

# **Impacts of Social Safety Nets on Inequality Prevalence:**

## ***A Developing Country Perspective***

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### **ABSTRACT**

Social safety nets have been enlisted as key instruments to reduce poverty and inequality in many developing countries. The safety net programs are designed to provide support for the vulnerable sections of society. Despite having a large number of safety net programs, the rate of poverty reduction and inequality prevalence is not satisfactory. This paper analyses the impacts of safety net programs on inequality of developing countries particularly in Bangladesh. The study examines time series data of expenditure on safety nets and the rate of inequality. The analysis suggests that no clear association is found between safety nets and inequality. Initially, inequality has shown an increasing trend with expansion of safety net expenditures then the inequality trend is declining. Also, inequality in consumption was relatively lower than that in income.

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