BANGLADESH

Despite successes, vulnerability persists

Although Bangladesh has made significant achievements in areas like education and health, it still faces formidable challenges in economic and human development. Advances in education coverage have not been matched by improvements in educational quality, and while significant gains have been made in health indicators, health care for all remains a priority goal. Government social safety net programmes reach about 13% of all households in the country, but the poverty rate is 40% and the extreme poverty rate is 25.1%.

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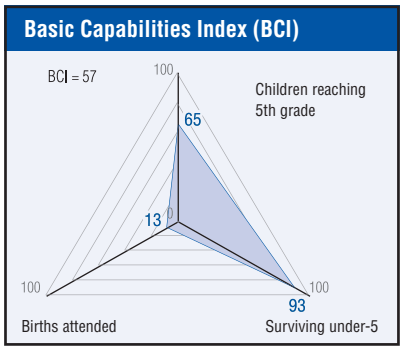
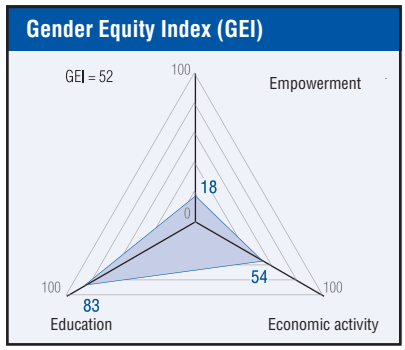
Despite all the progress that Bangladesh has made in the recent past, it still represents one of the world's most vulnerable economies, characterized by an extremely high population density, a low resource base, and high incidences of natural disasters (especially in rural areas), malnutrition, disability, poverty and inequality.

The recent progress achieved by the country, particularly since 1990, includes commendable successes in all sectors of the economy and social development, above all in the quantitative expansion of primary and secondary education, primary health care and economic indicators. These changes have led to marked improvements in many socio-economic indicators addressed by the Millennium Development Goals (MDGs): GDP per capita has increased steadily, the total fertility rate has fallen, life expectancy has increased while infant and maternal mortality rates have declined, and school enrolment rates have increased, as have access to clean water, sanitation and electricity. These changes have been taking place in both rural and urban areas (Rahman and Ahmed, 2005).

Considerable advances have also been achieved in mainstreaming women in the country's development process. Women have played and continue to play an important role in the successes of micro-credit, the ready-made garments sector, reducing the total fertility rate, improving child nutrition, greater participation in education and reducing gender disparity in all spheres of life. Girls and women in Bangladesh have already achieved parity in the primary education gross enrolment rate and in life expectancy at birth.

However, despite all these successes, some of the indicators mentioned above still remain very high in comparison to many other developing countries. Poverty remains high and income inequality has been increasing, while the quality of health services and education are being eroded. The most disadvantaged are disproportionately affected by these factors and are often unable to access the fruits of development. Strong social protection programmes are therefore needed both to increase their participation in the development process and to reduce the severity of their poverty and exclusion (Rahman and Ahmed, 2005).





Recent trends in human development

Although a number of economic and social indicators have been showing quite positive trends, other indicators related to social security have not been at all encouraging. Positive demographic trends have been observed in terms of a reduced average household size as well as declining fertility rates, which in turn have resulted in changes in the age structure of the population and a decreased dependency ratio. However, the rapidly increasing trend of rural-urban migration due to 'pull' and 'push' factors has posed major challenges to policy makers in terms of providing enough basic infrastructure, primary health care and education facilities in the cities, given the severe financial and space constraints. The unemployment rate has been increasing, though slowly. The economic dependency ratio – the ratio of the economically inactive population to the working population – also remains high at 1.38, representing an obstacle to attaining sustainable household income growth. The economically active female population is still very low and women constitute only 20% of the active population.

Successes in expanding preschool, primary and secondary education have been notable in Bangladesh. The huge increase in gross enrolment rates and the attainment of gender parity in primary enrolment have been the major achievements. However, these achievements need to be viewed in the context of high cohort dropout rates, low completion rates and the deteriorating quality of education at all levels.

Bangladesh has made impressive gains in achieving high immunization coverage and reduced child and infant mortality and malnutrition rates. But despite these successes, most current rates are still quite high and need to be addressed more vigorously, particularly if the MDGs are to be achieved. Both fertility and mortality rates remain at high levels, raising concerns for poverty reduction. Significant gender and rural-urban discrimination continues to persist. Socioeconomic inequality in malnutrition as indicated by anthropometric measures (such as height and weight) appears to be very high. Maternal malnutrition, measured by body-mass index less than the critical value of 18.5, turns out to be very high in the country. Moreover, the higher prevalence of malnourished mothers in poor households has adverse implications for poverty reduction.

Access to clean water and hygienic sanitation has been increasing. Access to electricity has also improved gradually. However, the average floor space per person is very low for both the rural and urban population.

While significant positive trends in income growth have been observed, inequality has been rising very sharply, especially since 1990. Regional and rural-urban disparities in poverty rates have been notably high. Nevertheless, overall trends in human poverty have shown considerable improvement.

Social protection

Recognizing the challenges ahead, the government has emphasized social protection as one of the pillars of poverty reduction (GoB 2004).

Health services for all a top priority

The availability of health facilities has been increasing in the country over recent years. In 2001, there were 1,382 hospitals distributed across the country compared to 1,273 hospitals in 1998. Unfortunately, more recent data is not available, but it can safely be

said that the number of health facilities has continued to grow. Currently, almost every *upazila* (sub-district) has a hospital and every union[1] has a health centre. Although these health centres provide general health services, the focus is more on maternal and child health. The distribution of immunization services, Vitamin A, oral rehydration salts, and other essential supplies and services has expanded at a very rapid pace to cover almost the entire population. Because of the expansion of services, it is claimed that Bangladesh has made exceptional progress in family planning and health care services. In 2002, it was estimated that there were 28 physicians, 57 mid-level personnel and 76 hospital beds per 10,000 persons. That same year, 53.9% of total health expenditures were financed from the state budget, 41.8% from health insurance, and 4.3% from the payment for services (Rahman and Ahmed, 2005).

Providing quality health services to all is one of the areas of emphasis for the government, which is why budgetary allocations for health have been increasing every year. In the 2007-2008 budget, health has received the sixth highest sectoral allocation, BDT 54.7 billion (USD 809.2 million), which is 6.3% of total expenditure. However, while this represents a 10.4% increase in the absolute amount allocated to health in comparison to last year's budget, it reflects a decline in the percentage share of the budget allocated to health (Rahman *et al,* 2007).

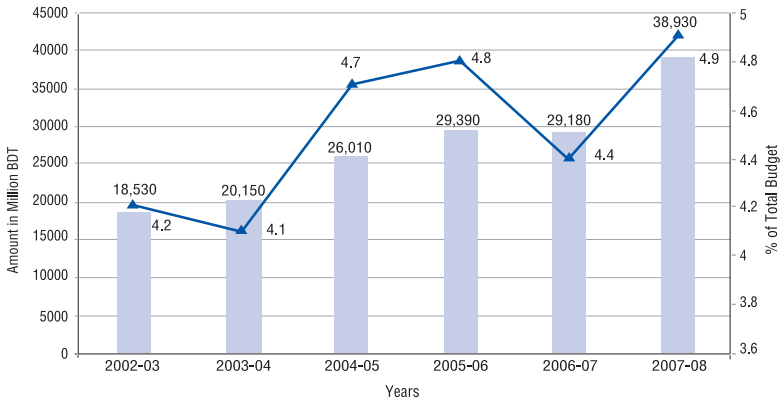
Education: advances in quantity not matched by quality

Although Bangladesh has made significant advances in increasing the gross enrolment rate in primary education (105.1% in 2005) and in achieving gender parity in this regard (with a boys/girls ratio of 0.99 in 2005), the high and increasing rate of dropout (48%) and its negative impact on completion rates, along with the still existing gender gaps in secondary and tertiary education, remain sources of great concern. The difference in these rates across socioeconomic groups is another cause of concern, as it hinders the achievement of education for all. While the overall net enrolment ratio is 80.5% (2005), the rates for the poor and the non-poor are 73.4% and 87.5% respectively (BBS, 2006).

The government provides free primary education for all children and heavily subsidizes secondary and tertiary education for most. More than three fourths of primary schoolchildren attend government schools and more than 12% attend government-subsidized schools. The proportion of government schools is significantly higher in rural than in urban areas (BBS, 2006). However, the quality of these government and subsidized schools raises a huge question mark.

The sectoral allocation for education in the budget has been increasing. The total allocation for education in the 2007-2008 budget accounts for almost 14% of total expenditure. This reflects a 13% increase in education spending. However, since there is no allocation dedicated specifically to improving the quality of education, this increase will probably not bring about any meaningful positive change in primary education (Rahman *et al,* 2007).

FIGURE 1. Trends in budgetary allocations for social protection



Social safety nets target the poor but do not reach them all

The government and development partners are currently implementing some 27 social protection programmes, of which six are food-based. There are a several more in the pipeline, as well as others being implemented by bilateral and multilateral agencies in partnership with national NGOs.

The major food-based programmes, which benefit around 1.5 million poor people annually, are Food-for-Work, Vulnerable Group Development, Vulnerable Group Feeding and Gratuitous Relief.

The major cash-based programmes are Primary Education Stipend, Female Secondary Education Stipend, Rural Maintenance Programme, Cash for Work, Rural Employment Opportunities for Public Assets, Local Government Strengthening Project – Social Protection Component and Urban Primary Health Care.

All of the social safety net programmes combined cover about 13% of all households in the country. The coverage is higher in rural areas (15.6%) than in urban areas (5.5%). Although the social safety nets are targeted for the protection of the poor in general and the extreme poor in particular, the coverage of these programmes is somewhat insignificant compared to the incidence of poverty and extreme poverty in the country. The head count rate of poverty is 40.0% and of extreme poverty 25.1% (BBS, 2006). Rather high rates of leakages in the safety net programmes are reported in several studies (e.g. World Bank, 2006). Significant regional variations are also observed in coverage (BBS, 2006) which seems to reflect the relative political strengths of the regions.

Although current efforts fall far short of actual needs, the government has been trying to increase the extent of social safety net programmes in the country. The 2007-2008's budget has provided for a significant increase in the volume of expenditure on social safety net programmes. The total budget for the programmes has increased by one third of last year's amount. Figure 1 shows the significant rise in the budgetary allocation for social safety net programmes this year in terms of both amount and proportion (Rahman *et al,* 2007).

While the above facts and figures correspond to the social protection initiatives run by the government, there are substantial programmes run by NGOs as well (including micro-credit programmes). In order to calculate a best estimate of the poverty targeting of social protection in Bangladesh, Rahman and Ahmed (2005) consider the overlap of programmes and come up with an overall poverty targeting rate of 34%, i.e., one in every three poor people. This implies that 22.3 million poor people in Bangladesh currently receive some form of social protection assistance from the government and/or NGOs – but twice as many do not. ■

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1 The union is the lowest tier of local government in Bangladesh. Each *upazila* (sub-district) is divided into a number of unions, and each union contains a number of villages.