Policy Brief

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Key Policy Messages

- Reposition social protection as a strategic investment in human capital and social mobility.
- Use the Family Card as a platform for improved targeting, programme integration, and service linkages.
- Strengthen the lifecycle continuum spanning from ECD to productive employment.

Child Development to Human Capital

Leveraging Social Protection for Social Mobility

Key Insights and Recommendations

This brief explores how social protection can contribute to human capital development and upward social mobility in Bangladesh, drawing on evidence and insights from a multi-sectoral workshop held at the BRAC Centre Auditorium, Dhaka, on 17 May 2026.

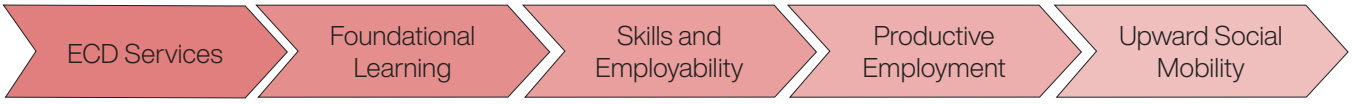
Workshop presentations and discussions reviewed evidence on interventions that have demonstrated positive impacts and reflected on the key structural constraints Bangladesh faces in this area. They highlighted actionable reforms that the Ministry of Finance and the Ministry of Planning could undertake as part of ongoing social protection considerations.

Why This Matters Now

Bangladesh has committed to increasing social protection expenditure to 3% of gross domestic product (GDP) by 2028 and has introduced the Family Card as a significant step in that direction. The country also has proven, globally recognised models of social protection alongside solid delivery expertise. Together, these reforms and capabilities present a unique opportunity to transform it from a safety net into a platform for sustainable human capital development and social mobility.

The workshop participants emphasised taking a lifecycle approach in social protection as a transformative tool, as illustrated in Figure 1 below. It shows how investment in human capital development can contribute to upward social mobility. Early childhood development (ECD) lays the foundation for learning, skills acquisition, and employability, which, in turn, support productive employment and improved socioeconomic outcomes over the life course.

Figure 1. A Lifecycle Pathway From ECD to Social Mobility



Introduction

Bangladesh has achieved remarkable progress in reducing absolute poverty and advancing human capital in recent decades. However, these gains are not distributed evenly across the population. Evidence suggests that opportunities for upward intergenerational social mobility remain constrained for many households, particularly those experiencing persistent poverty and vulnerability (Van der Weide et al., 2023; Murshed & Uddin, 2024). Unequal access to opportunities and persistent socioeconomic disparities continue to limit the potential for improvement in the lives of the poorest and most vulnerable people.

These disparities indicate the need for stronger human capital investments, which continue to face the following challenges across the lifecycle continuum:

- ECD services are fragmented.
- The quality of foundational learning is generally unsatisfactory.
- Alignment between education and labour markets is limited.
- Access to quality employment opportunities is unequal.

Furthermore, the effectiveness of existing social protection spending is constrained by fragmentation, targeting errors, and coordination challenges. For targeting, many programmes continue to rely primarily on demographic categories and programme-specific eligibility criteria rather than on poverty or vulnerability. The orientation of these programmes is towards protection rather than graduation. Better targeting, programme consolidation, and stronger linkages between cash transfers and human capital services can simultaneously strengthen protection and support graduation, improving outcomes within existing resources.

At the Nexus: The Social Mobility Paradox and Structural Gaps

Evidence presented and discussions held during the workshop highlighted two interconnected challenges:

- Existing social protection programmes face limitations in design and targeting.
- Social protection programmes are weakly linked to key stages of the human capital development continuum. Intergenerational mobility is constrained by growing inequality.

Together, these factors influence the extent to which social protection investments can contribute to long-term human capital accumulation and improved life opportunities.

Social Protection Design Challenges and the Family Card Opportunity

- Rising poverty: Sustained inflationary pressures have driven poverty projections up again after a remarkable period of steady decline. The World Bank estimates that national poverty rose from 18.7% in 2022 to 21.2% in 2025 (World Bank, 2026), while simulations by Research and Policy Integration for Development (RAPID) Bangladesh estimate the poverty rate to be 23.7%.

- Targeting and fragmentation challenges: Despite the expansion of social protection programmes, fragmented programme design and demographic-based eligibility continue to weaken targeting, leaving many poor and vulnerable households excluded. This is because eligibility for benefits has historically been defined by demographic status (e.g., elderly, widows, students) rather than by vulnerability. Consequently, 48% of extreme-poor households nationally lack any social protection coverage, and urban areas face a higher exclusion rate of 63.9% compared to

43.9% in rural areas (Razzaque & Rahman, 2025). Existing programmes could achieve stronger poverty-reduction outcomes at current spending levels through improved targeting, consolidation, and enhanced benefit adequacy.

- The Family Card as a potential platform for reform: The newly introduced Family Card is designed as a household-level transfer issued to a female recipient. Its significant transfer value of BDT 2,500 per month—three to four times the value of traditional allowances—presents an opportunity for strengthening social protection delivery. If effectively targeted and extended to all poor and vulnerable households, the Family Card could reduce national poverty from approximately 18% to 11% for 0.57% of GDP—well within the government's 3% commitment. The Family Card could also serve as a platform to connect vulnerable households with complementary services in health, nutrition, ECD, education, and livelihoods, thereby increasing the impact of the investment.

Broken Links in the Human Capital Chain

Social protection's potential to affect long-term social mobility depends on more than simple income transfers. Investments need to strengthen systemic support for human capital development opportunities across the population. Workshop discussions highlighted the following weaknesses at different stages in the lifecycle:

- Foundational learning deficits: National Student Assessments indicate that half of Grade 3 and Grade 5 students lack grade-level competencies in Bangla and two-thirds lack them in mathematics (Government of Bangladesh [GoB], 2022). Eastern and western regions of the country underperform significantly compared to the two central divisions—Dhaka and Mymensingh. These learning deficits emerge early and can accumulate over time, reducing the effectiveness of subsequent investments in education and skills development.

- Low returns to education: Returns to education in informal-sector jobs are just 1.3–2.8%, compared to 7.8–12% in the formal sector. Many young people face barriers to accessing quality employment opportunities, making the traditional path from education to socioeconomic improvement less clear.

- The TVET paradox: Technical and vocational education and training (TVET) diploma holders secure higher average starting salaries (BDT 20,000 per month) and faster employment tracks than general graduates (BDT 14,000–15,000 per month). Paradoxically, demand for TVET remains substantially lower than that of general tertiary education; 72% of tertiary students are still enrolling in general rather than TVET programmes. A clear challenge remains in aligning education pathways and labour-market demand. Workshop discussions suggested that perceptions of social status, prestige, and educational credentials may also influence educational choices, contributing to the persistent under-enrolment in TVET despite its stronger labour-market returns.

Social Mobility Threatened by Inequality

Global research has demonstrated that higher levels of income inequality are associated with persistent intergenerational status—i.e., the more inequality in a society, the more strongly children's incomes are tied to their parents', reducing their chances of upward social mobility (this relationship is captured in the so-called "Great Gatsby Curve") (Corak, 2013).

- Rising inequality: Income inequality in Bangladesh, already high as measured by the Gini coefficient, increased from 0.458 in 2010 to 0.499 in 2022. The top 10% of the population now captures approximately 41% of national income, while the bottom 20% accounts for only 4.18%, underscoring the growing concentration of economic opportunity and resources (BBS, 2023).

- Evidence of immobility: In Bangladesh, father–son wealth correlations remain high (0.53–0.77). Only around 2% of children from households where parents have no schooling reach tertiary education (Asadullah, 2012).

Taken together, these findings suggest that social protection, human capital development, and social mobility should not be viewed as separate policy domains. Rather, they form part of a single lifecycle system in which early disadvantages can accumulate over time, while well-designed interventions can generate benefits across generations. The challenge for policy is therefore not only to expand coverage but also to strengthen the connections among income support, child development, learning, skills acquisition, and productive employment.

Research in Action: What Works to Shift Life Trajectories

Research on specific intervention models tested in Bangladesh demonstrates that good programme design can enhance impact on life trajectories and upward social mobility (Table 1). The most promising approaches are those that combine different supports targeting different lifecycle stages, while ensuring sufficient institutional capacity to maintain quality at scale. With appropriate institutional management and monitoring, existing government systems can be leveraged to deliver innovative interventions across the country to the entire population.

Table 1. Summary of Evidence-Based Interventions and Findings

Presentation and model	Core findings and impact metrics	Critical policy insight
What Works in Practice: Integrating Parenting Support with Cash Transfers in Bangladesh (Hossain et al., n.d.)	• Combining an unconditional cash transfer (UCT) with play-based psychosocial stimulation yielded an adjusted $\beta = 0.22$ gain in children's reading scores in a five-year follow-up. • Cash transfers alone did not generate comparable long-term improvements in cognitive and language development.	Income support can be considerably more effective when combined with interventions that strengthen caregiving practices and early childhood stimulation. Human capital returns require pairing liquid transfers with structured social and behaviour change communication.
Addressing the Missing Market for Low-Income Parents: Experimental Evidence from Urban Dhaka (Adiba et al., 2026)	• Activating community women (*khalas*) as childcare entrepreneurs yielded a "triple dividend" for children, the childcare entrepreneurs, and mothers who work outside the home. • Cash liquidity support drove a 30.7% service uptake. • Working mothers gained 3.5 additional working hours per day and earned BDT 5,177 more per month.	Affordable childcare can simultaneously support child development, increase women's participation in the labour force, and create local employment opportunities. Targeted liquidity subsidies can successfully seed self-sustaining, localised care economies.
Intergenerational Impact of Productive Safety Nets: A Case Study of Ultra-Poor Graduation (Sulaiman et al., 2025)	• Treatment households sustained a 23% gain in consumption and a 36% gain in assets over 17 years. • Intergenerational impact: Daughters had a 3-percentage-point reduction in early pregnancy, a 5.1-percentage-point spike in economic engagement, and significantly higher savings.	Long-term evidence suggests that productive safety nets can generate durable economic gains and meaningful intergenerational benefits. Findings indicate that earlier exposure to supportive interventions may increase the likelihood of sustained benefits across generations.
Delivering Early Childhood Development (ECD) Programme at Scale Through the Government Primary Health Care Services: The Saving Bangladeshi Babies' Brains Programme (Hamadani et al., 2019)	• The Saving Bangladeshi Babies' Brains (SB3) programme integrated ECD interventions into the government's primary healthcare system through community clinics and frontline health workers. • The evidence presented during the workshop showed improvements in children's cognitive development and maternal knowledge. • Implementation challenges included attendance, staff turnover, supervision, and logistics.	Scaling ECD through government systems is feasible and can improve child development outcomes. Sustained impact at scale requires continuous investment in workforce training, supportive supervision, monitoring systems, and adaptive programme management.

Lessons From the Empirical Evidence for Policy Design

The evidence presented at the workshop and reviewed in Table 1 suggests that the question for policymakers is no longer whether social protection can contribute to human capital development and social mobility, but how programme design can maximise these benefits. The most promising approaches are those that combine income support with investments in child development, learning, caregiving, and productive livelihoods, while ensuring sufficient institutional capacity to maintain quality at scale.

Cash transfers are most effective when linked to human capital investments: Financial support should be combined with parenting interventions, behaviour change communication, childcare services, nutrition support, and other investments that directly strengthen human capital formation.

Early childhood represents a high-return window for investment: Interventions during pregnancy, infancy, and early childhood can produce benefits that extend well beyond childhood, influencing educational, social, and economic outcomes later in life.

Women's economic participation is closely linked to child development outcomes: Support for caregiving and women's economic participation should be viewed as complementary investments rather than competing priorities.

Implementation quality determines whether evidence translates into impact: Achieving results at scale requires investment not only in programme expansion but also in workforce development, supervision, monitoring systems, quality assurance, and adaptive management.

The Budgetary Disconnect

The discussion above clearly indicates that investment in parenting support, social and behaviour change communication, service linkages, and implementation quality can strengthen the human capital returns of public expenditure. Yet typically, 96.8% of programme resources are allocated to cash transfers, and only 3.2% to supporting programme operations and complementary interventions (United Nations Children's Fund [UNICEF], 2023). The Mother and Child Benefit Programme is a case in point. While income support remains essential, a fresh focus on complementary activities, especially in the early years, would increase human capital returns on public expenditure, which is currently unrealised.

Actionable Recommendations for the Ministry of Finance and the Ministry of Planning

The Ministry of Finance and the Ministry of Planning are uniquely positioned to provide strategic leadership for the government's planned expansion of social protection spending. Fiscal policy, development planning, interministerial coordination, and evidence-informed decision-making are crucial levers underpinning a systemic approach to social protection and social mobility.

Fiscal and Policy Redesign

- Consolidating programmes through a lifecycle framework: Family Card has a potential to be used as a common platform to improve targeting, harmonise beneficiary identification, and progressively rationalise overlapping social protection programmes. Over time, the government may consider consolidating fragmented interventions into a smaller number of lifecycle-based programmes that support households during key stages of vulnerability and human capital development, including early childhood, school age, working age, and old age. A lifecycle approach can help strengthen coherence across programmes, reduce administrative duplication, improve transparency, and enhance the overall effectiveness of public expenditure. Any future consolidation should preserve critical protections for vulnerable groups, including children, pregnant women, people with disabilities, and older people, while ensuring that poverty and vulnerability remain central considerations in programme design.

- Strengthening the developmental content of social protection programmes: As social protection programmes continue to expand, policymakers may wish to consider increasing investment in complementary interventions that strengthen human capital development, occupational mobility, and graduation out of the poverty trap. Significant

opportunities for intergenerational human capital development exist, particularly within child-sensitive social protection programmes. These may include parenting support, social and behaviour change communication, psychosocial stimulation, nutrition counselling, and stronger linkages with health, education, and ECD services. Evidence presented during this workshop suggests that combining income support with developmental interventions can strengthen outcomes for children and caregivers and improve the long-term returns on public investment. Applying this principle more broadly across relevant social protection programmes may enhance their contribution to human capital development and intergenerational social mobility.

- **Bolstering ECD services for children aged 0–3:** Building on lessons from the SB3 programme and related ECD initiatives, the government could explore opportunities to expand ECD services for children under three through existing community-based health platforms. Community clinics and frontline health workers are important channels for reaching vulnerable families during pregnancy and early childhood. Expanding ECD services through these platforms may help improve child development outcomes while leveraging existing government infrastructure. Successful scale-up will require continued investment in workforce training, supportive supervision, monitoring systems, and adaptive programme management to maintain quality and effectiveness.

Institutional and Governance Reforms

- **Strengthening inter-ministerial coordination:** The inter-ministerial coordination mechanism established under the Comprehensive Early Childhood Care and Development (CECCD) Policy 2013 could be reconvened and operationalised. A functional coordination platform is essential for aligning investments and implementation across the multiple ministries and agencies offering different lifecycle-focused services. Strengthening the institutional capacity of this coordination mechanism through appropriate technical and administrative support arrangements would facilitate joint planning, monitoring, and accountability across participating institutions.

- **Empowering local-level integration and delivery:** The role of local government institutions in coordinating and integrating social protection and human capital services at the community level should be strengthened. Empowering Union Parishads and Upazila Councils to serve as local integration hubs could facilitate closer coordination among service providers and improve responsiveness to local needs.

Data and Evidence for Policy Insight

- **Institutionalising independent evaluation and accountability:** Major social protection reforms and programme expansions, including the rollout of the Family Card, should incorporate robust monitoring, evaluation, and citizen feedback mechanisms. Where feasible, independent evaluations can provide valuable evidence on programme effectiveness, implementation challenges, and opportunities for adaptation and scale-up.

- **Strengthening data systems for social mobility and human capital analysis:** Bangladesh currently lacks comprehensive longitudinal data linking parents and children over time, limiting the ability to assess intergenerational mobility and evaluate the long-term impacts of public policies and programmes. Strengthening evidence systems should therefore be considered a priority for future policy development. The government may wish to explore options to improve the collection, integration, and analysis of data on education, labour-market outcomes, social protection participation, and household well-being. Improved data systems would support more effective targeting, programme evaluation, and evidence-informed decision-making, while strengthening understanding of the factors that shape social mobility and human capital development across generations.

Taken together, these recommendations seek to reposition social protection as a strategic investment in human capital and social mobility rather than solely as a mechanism for income support. By strengthening targeting, investing in ECD, improving coordination across service sectors, and institutionalising evaluation, accountability, and evidence-informed decision-making, Bangladesh can maximise the returns on its planned expansion of social protection spending while creating stronger pathways for upward mobility across generations.

Successful implementation, however, will depend on political commitment, institutional capacity, administrative continuity, inter-ministerial coordination, and fiscal sustainability. As highlighted during workshop discussions,

reform efforts should be carefully designed to address implementation realities and should incorporate mechanisms for learning, adaptation, and continuous improvement over time.

These recommendations are intended to inform ongoing policy discussions and future reform efforts, recognising that priorities, sequencing, and implementation approaches will need to be considered within the government's broader policy, institutional, and fiscal context.

Conclusion

Bangladesh has a unique opportunity to transform social protection from a safety net into a platform for human capital development and social mobility.

Introducing the Family Card presents an opportunity to take a more holistic approach to social protection. In doing so, the government can address historic limitations in the design and targeting of social protection programmes, strengthen links in the human capital development continuum, and increase inter- and intra-generational social mobility.

Research evidence from Bangladesh demonstrates the power of taking this holistic view. Well-designed interventions can simultaneously impact the life course of multiple generations and strengthen pathways to upward social mobility. Existing government systems can be leveraged to deliver effective interventions combining income support with investments in human capital, particularly during the early years of life.

The Ministry of Finance and the Ministry of Planning are uniquely positioned to ensure that the government's planned expansion of social protection yields improved developmental and mobility outcomes. These commitments will stand the best chance of success if grounded in fiscal policy and development planning, with strong central coordination of sectoral efforts to achieve systemic effect.

Strengthening the continuum from ECD through foundational learning, skills acquisition, and productive employment will be critical to ensure that social protection investments translate into sustained human capital gains and upward social mobility. A lifecycle approach that connects support across these stages can help Bangladesh maximise the long-term returns on public investment while creating stronger pathways for inclusive growth and shared prosperity across generations.

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