

Rhetorical bottomless basket case versus Bangladesh's success with the MDGs

By
Asso/Professor M. Hossain
Griffith University, Brisbane
and
Mohammad S. Hoque
Bangladesh Civil Service
Dhaka

Main points

- **Purpose of the presentation**
- **Sanitation Access**
- **Poverty Reduction**
- **Income Inequality: A micro analysis**
- **Conclusions**
- **References**

Purpose of the presentation

- 2015 was the end of the Millennium Development Goals (MDGs) initiative launched by the United Nations (UN), under the Millennium Declaration 2000.
- There were eight goals of the MDGs and the aim was to reduce each by half by 2015 from 1990 level. Bangladesh has its share of achievements in meeting all these goals.
- In particular, the nation reduced poverty by half well before 2015.
- In achieving sanitation target Bangladesh made major breakthrough in providing access to both rural and urban people.
- This makes Bangladesh a role model for the developing world in two MDG fronts: improved sanitation access and poverty reduction.
- This paper attempts to investigate these two issues and analyse the reasons behind the success and lessons for other developing nations.

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Sanitation Access

- Professor Sen and Dreze (2014) have published a volume called, *An Uncertain Glory: India and its Contradictions*, in which Professor Sen strongly criticised India's non-achievement in sanitation access even after this nation's recent economic prosperity. When comparing with India's neighbours, he was disappointed that India placed well behind Bangladesh.
- Compared to its immediate neighbours, on an aggregate nationally, India performs relatively poorly in terms of Improved and Shared sanitation access.
- For example, India, with 53% access (improved plus shared facilities) to sanitation performs poorly relative to Pakistan (54%) and Bangladesh (81%) in 2010.
- Comparing this national performance in rural and urban areas, the difference at urban level in India (77%) is lower against Bangladesh (83%) and Pakistan at 78% (Hossain and Howard, 2014).
- At the rural level, the difference has been phenomenal (see Table in next slide)

Sanitation (cont.)

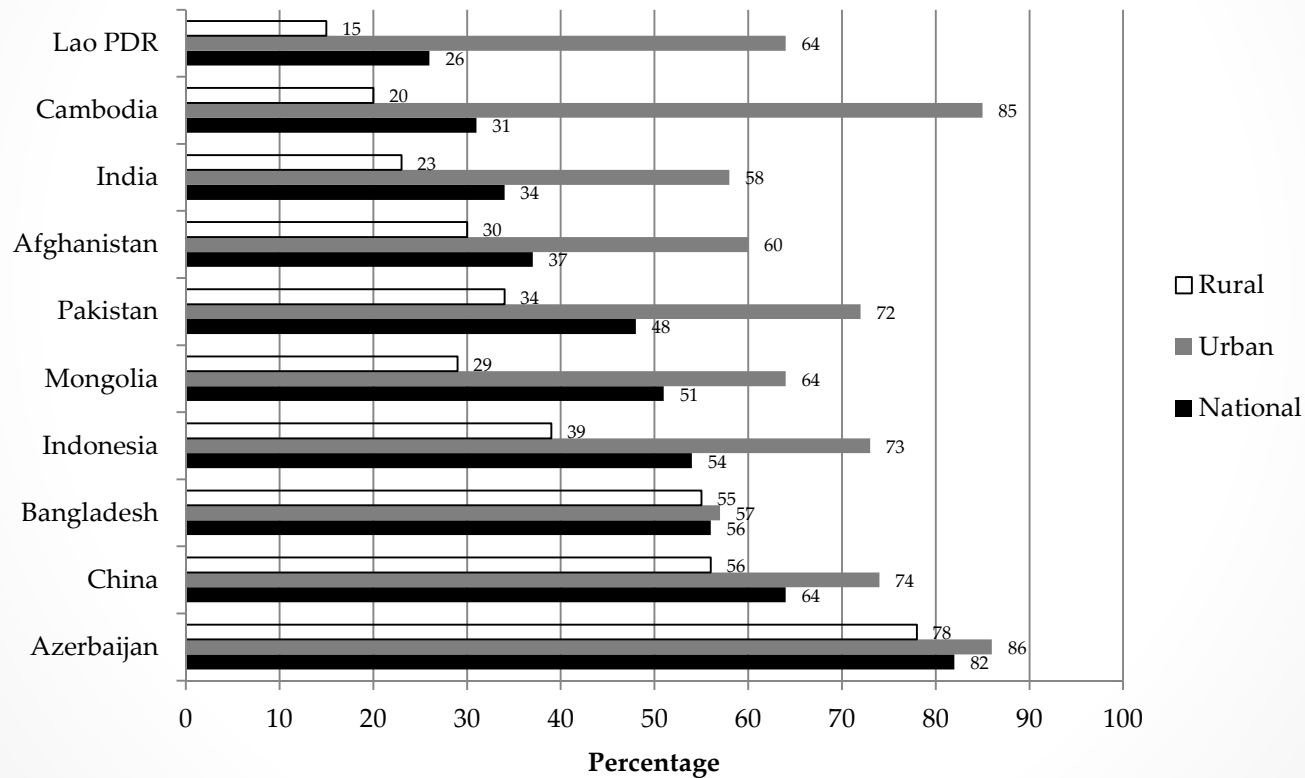
Table 1: Comparison in South Asia (Rural, Urban & Total Average), 2010 (%)

Areas	Bangladesh	India	Pakistan
• Rural	80	27	40
• Urban	89	77	78
• Total	81	53	54

Source: Hosain and Howard (2014)

Sanitation (Cont.)

Figure 1: Access to improved sanitation for selected Asian countries



Poverty Reduction

- *In terms of reducing extreme poverty, certainly the East Asian nations have been ahead of South Asia (see next slide).*
- *The Head Count Ratio (HCR) suggests that almost half of the population in Bangladesh and 41% in India lived under purchasing Power Parity (PPP) \$1.25 a day, while an acceptable level in PPP terms (low poverty) exists in other nations between 2000 and 2008.*
- *However, Nepal's condition has deteriorated and is even worse now than Bangladesh and India, with 55%. Thus these nations failed to reach the MDGs target in halving poverty by 2015 from 1990 level.*

Poverty Reduction (cont.)

Table 2: Eradication of extreme poverty (%)

Region Year	Poverty (PPP\$1.25) a day HCR 2000-2008	National Poverty Line 2000-2008
<u>East Asia</u>		
China	15.9	2.8
Indonesia	29.4	16.7
Philippines	22.6	-
Vietnam	21.5	28.9
<u>South Asia</u>		
Bangladesh	49.6	40.0
India	41.6	28.6
Nepal	55.1	30.9
Pakistan	22.6	-

Hossain et.a. (2009)

Poverty Reduction (cont.)

• **Table 2: Poverty reduction in Bangladesh, 2002-2014 (%)**

Year	People under Poverty*	Hard Core Poor**	People above Poverty Level
2002	44.6	-	55.4
2006	38.4	-	61.6
2009	33.4	-	66.6
2013	26.2	-	73.8
2014	24.3	10.6	75.5

• **Note:** The Planning Commission defines poverty in terms of calories a person requires per day. In Bangladesh this is about 2122Kcal. To purchase required calories the income of a person per month has been considered to determine who are poor or people under poverty and hard core poor. It has been estimated that Taka 3000 per capita per month is needed to buy 2122Kcal per day. The following estimates have been provided by the PC for these groups:

• *People under poverty: Having income below Taka 3000 per month per person is a poor

• **Hard core poor: Having income below Taka 1600 per month per person is a hard core poor.

• **Source:** Shah (2015)

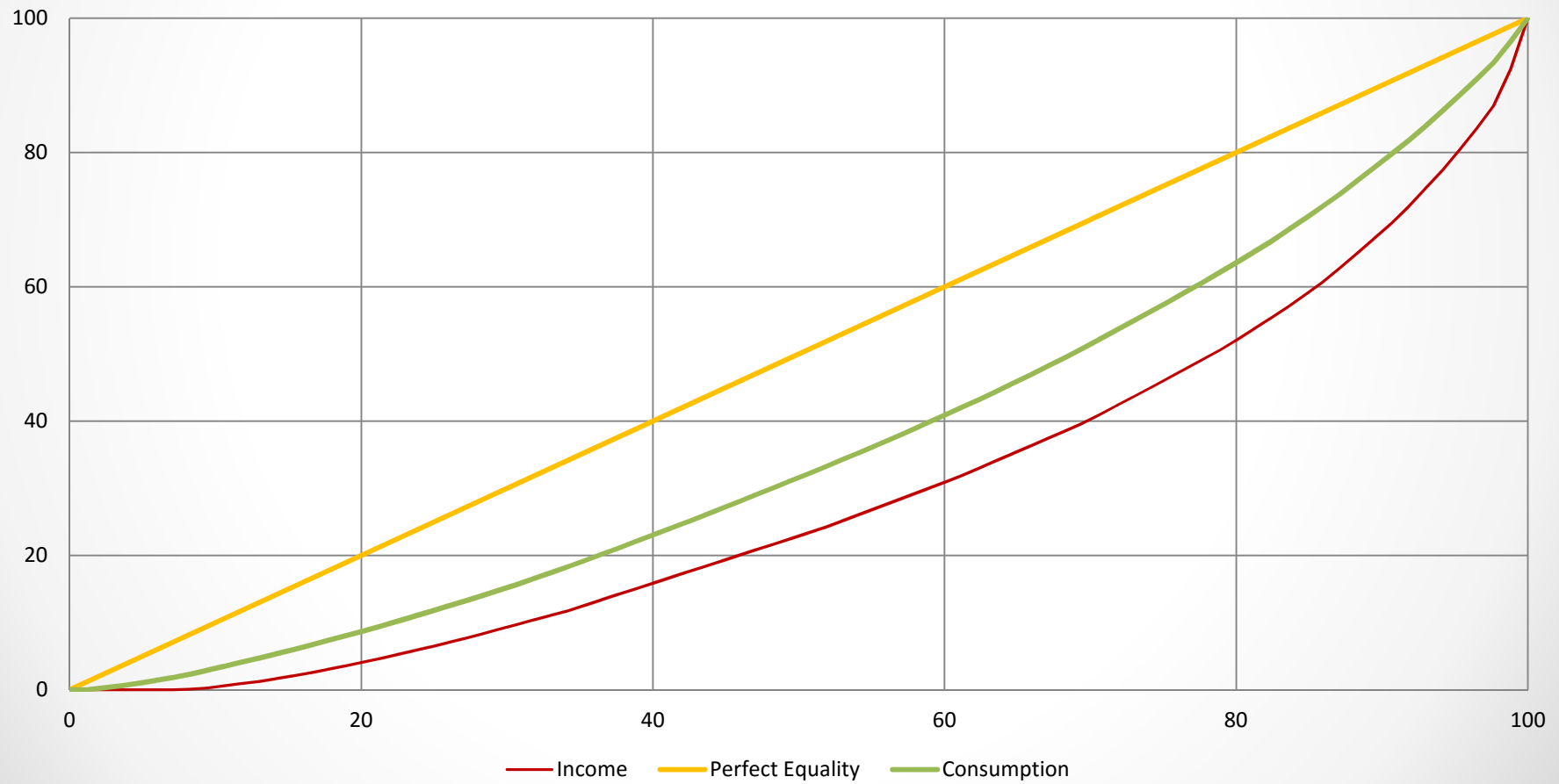
Income and Consumption Inequality

- So far poverty reduction is measured from secondary macro data.
- Let us look at now the income and consumption inequality from micro data collected from a village survey in 2012.
- The survey was carried out in a southern district called Khulna. In total 73 households (entire village) was surveyed and collected information on their socio-economic characteristics including income and food consumption at household level.
- It is important to look at how income and consumption inequality has been affected in achieving the MDS goals and investigated upon with estimating the Gini ratios.



Inequality (con.)

Figure 2: Lorenz Curve Income and Consumption 2012



Inequality (con.)

- Figure 2, compares the Gini ratio for the villagers' income and consumption.
- The consumption line is close to the line of equality than the income line.
- This suggests consumption is more equal than the income distribution in the village which is a generic view as well.
- In other words, the estimates suggest that the poorest 20% of the population have only 4.05% of total income and top 20% having 52.04% of total income.
- In the food consumption front, these were 26% and 35%, respectively.

Conclusions

- It has been established that poverty wise Bangladesh achieved the MDGs' number one goal ahead of time (2015) and in the area of sanitation the country is approaching close to achieving the full goal.
- However, these findings need investigating further with primary data and make results available to evaluate gaps in reporting.
- The study has presented a case and contributed towards the debate between the nation's rhetorical image as bottomless basket case and success with the MDGs in two fronts: poverty reduction by half from 1990 level and doubling sanitation facilities from 1990 level.
- It is important to know Bangladesh's present status and compare between rhetoric and reality for future development policies.

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