

Vulnerable and Unequal

A story of fragile glory

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Core findings from the WP

- Poverty increased in absolute numbers over 2022-23 due to post COVID polycrises. This is particularly serious in urban areas (HIES 2022, SANEM 2023). No serious attention and policy action. Denial
- Escape from poverty is very vulnerable: 20 MM non poor are just two days of not working away from becoming poor. 30% of the non poor, i.e. over 40 MM are extremely vulnerable to becoming poor (World Bank)
- Social safety net is leaky (70%-40% mistargeting), inadequate (not regularly inflation adjusted) and unreliable (poor accountability). Coverage and allocation increased but used as an instrument of political patronage, especially since 2015/16 change in LG Act
- Learning inequality is high (esp in English and Maths) starts early (12 pps difference in class 1 among poor and non poor) and persists.
- At 0.85 Wealth Gini, wealth inequality is now very high. This means deeper intergenerational inequality and socio-political polarization.

An update on the policy context and actions

- Impact of poly crises continues. After an initial surge in optimism post July Uprising, there is sharp decline with growing concern over everyday economic struggles of managing cost of living with general economic downturn (BIGD Pulse Surveys, August 2024 and October 2024)
- Uncertainties about social safety nets: existing beneficiaries and new selection
- No clear direct action in support of the poor and the working class

Recommendations for the budget and beyond

- Budget
 - Proper inflation adjust all existing safety nets, esp the ones that are poverty targeted.
 - Introduce a new productive safety net program targeted at the poorest in the most climate vulnerable regions following graduation approach and experiences of BRAC and PKSF
- Beyond
 - Measuring and monitoring vulnerability
 - Implement NSSS

Thank You



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