

## BANGLADESH

# Challenging A Victim of Global Exploitation: Hard to handle the hurdles of SDGs

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Despite enormous geopolitical, political and socio-economic problems Bangladesh has been able to make some extraordinary achievements during the last couple of decades. Since the 1990s, when democracy was reinstated and some major economic reforms were made, the economy of Bangladesh has been experiencing impressive growth, and the country has been able to ensure praiseworthy progress in education, health and gender equity. But climate change, political instability and turmoil have foiled many achievements. Only political commitments, political will and also good governance can ensure that Bangladesh will be successful in achieving the SDGs by 2030.

Bangladesh is historically a clear victim of global exploitation, especially due to the huge negative impact of climate change. Bearing little or no responsibility for global warming or climate change, the country is one of those most affected by this phenomenon.

Per capita carbon emission in Bangladesh is 0.37 metric tons, compared to 17.62 in USA, 12.55 in Russia and 6.52 in China. While it is one of the lowest carbon emitting countries, it is sixth among the nations hardest hit by two decades of storms, floods, landslides and droughts, which together killed more than half a million people in Bangladesh.<sup>1</sup> Risk analysts Maplecroft warns that Bangladesh is set to suffer more physical damage from climate change by 2025 than any other country, and rising sea levels, severe storms and other extreme climate-related events will also threaten the future of Dhaka, the nation's capital. The report also predicts that

the economic impacts of climate change will be most keenly felt by Bangladesh.<sup>2</sup> A 2013 World Bank report estimates that Bangladesh will be among the countries in South Asia most affected by an expected 2°C rise in the world's average temperatures in the next decades, with rising sea levels, more extreme heat and more intense cyclones threatening food production, livelihoods, and infrastructure as well as slowing poverty reduction. A potential 10-year return cyclone in 2050 could expose 9.7 million people to more than three metres of inundation, affecting both lives and agriculture.<sup>3</sup>

### Achieving the MDGs: Global communities fail to realize their commitments

It is now evident that international communities failed to keep their commitment on providing financial supports towards the achievement of the MDGs in Bangladesh, for which it was estimated that USD 78.2 billion was needed during 2011-15. Bangladesh needed an estimated USD 5.0 billion and USD 3.0 billion in foreign assistance per year from 1990-1991 to 2013-2014, but received on average USD 1.74 billion in official development assistance (ODA) per year.

Despite this, the country has been impressive in achieving many of the MDG targets. The MDG

<sup>2</sup> Maplecroft report – Excerpted from <http://www.climatechangenews.com/2013/10/30/bangladesh-rated-worlds-most-vulnerable-country-to-climate-change/>

<sup>3</sup> World Bank, 2013 – <http://www.worldbank.org/en/news/press-release/2013/06/19/warming-climate-to-hit-bangladesh-hard-with-sea-level-rise-more-floods-and-cyclones-world-bank-report-says>

<sup>1</sup> 2016 Global Climate Risk Index released by Germanwatch

monitoring report for 2015 concludes that globally, 19 percent of the indicators have been met over the period 1990-2015, while attention is needed for 38 percent. During that period Bangladesh made commendable progress, especially in respect of eradication of poverty and hunger. The poverty rate in 1991-1992 was 56.7 percent and was reduced to 31.5 percent in 2010. Bangladesh has already met one of the poverty reduction indicators by bringing down the poverty gap ratio to 6.5 against the 2015 target of 8.0.4 The target figure for the indicator 'Prevalence of underweight children under-5 years of age (6-59 months) was 33.0; the figure is now 32.6 in Bangladesh.<sup>5</sup>

The target for the indicator 'Net enrolment ratio in primary education' was 100 percent, and Bangladesh has reached 97.7 percent; that for 'Ratio of girls to boys in primary education' was 1.00 and Bangladesh has reached 1.03. The MDGs set the target for under five mortality rate to reduce it to 48 percent; the rate in Bangladesh is 46 percent, while the infant mortality rate target was to reduce it to 31 percent; it is now 38 percent.<sup>6</sup> According to the MDG progress report 2015, the under-five mortality rate was 151 per 1000 live birth in 1990, which has come down to 41 per 1000 live birth in 2013. The infant mortality rate was 94 per 1000 live birth in 1990 which has reduced to 32 per 1000 live birth in 2013. The Maternal Mortality Ratio (MMR) in Bangladesh in the 1990/91 was 574 per 100,000 live birth, which was one of the highest in the world. According to Bangladesh Maternal Mortality Survey (BMMS), maternal mortality declined from 322 in 2001 to 194 in 2010, a 40 percent decline in nine years. Available data show that the prevalence of HIV/AIDS in Bangladesh currently is less than 0.1 percent and thus is still below an epidemic

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4 United Nations, MDG Progress Report, 2015, [http://www.un-bd.org/Docs/Publication/MDGs-Bangladesh-Progress-Report\\_-PDF\\_Final\\_September-2015.pdf](http://www.un-bd.org/Docs/Publication/MDGs-Bangladesh-Progress-Report_-PDF_Final_September-2015.pdf)

5 Department of Health Services, Government of Bangladesh, Bangladesh Demographic and Household Survey 2014

6 Ibid.

level<sup>7</sup>). Target for Proportion of population using an improved drinking water source was 100 percent, according to a UNICEF and BBS report it is now 97.3 percent in Bangladesh.

## Obstacles to Achieving SDGs

### 1. Financial Challenge: Climate change and illicit financial flows (IFFs)

A key challenge for SDG implementation is mobilizing needed finance. The experience of the Millennium Development Goals (MDGs) period suggests that once again there will be commitments from rich countries to support the least developed countries in achieving SDGs, but reality will be far from the hope. As mentioned, to achieve the MDGs by 2015, required annual aid for Bangladesh was estimated at USD 3.5 billion per year. In fact, Bangladesh received on average USD 1.58 billion per year. The developed countries committed to provide 0.7 percent of their GDP in ODA but only Sweden, Norway, Luxembourg, UK and the Netherlands can claim to have met this target so far. So it is clear that, to achieve the SDGs Bangladesh will have to mobilize internal resources.

According to the estimates by the Intergovernmental Committee of Experts on Sustainable Development Financing (ICESDF), achieving the SDGs in all countries will require additional global investments in the range of USD 5 trillion to USD 7 trillion per year up to 2030.<sup>8</sup> Countries like Bangladesh will need huge investments for basic infrastructure like roads, rail and ports; power stations; water and sanitation and also for the sectors of agriculture and rural development, climate change mitigation and adaptation, health and education.

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7 MDG Progress Report 2015

8 Final Report, the Intergovernmental Committee of Experts on Sustainable Development Financing (ICESDF)—Excerpted from Debapriya Battachariya, The Agenda of Sustainable Development Goals: Implementation <http://cpd.org.bd/wp-content/uploads/2015/10/The-Agenda-of-Sustainable-Development-Goals-Implementation-Challenges-for-Bangladesh-CPD-Debapriya-Bhattacharya.pdf>

But recent trends of Government investment in these important sectors fall short. Budget allocation to social security is about 2 percent of GDP in FY 2010-2015; average allocation for the health sector is about 0.7 percent of GDP during FY 2003-2014, although WHO suggest the allocation should be 5 percent of GDP. Education gets 2 percent of GDP during FY 2003-2014, although UNESCO suggests the allocation should be 6 percent of GDP. Average allocation for the agriculture and food security was 10.3 percent while it was around 1.3 percent of GDP during FY2010-2015.<sup>9</sup> Clearly external support is needed.

The country's national budget is Tk.2,95, 100 crore (17% of GDP) with a deficit of Tk.80,857 crore (5% of GDP). In terms of climate change alone, in 2011 it was estimated that the direct annual cost of Bangladesh for natural disasters over the previous 10 years was between 0.5 and 1 percent of GDP, plus another USD 5.7 billion as adaptation cost to face the increased risks of cyclones and inland monsoon floods in a changing climate by 2050.

The 5th Assessment Report of Intergovernmental Panel on Climate Change (IPCC-AR5) has predicted that sea-level rise threatens coastal and deltaic rice production areas in Asia, such as those in Bangladesh and the Mekong River Delta. By 2050, Bangladesh will face incremental cost to flood protection of USD 2.6 billion in initial costs and another USD 54 million annual recurring costs.<sup>10</sup>

These funds should come from the countries which are historically responsible for the impact of climate change, along with needed technology and capacity building support. However, the agreement reached in Paris at the last Conference of Parties (CoP 21) has apparently closed that opportunity, making it likely that Bangladesh is

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9 Excerpted from Debapriya Battachariya, The Agenda of Sustainable Development Goals: Implementation <http://cpd.org.bd/wp-content/uploads/2015/10/The-Agenda-of-Sustainable-Development-Goals-Implementation-Challenges-for-Bangladesh-CPD-Debapriya-Bhattacharya.pdf>

10 Planning Commission, Bangladesh

going to get very small support in this regard. Therefore it is evident that, climate change will be a serious threat to Bangladesh in achieving the SDGs.

In addition, Bangladesh also experiences high levels of Illicit Finance Flows (IFFs) to other countries. The average IFF from Bangladesh has stood at about BDT 435.83 billion over the last ten years. The highest level of IFFs happened in 2013, to the amount of Tk.750 billion-- about 7 percent of GDP and 11 times greater than foreign aid received that year. The Central Bank of Switzerland observed that while overall, the level of illicit financial flows from developed countries to Switzerland is declining, at the same time it is skyrocketing out of Bangladesh.<sup>11</sup> At the end of 2014 total of Swiss Franc 50.60crore (Tk.4,554 crore) were deposited by Bangladeshis.

Some developed and developing countries have created tax havens of various kinds, thereby promoting IFFs and thus accumulating capital illegally from third world countries. The top countries are Switzerland, Hong Kong, USA, Cayman Islands, Luxembourg, Lebanon, Germany, Bahrain and UAE. Singapore, Malaysia, Philippines and Sri Lanka are also turning into tax haven countries. In Asia, it is estimated that developing countries pay back USD 10 for every dollar of aid provided by OECD countries through such IFFs. Bangladesh is one of the top exploited countries in this regard.

## 2. Integration into National Policies

Another big problem in achieving the SDGs is the lack of integration of these goals into the national planning process. At present there are at least 14 national plans, policies and strategies in Bangladesh. Some of the major ones include the Seventh Five Year Plan (2015-2016 to 2019-2020), the National Social Security Strategy (NSSS) 2015, the National Education Policy 2010; Primary Education Development Program (PEDP III)

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11 Annual report "Banks in Switzerland 2014" published by central bank of Switzerland – Excerpted from EquityBD, [http://www.equitybd.net/wp-content/uploads/2016/04/Paper\\_Illicit-Flow-Pol-Economy\\_Final.pdf](http://www.equitybd.net/wp-content/uploads/2016/04/Paper_Illicit-Flow-Pol-Economy_Final.pdf)

2011-2016 (extended to June 2017), the National Women's Development Policy (NWDP) 2011 and the Bangladesh Climate Change Strategy and Action Plan (BCCSAP) 2009. Research by the Centre for Policy Dialogue (CPD), an independent research organization, shows that, among the 17 SDGs – 8 are fairly well integrated into existing national plans and processes and about 20 percent of the targets are not currently reflected in any of the national plans or processes.

### 3. Lack of Good Governance

Lack of good governance has always been a huge problem for Bangladesh in achieving desired development. Corruption is one of the serious problems in ensuring good governance in Bangladesh. Transparency International ranked Bangladesh the most corrupt country during 2001 to 2005. Recently it has improved slightly, ranking 139th among 168 countries in 2015 Corruption Perception Index.<sup>12</sup> But this improvement in rank does not show the real serious picture of widespread corruption.

Good governance is essential in order to ensure the basic needs of the people, socio-economic safety and enough employment opportunities for the growing population. Some key markers of good governance are people's participation in decision-making, existence of the rule of law, transparency in both the public and private sector, consensus building among power structures and government and corporate accountability. Unfortunately today all of these needed criteria are struggling. Absolute power is exercised by the ruling party; the bureaucracy is both inefficient and corrupt; politicization and nepotism in public administration is widespread; there is hardly any transparency in public procurement, a lack of accountability by service providers to the majority of people, deterioration in the law and order situation, and lethal attacks on freedom of speech. With this type of governance it is impossible to ensure any sustainable development.

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12 Transparency International, Corruption Perception Index, 2015

### 4. Income and Development Inequalities

If the economic growth is not shared equally and fairly, if the resources are not distributed properly sustainable economic growth is not possible, rather it creates other types of economic crises. Both development and income inequality are evident in Bangladesh, which has been another challenge for sustainable development. The incidence of poverty is higher in rural areas than in urban areas and the rate of decrease of poverty is also higher in rural areas (1.24%) than in urban areas (1.13%).<sup>13</sup> The Household and Income Expenditure Survey of 2010 estimates incidence of poverty at 31.5 percent at the national level, 35.2 percent in rural areas and 21.3 percent in urban areas. Regional disparities are also apparent. In 2014, the highest decline in poverty incidence occurred in Dhaka, followed by Chittagong and Sylhet. Poverty reduction has stagnated in Barisal and has increased slightly in Khulna.<sup>14</sup> The inequalities in individual incomes is also evident: the 2010 HIES Survey shows that the income accumulating to top 5 percent of households was 24.61 percent, and it was only 0.78 percent for the bottom 5 percent of households. Gaps are also evident in the social indicators. For example the child malnutrition rate in the poorest quintile is 50 while it is 21 in the richest quintile; the primary school completion rate in poorest quintile is 65 while it is 97 in the richest quintile.<sup>15</sup> So, to ensure proper and adequate implementation of the SDGs inequalities, regional disparities issues must be addressed.

### 5. Youth Unemployment

Unemployment among the youth is another huge challenge to achieving the SDGs. The ILO predicts that, youth unemployment will remain a sizable problem for Bangladeshi policy makers as the working-age

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13 Samiya Ferdousi, Wang Dehai, Economic Growth, Poverty and Inequality Trend in Bangladesh 2014.

14 *ibid*

15 World Development Indicators 2014, <http://data.worldbank.org/sites/default/files/wdi-2014-book.pdf>

population will grow annually to more than 2.2 million people over the next 10 years. A World Bank Report states that in 2013, the youth unemployment rate was 10.3 percent, higher than the regional South Asian average (9.45%). More than 95 percent of youth reporting to work in the informal sector in 2013, of which many work as self-employed (31.7%), or in unpaid family work (11.1%). Eighty percent of young women are at home and not in the labour force. Two-thirds of young women are not in employment, education or training (NEET), and two-thirds of school dropouts are women; 36 percent of urban youth and 42 percent of rural youth are in NEET. So ensuring employment is another very important pre condition of the successful implementation of the SDGs in Bangladesh.

### Conclusion

Despite enormous geopolitical, political and socio-economic problems Bangladesh has been able to make some extraordinary achievements during the last couple of decades. Since the 1990s, when democracy was reinstated and some major economic reforms were made, the economy of Bangladesh has been experiencing impressive growth, and the country has been able to ensure praiseworthy progress in education, health and gender equity. But political instability and turmoil have foiled many achievements. Only political commitments, political will and also good governance can ensure that Bangladesh will be successful in achieving the SDGs within the time frame.