

The Rate of Decline in Poverty in Bangladesh slowed down

The Unnayan Onneshan, an independent multidisciplinary think-tank states that the rate of decrease in poverty has slowed down though in recent years Bangladesh has made progress in the reduction in income-poverty since independence. The research organisation has launched a book on the auspicious event of the International Day for the Eradication of Poverty titled “Decelerated Decline: State of Poverty in Bangladesh 2012”.

The think-tank also states, “This decelerated decline poses a cause of concern, particularly if a forecast is made on the basis of current trend, suggesting that the rate of decline may further decelerate, leaving the target of poverty reduction of the government at bay.”

“The depth of poverty or poverty gap, a measure of the average income gap of the poor in relation to a certain threshold, and severity of poverty or squared poverty gap, a measure sensitive to the income distribution among the poor -- have also witnessed a slower rate of reduction in last few years” says the leading policy research organisation.

The Unnayan Onneshan states that the rate of decline in poverty in Bangladesh has slowed down in recent years. Poverty reduced by 8.9 percentage points during the five years of 2000-2005 while during the next five years (2005-2010), the total decline was 8.5 percentage points.

If the current trend of decrease in poverty continues, the incidence of poverty might slide down to 29.2 percent and 22.9 percent by 2013 and 2021, which are higher by 4.2 and 7.9 percent respectively than those of the targets (25 percent and 15 percent by 2013 and 2021 respectively) of the present government.

The think-tank argues “The rate of poverty reduction in Bangladesh is an aggregate product of multiple factors.” For example, there is an increased trend of flow of remittance (both internal and external) over the years and this has resulted in increased consumption. The export has also increased, as Bangladesh has become the second largest exporter of ready-made garment in the world, leaving a huge impact on the employment situation, particularly for rural female.

The agriculture sector has also witnessed a change in practices and multiple cropping intensity in same piece of land in the recent years. The service sector, particularly the construction has also expanded and has created a job opportunity of the people. All these, amongst others, have positive impacts in reducing poverty and have resulted in change.

The research organisation says, “The problem arises in its failing to conceptualise that poverty is manifestation of social property relationship. The neo-liberal articulation is that an increase in the size of the “things-basket” reduces poverty. The “things-basket” may reduce poverty up to a point, but it is reproduced due to social property relationship,

embedded through institutions, structures, power, and reality and composition of the state.

In institutional sense, the organisation points out that the major reasons for persistence of poverty are: absence of adequate state intervention for the expansion of production, deficiency of equalizing income augmenting employment system, shortfalls in public expenditure for enhancements of capabilities, inadequacies in regulatory regimes, and lack of complementary policy structure and non-existence of enforceability of constitutional rights.

“Another manifestation of poverty is accumulation by disposition,” says the think-tank. The country’s economy has been expanding and so is the dispossession in many forms. People belonging to the lower class of the society are not allowed to enjoy other elements of life likes of expression, association etc. Hence, even if income poverty scenario may have changed, social poverty remains unchanged due to class differentiation.

A huge chunk of employed population is under-employed who are engaged in income generating activities, but formally remain jobless as they hardly enjoys the rights to be enjoyed by an employed. These have also resulted in augmentation of income inequality. Another important cause of poverty is the deterioration of the natural environment, including the climate, bodies of water, soil, and forests. Environmental problems have led to shortages of food, clean water, materials for shelter, and other essential resources.

Absence of dynamic regulatory policies and enforcement reduces the poor’s access to the resources, and hence poverty is reproduced or graduation becomes difficult. Unequal pattern of growth has a weaker poverty alleviating effect and has also been shown to be harmful to growth. Moreover, inequality afflicts the persistence of poverty.

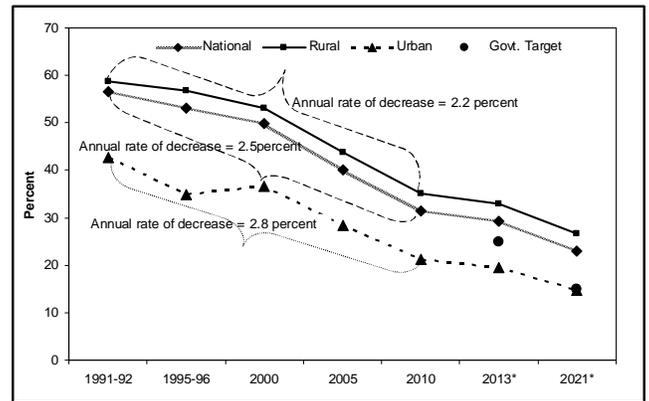
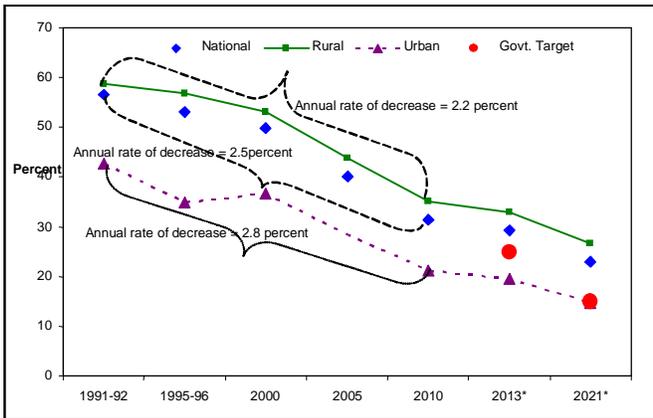
The think-tank states that the growth of monthly household expenditure has surpassed the growth of income. During the period of 1991-92 to 2010, the monthly household income has increased with a rate of growth of 13.53 percent, 11.68 percent and 13.39 percent at national, rural and urban level respectively. At the same time, the monthly household expenditure has risen with a rate of growth of 15.58 percent at national level, 14.07 percent at rural level and 14.16 percent at urban level.

The rate of reduction in the depth of poverty was 5.94 percent between 2000 and 2005, whereas it was 5.56 percent between 2005 and 2010. Likewise, the severity of poverty has also reduced at a slower rate than before. The rate of decrease in severity of poverty was 7.39 percent between 2000 and 2005, while it was 6.21 percent between 2005 and 2010.

The research organisation forecasts that the incidence of poverty might reduce further to 27.56 percent by 2015 while rate of growth in GDP might be witnessed at 6.73 percent. The incremental rate of growth in GDP has already slowed down. In addition, the rate of reduction in poverty might slow down in the upcoming years while inequality in income may increase.

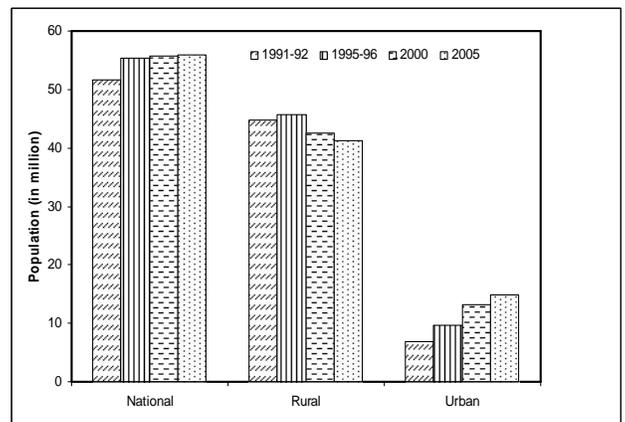
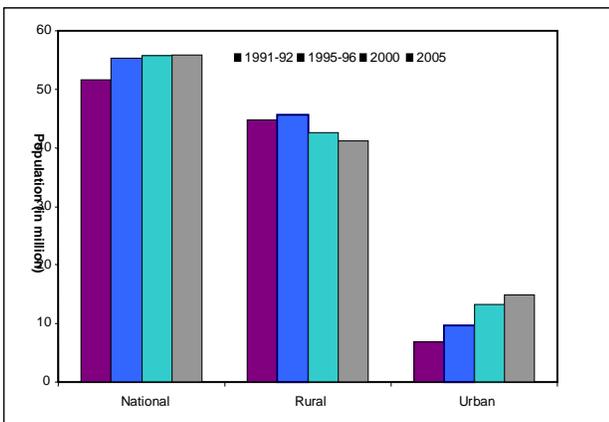
Finally, the Unnayan Onneshan notes with caution that it might be quite difficult to achieve the targets of reducing poverty, unless the government does not give top priorities on the issues outlined above. In this sense, the government needs to be creative in renewing and revising strategies and approaches, including increased budgetary allocation for poverty alleviation. Otherwise, the aim of reducing poverty and inequality may remain elusive and distant dreams, which the nation cannot afford.

Current Situation and Future Projection of the Incidence of Poverty



Source: Unnayan Onneshan 2012, Decelerated Decline: State of Poverty in Bangladesh 2012, Dhaka

Population under Poverty Line



Source: Unnayan Onneshan 2012, Decelerated Decline: State of Poverty in Bangladesh 2012, Dhaka