Bangladesh's social protection programmes, including high exclusion and inclusion errors, are prevalent, particularly in urban areas, due to insufficient resource allocation. To address this, the government should increase funding, conduct awareness campaigns, ensure transparent beneficiary selection with NGO involvement, and train local representatives to accurately select beneficiaries.

The NSSS recommended a National Household Database (NHD) and Proxy Means Test (PMT) for beneficiary selection, but the 2018 household census data for the NHD remains unreleased and outdated. Given the high costs associated with developing and maintaining the NHD, there is apprehension that the government, with limited resources for social protection, may not fully utilise its potential. Instead, the Department of Social Services (DSS) is compiling a social registry using applicant data from cash-based programmes, which can serve as a cost-effective alternative.[6] By sharing this data across agencies, a comprehensive registry can be created to generate PMT scores for accurate beneficiary identification. After the initial selection based on these scores, the final list of beneficiaries can be determined through public meetings at the local level, with active participation from NGOs to ensure transparency and fairness.

Adaptive measures should be integrated into all life-cycle social protection programmes to enhance the resilience of the poor and vulnerable.

To strengthen resilience among poor and vulnerable populations in Bangladesh, Adaptive Social Protection (ASP) measures must be enhanced to address climate, economic, and societal challenges. ASP can also mitigate climate-induced rural-urban migration, easing urbanisation pressures. The Cabinet Division's 'Strategic Guidelines and Action Plans for Adaptive Social Protection' provides a roadmap for a resilient system, emphasising flexibility, inclusivity, coordination, and sustainability. Key priorities include promoting climate-resilient livelihoods, capacity building, disaster preparedness, and rapid recovery. Implementing these measures, alongside the guidelines, will improve the adaptability of social protection initiatives and enhance the resilience of vulnerable communities.

[6] It is important to note that the applicant's data are self-reported and can be biased. But, the final selection at the open meeting can be effective in this case.