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

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ABSTRACT

Purpose: 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.

Design/Methodology/Approach: Approach: Poverty reduction is measured from both secondary macro data and primary micro data from a survey carried out in 2014. The methods used are Head Count Ratio (HCR) and in Purchasing Power Parity (PPP) terms. These are acceptable approaches used for poverty

assessment in developing nations. The sanitation performance is assessed from secondary data available from United Nation's Children Fund (UNICEF) and World Health Organisation (WHO), database. The performances in both rural and urban sanitation facilities have been compared and the factors for improved sanitation have been identified and analysed statistically.

Findings/Limitations: So far 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 from primary data and make results available to evaluate gaps in reporting.

Original Value: The study will make original contribution 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 the nation's present status and compare between rhetoric and reality for future development policies.

Keywords: Kissinger 1971; basket case; poverty; sanitation; Bangladesh; Millennium Development Goals; MDGs.

INTRODUCTION

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.

The present paper concerns these two issues and investigates the success or otherwise since 1990. Firstly, the sanitation access has been investigated keeping close comparative analysis with other nations of South Asia particularly, India and secondly, poverty reduction has been investigated over time between 2000 and 2014.

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. For example, in Pakistan, 40% of the rural population has access to an improved plus shared sanitation facility, which is significantly higher than the 27% of rural people in India. In stark contrast to both India and Pakistan, in Bangladesh 80% of rural people has access. This raises the question of why Bangladesh has been outperforming Pakistan and India. The main reason was availability of microfinance to the poor in rural areas. Bangladesh is the home of large Micro Finance Institutions (MFIs) of the world such as Brac, Grameen Bank, Asa and so on (this also got mentioned in Sen's observations on 16 July 2014 issue of the prestigious London based daily The Guardian). Sen criticised India's non-achievement in sanitation access strongly even though this nation's recent economic prosperity. Let us expand this debate further taking few more Asian nations into consideration from the data produced by United Nation's Children Fund (UNICEF)/World Health Organisation (WHO) sanitation report (2012).

As can be seen from Figure 1, following Sen's observations, India's comparative performance in the broader Asian region is relatively poor. Of the regional countries of the UNICEF/WHO data for 2010 was available, only Lao PDR had a lower level of improved sanitation coverage on a national basis. Only around 26% people have access to improved sanitation in Lao PDR at an aggregate national level as against Bangladesh's 56% and India's 34%. Similarly, at rural level, Lao PDR has the lowest levels of access to improved sanitation, with only 15% of people. Again, India has the third lowest level with only 23% and in Bangladesh 55%. As could be expected, the percentages for urban sanitation access are generally far higher than rural access throughout the region and the difference between the best and worst performers is not as great in urban areas as it is in rural areas. At the urban level, it is still notable that India's performance is the third lowest of the Asian region which is around 58 % in 2010. This is only marginally higher than Bangladesh (57%) and Lao PDR (64%).

A sanitation model developed by Hossain and Howard (2014) with cross sectional data confirms that in India population growth has a strong negative impact on sanitation coverage, which is consistent
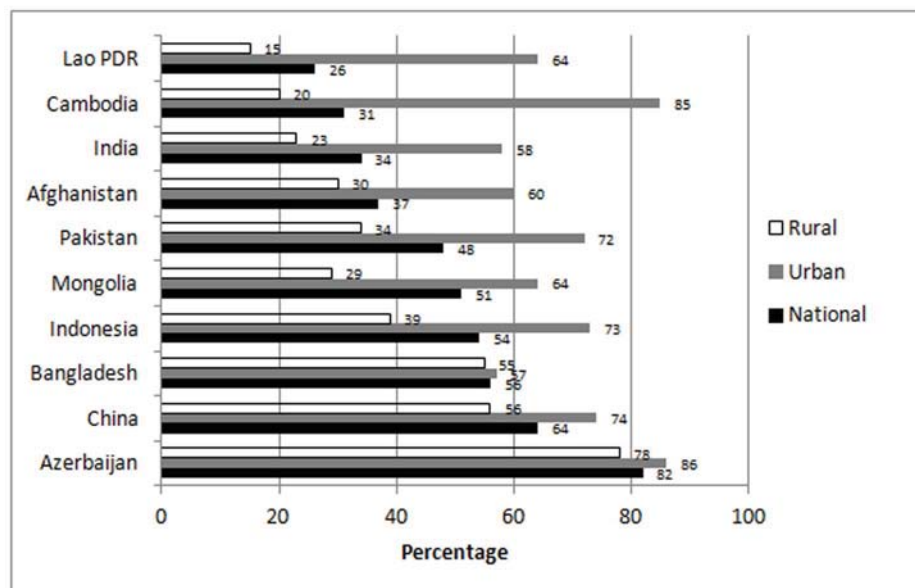
Figure 1   Access to improved sanitation for selected Asian countries

Source: UNICEF/WHO (2012), cited in Hossain and Howard (2014).

with the generic view. The impact of state growth (income) on sanitation was found to be positive and high and it is consistent with the generic view. Finally, the improved Gini ratio of rural areas suggests a strong impact on sanitation with cross sectional data. The estimates for India from the sanitation data taken from 30 states in 2011 show that, the growth in sanitation coverage remains constant. The negative and significant population growth suggests that a 1% increase in population will contribute to a decline in the sanitation coverage by 2.5%. The coefficient in state income growth (GDP equivalent) is both positive and significant and its value is 1.87. This implies that with a 1% increase in income the sanitation coverage will almost double, and finally, the estimate of the rural Gini ratio suggests a positive but insignificant impact. The results show, with a 1% improvement in the Gini ratio the sanitation coverage will increase by more than 14% (Hossain and Howard, 2014, p.100).

POVERTY REDUCTION

In terms of reducing extreme poverty, certainly the East Asian nations have been ahead of South Asia (see Table 1 below). 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%. It is thus these nations failed to reach the MDGs target in halving poverty by 2015 from 1990 level. In South East Asia, Indonesia still sees almost 30% of its

Table 1   Eradication of extreme poverty

Region	Poverty (PPP$1.25) a day HCR	National Poverty Line	Share of consumption to poorest quintile
Year	*2000–2008*	*2000–2008*	*2005*
East and South East Asia	(%)	(%)	(%)
China	15.9	2.8	4.7
Indonesia	29.4	16.7	8.4
Philippines	22.6	—	5.4
Thailand	<2	—	6.3
Vietnam	21.5	28.9	9.0
South Asia			
Bangladesh	49.6	40.0	9.0
India	41.6	28.6	8.9
Nepal	55.1	30.9	6.0
Pakistan	22.6	—	9.3
Sri Lanka	14.0	22.7	8.3

Source: Hossain et al. (2009).

population below the poverty line, while the Philippines and Vietnam have reached acceptable levels. Given China's prosperity over the last four decades, its poverty levels remained unusually high at almost 16%.

Taking the share of consumption by the poor into consideration, China, the Philippines and Thailand have a relatively lower consumption share compared to Indonesia and Vietnam among East Asian nations. In South Asia, Nepal is placed in this category, and this certainly needs to be improved. Overall, it is disturbing to see that the populous nations of East and South East Asia have been making such slow progress in reducing absolute poverty and reducing gap in consumption.

Recently, the Bangladesh Planning Commission (PC) publishes a report on the country's achievements and non-achievements in poverty reduction until 2014. The PC's assessment was based on data collected by the Bangladesh Bureau of Statistics (BBS). Table 2 presents a picture of poverty reduction over 2002 and 2014.

Numbers for 2014 are very encouraging. National poverty level went down to one fourth of the population compared to almost one half in early 2000. More interestingly, hard core poor in 2014 makes 10.6% out of the 24.3% of total poor. This suggests that if this momentum can be continued, the prediction is by 2021, the 50th anniversary of independence, the nation would be in a position to push another 15% out of poverty and the entire hard core poor eliminated with only 10% of the total population remains under poverty. In absolute terms, this would be below 20 million under poverty line as against present

26 million (equal to entire population of Malaysia). In absolute terms indeed poverty will remain a major challenge for the nation in the years to come.

In conclusion, it is interesting however to see how Dr. Henry Kissinger is found to be wrong when 44 years ago he predicted that, "Bangladesh nation is going to be the world's bottomless basket case" (as cited in ABM Nasir, 2010). It is indeed a coinecedent that in his life time Dr. Kissinger witnessed his rhetoric remains far from reality.

Gini ratio

While poverty reduction goal has been met under the MDGs before the targeted date (2015) in Bangladesh, it is also important to look at how the income and consumption inequality has been affected in achieving this goal. This has been investigated with estimating the Gini ratios from a syrvey of a village in the southern part of Bangladesh near the Bay of Bengal delta. 73 households have been surveyd in 2012 under the district of Khulna. The main features of rural economy of Bangladesh in pre-1990 period were:

- insufficient growth in agriculture;
- concentration of income and wealth in the ownership of a minority of rich farmers and
- increasing impoverishment resulting in increased abosolute poverty.

All the above features of the rural economy required to produce additional foodgrain production over the last two decades, however, was unable to cope with the rate of population growth; concentration of income and wealth with a minority of rich farmers has been closely connected with landlessness and unemployment; and continuing deficit in required food consumption by a large number of rural dwelers demonstrated their stagnation in absolute poverty (Hossain, 1985).

In investigating the income and consumption Gini ratios from a village with 2012 data shed light on the changes taken place in recent time with respect to income and consumption inequality given national food poverty reduced to almost 24% of the total population in 2014 (Table 2).

Figure 2, compares the Gini raio for the villagers' income and consumption. The income line is far from the line of equality than the income line. This suggests food consumption is more equal than the income 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.

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 2122 Kcal. 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 2122 Kcal 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.
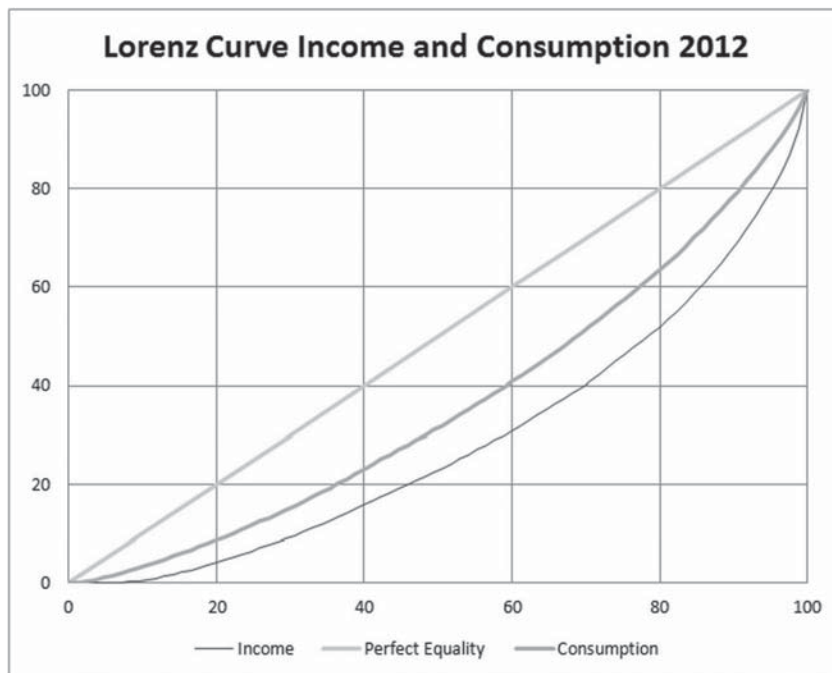*Source*: Shah (2015).

Figure 2   Income and Consumption Gini, 2012

Source: Present Study.

In conclusion, it can safely be emphasised that with the reduction of poverty at the same time the food consumption distribution has been improving. This cannot be said in the case of income inequality found in the village in 2012. Care must be taken in making such a conclusion however since we used data from 75 households only out of a single village in southern Bangladesh.

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BIOGRAPHICAL NOTES

Dr. Moazzem Hossain teaches environmental economics, development and trade in the Department of International Business and Asian Studies of the Griffith Business School at Griffith University, Brisbane since 1990. He is also a full member of the Griffith Centre for Sustainable Enterprise (GCSE) and the Griffith Asia Institute (GAI) of Griffith University. He has master degree from the Australian National University (1978) and PhD from the University of Western Australia (1986). His current research includes Climate Change issues in the Asia-Pacific including the Bay of Bengal delta and Sundarbans region (Bangladesh and West Bengal, India). He was visiting fellow in various European and US academic institutions including the University of London; University of Sussex; University of Hull; Institute of Social Studies, The Hague; University of Heidelberg and Boston University since 1991. He produced eight authored and edited volumes on the subjects of South Asian economic development, economic reforms, climate change and growth in Asia, and on the realisation of Asia century published by the prestigious Routledge and Edward Elgar Publishing over the last 15 years. Additionally, he published two major volumes on the Political Economy of Bangladesh: Bangladesh's Development Agenda and Vision 2020 and Democracy's Roller Coaster Ride in Bangladesh. Both these volumes were published by the Dhaka based the University Publishing Limited in 2003 and 2009, respective-

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Mr. Mohammad Samsul Hoque is the executive officer of a sub-district in Bangladesh. He is a civil servant and presently in charge of Purba Dhala subdistrict. He presently jointly works with A/Professor Moazzem Hossain on a project called, 'Socio-economic impact of remittance at migrant and non-migrant households: A micro analysis in Bangladesh' for the volume on South-South Migration to be published by Routledge publishing, UK in 2016. He has been engaged with this project over the last two years and performs all the field works with the support of his co-author, Dr. Hossain.