

Impacts of Price Hike on Health and Nutrition Status in Bangladesh

Presented by

Farah Nusrat

**Senior Publication Associate
Centre for Policy Dialogue (CPD)**



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1. Background

- Bangladesh's macroeconomy is under a duress owing to various challenges both on internal and external fronts. Global supply chain has been disrupted and crisis already exists due to COVID-19 and the Russia-Ukraine war.
- Inflation is one of the key economic challenges facing Bangladesh currently. The prices of major essential commodities have increased by 30–62 per cent over the last one year (New Age, 2022).
- Surge in the price of essentials has an extremely adverse impact on the households with limited income. Since it has eroded the purchasing power of the poor, it has posed threat to food security leading to malnutrition and subsequent health problems.

2. Objectives and Methodology

We have aimed here to explore the dynamics of the impacts of price hike and high inflation on health and nutrition, since healthcare and malnutrition both are directly related to economic progress. The findings of the study will help understand some of the probable impacts of the current inflationary situation on Bangladesh's health and nutrition status.

To conduct the study, information and data from a number of secondary resources and policy papers have been used.

3. Connection Between Price Hike and Health and Nutrition

- **Price hike, especially, food price hike increases poverty and forces people to cut back on the quantity of food. Food price hike drives 44 million people into poverty (World Bank, 2011).**
- **High inflation increases the cost of foods including rice, oil, meats, fresh produce, and heightens trade-offs families make between food and other rising costs.**
- **Price of rice has increased drastically in domestic market even more than the international market (CPD IRBD, 2022).**
- **Inflation increases agricultural production costs which threatens food production. Rise in fuel prices has already aggravated the situation.**
- **Food insecurity will lead to various health and nutrition related problems particularly affecting the health and nutrition status of women and children.**

4. Major Impacts of Bangladesh's Price Hike Situation on Its Health and Nutrition Status

- The average food consumption constitutes more than 60 percent of the total consumption expenditure of marginal households. Therefore, increased food inflation in Bangladesh would affect the poor and vulnerable households more.
- People with limited income will have to spend even more on food and energy which in many ways **impede their ability to afford their children's healthcare services** (Jahan, 2022).
- Rates of malnutrition in Bangladesh are among the highest in the world. In Bangladesh, more than 54% of preschool-aged children—equivalent to more than 9.5 million children—are stunted, according to a 2019 report by Food and Agriculture Organisation (FAO). Now, **most fixed-income parents are struggling to provide nutritious food to their children** (TBS, 2022).

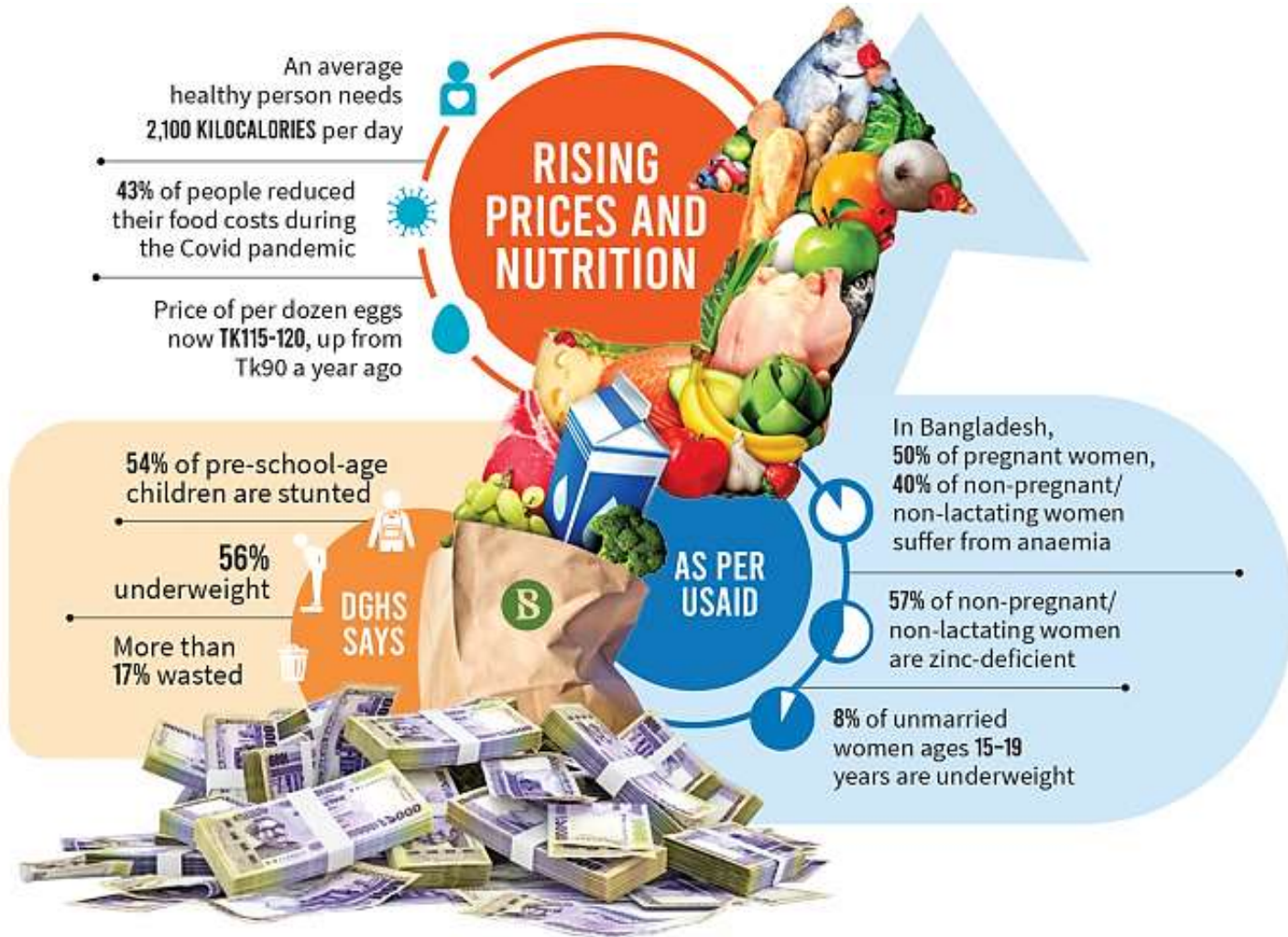
Section 4 (Continued)

- With rising price of eggs, dairy and baby food, the scenario could lead to long-term child malnutrition.
- In the wake of high and rising food prices, children in developing countries are particularly at risk of malnutrition (Kiden & Woldemichael, 2020).
- Numerous studies documented the impacts of rising food prices on children's health (for instance, Brinkman *et al.*, 2010; Christian, 2010; Woldemichael *et al.*, 2017). Studies show that shocks experienced during early childhood have lasting consequences on many later-life outcomes, such as health, education and skills formation, labour market outcomes, and social behaviour (Godfrey and Barker, 2000; Behrman and Rosenzweig, 2004; Cunha and Heckman, 2007; Case and Paxson, 2008; Hoddinott *et al.*, 2008; Case and Paxson, 2010; Currie and Almond, 2011; Hoddinott *et al.*, 2013). Malnutrition is one of the most important causes of death, contributing significantly to disease incidence and mortality among young children.

Section 4 (Continued)

- Inflation's impact is directly linked to an increasing dependency on import of food leading to increased cost (Saha, 2013).
- As the out-of-pocket expenditures have increased, healthcare costs have increased as well.
- The richest quintile only spent 5.2% of their household income on healthcare, while the poorest households spent approximately six times more than the richest households (Sarker *et al.*, 2022).
- A recent survey by the Centre for Peace and Justice of BRAC University found that 43% of people reduced their food costs to survive the financial crisis in the post-COVID years.
- Amidst price hikes, farmers feel discouraged and apprehensive to cultivate due to the increased expenses and this will lead to food insecurity (CPD, 2022).

Dr Khursheed Jahan, a renowned nutritionist and honorary professor of the Institute of Nutrition and Food Science of Dhaka University, shared recently that an average healthy normal human needs 2100 kilocalories per day. If a person does not get the required protein, vitamin and nutrition, his work is affected. Every person has calorie and protein requirements based on his age, height and physical activity. Children's stunting will increase if they do not eat the necessary food every day (TBS, 2022).



Source: TBS (2022)

5. Who Are the Affected?

The lower and middle income group are the worst victims.

Children and adolescents in these affected households are not likely being able to meet up their requirements from family diet to catch up nutrition and growth.

Adolescent girls and pregnant women are one of the worst sufferers due to food price hike.

6. Recommendations

A number of direct and indirect measures need to be taken as follows.

- Poor and vulnerable households need to be provided with cash and OMS support.
- Safety net programmes need to be expanded.
- Micro and small businesses should also be provided stimulus.
- Revenue sector must be expanded.
- Various measures need to be taken to boost our agricultural sector.
- Targeted public investment is needed to enhance productivity particularly in rice production (Khatun, Rahman, Moazzem & Khan, 2021).
- Regular monitoring of the market mechanism in order to control an absurd price hike is a need of the hour.

7. Conclusion

Rising prices have an adverse impact on the country's nutrition and health status—particularly due to food price hike—which accounts for a large part of the poor people's consumption. The worst victims are the vulnerable groups of people. Considering the significance of a sound health and nutrition status, it is important to understand the dynamics of various implications of price hikes and how to overcome the relevant barriers.

Given the exploratory and secondary nature of this study, there are still a number of limitations. However, it will work as a starting step towards a rigorous research on the topic.

Ending with a poem on price hike aptly written by Sandeep Jain—
“This price hike is a bane
for all mediocre men.
who falsely blame the lack of time
to avoid get repaired a fan.”

THANK YOU!