



বাংলাদেশের উন্নয়নের স্বাধীন পর্যালোচনা

Pursuing Social Development for Achieving Inclusive Growth: *Issues and Priorities*

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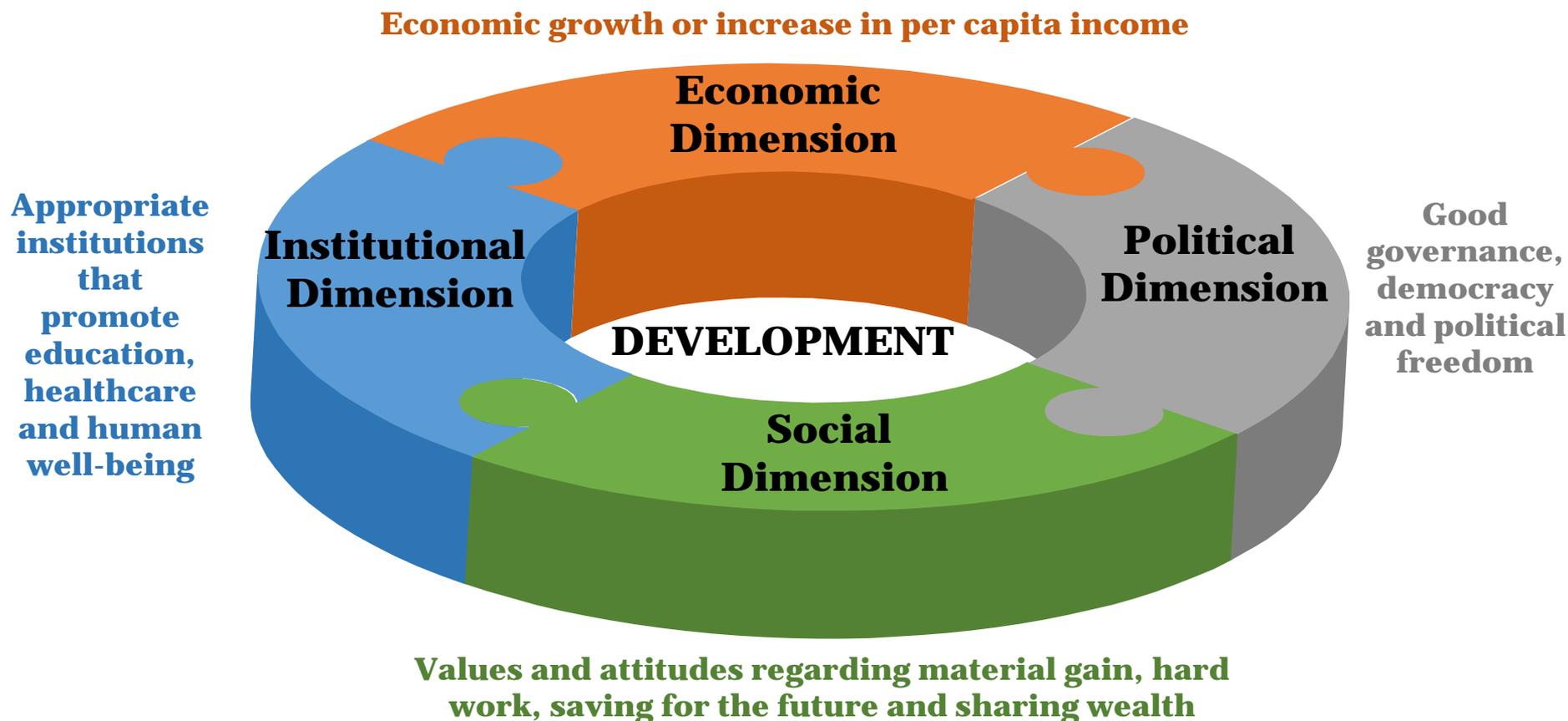
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Section I. Introduction

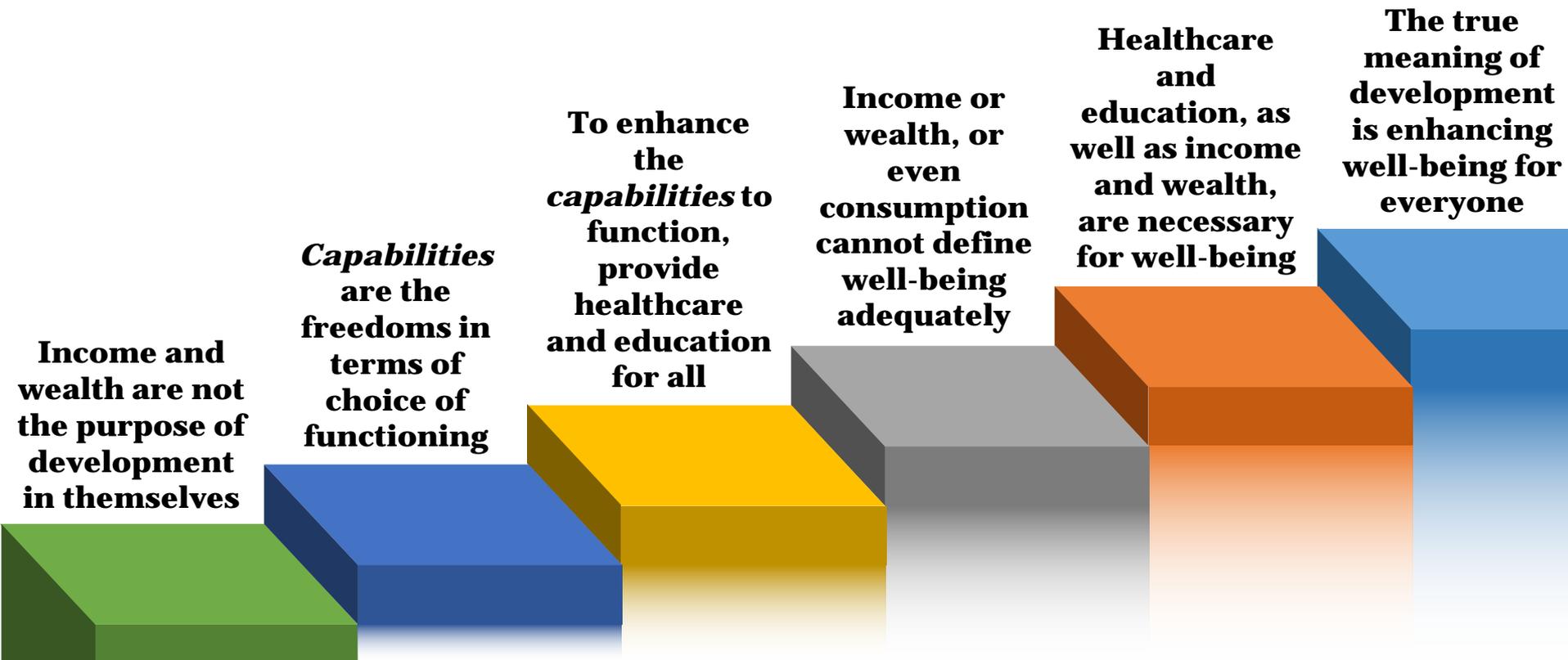
- ❑ Following the national elections on 30 December 2018, the newly elected government has taken charge to govern the country for the next five years.
- ❑ Before the national elections the ruling party had highlighted its achievements during the last two regimes; it also made several pledges to be fulfilled in the coming years.
- ❑ The government is now entasked with delivering its electoral promises in economic fronts.
- ❑ In order to do so, continuous evidence-based policy analysis coupled with stronger expression of support for the marginalised stakeholders will be necessary.
- ❑ The government will have to build on its economic progress to consolidate the achievements and take necessary actions to address the emerging challenges with specific work plans.
- ❑ The overarching objective should be to make development inclusive and sustainable by taking all aspects of development into consideration.

- ❑ Development is a *multi-dimensional* process; hence achievement in one area does not capture the essence of development



Source: Todaro, M. P., & Smith, S. C. (2015). Economic Development (12 ed.). Upper Saddle River, New Jersey: Pearson Education, Inc.

❑ Amartya Sen's "*Capabilities Approach*" sees development in the following way:

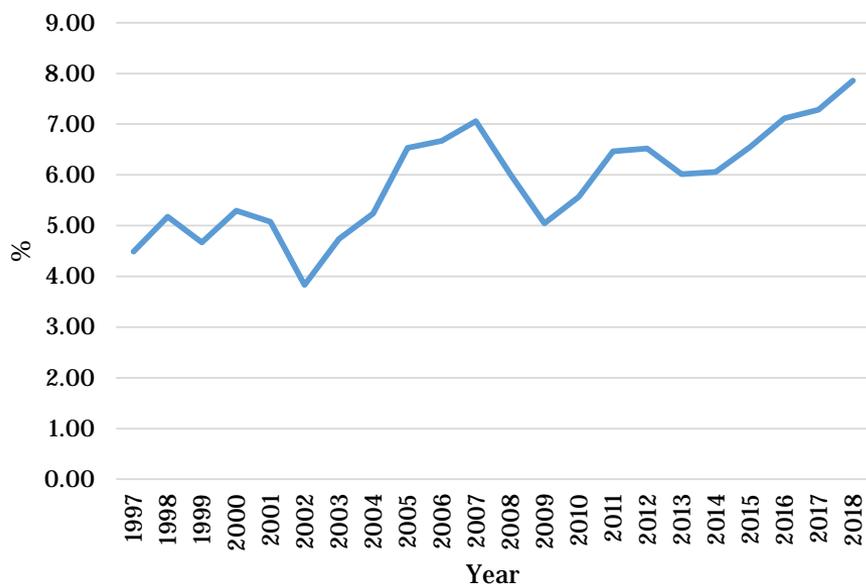


Section II. Major Achievements in Recent Periods

Major Achievements in Recent Periods

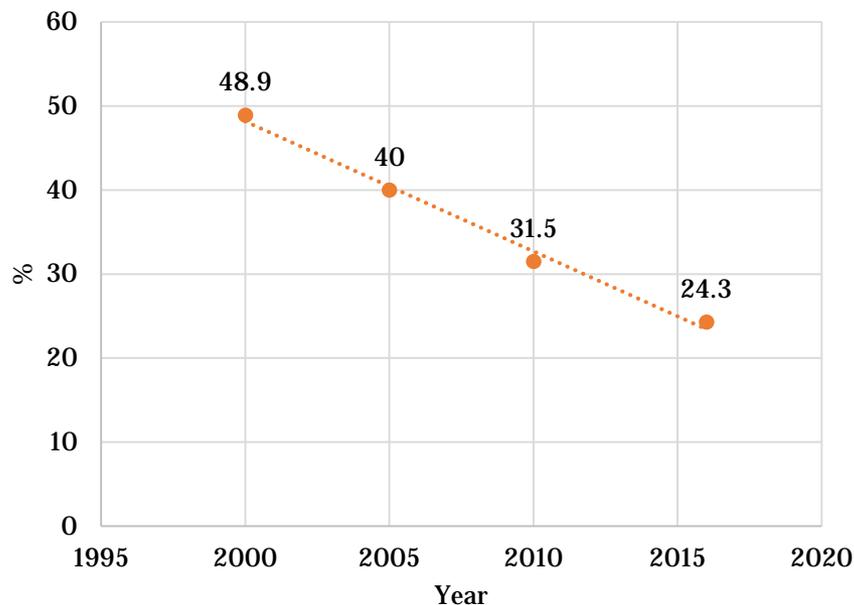
- ❑ Economic growth in Bangladesh has been rapid and resilient in the past decade
- ❑ GDP has been growing at more than 6% since 2011; in FY2018, GDP growth rate reached 7.86%
- ❑ In 2000, the share of population below the national poverty line was 48.9%; in 2015, this fell to 24.3%

Figure: GDP growth rate at constant price (in %) (base year 2005-06)



Source: GDP of Bangladesh, BBS

Figure: Poverty Headcount at National Upper Poverty Line (% of population)

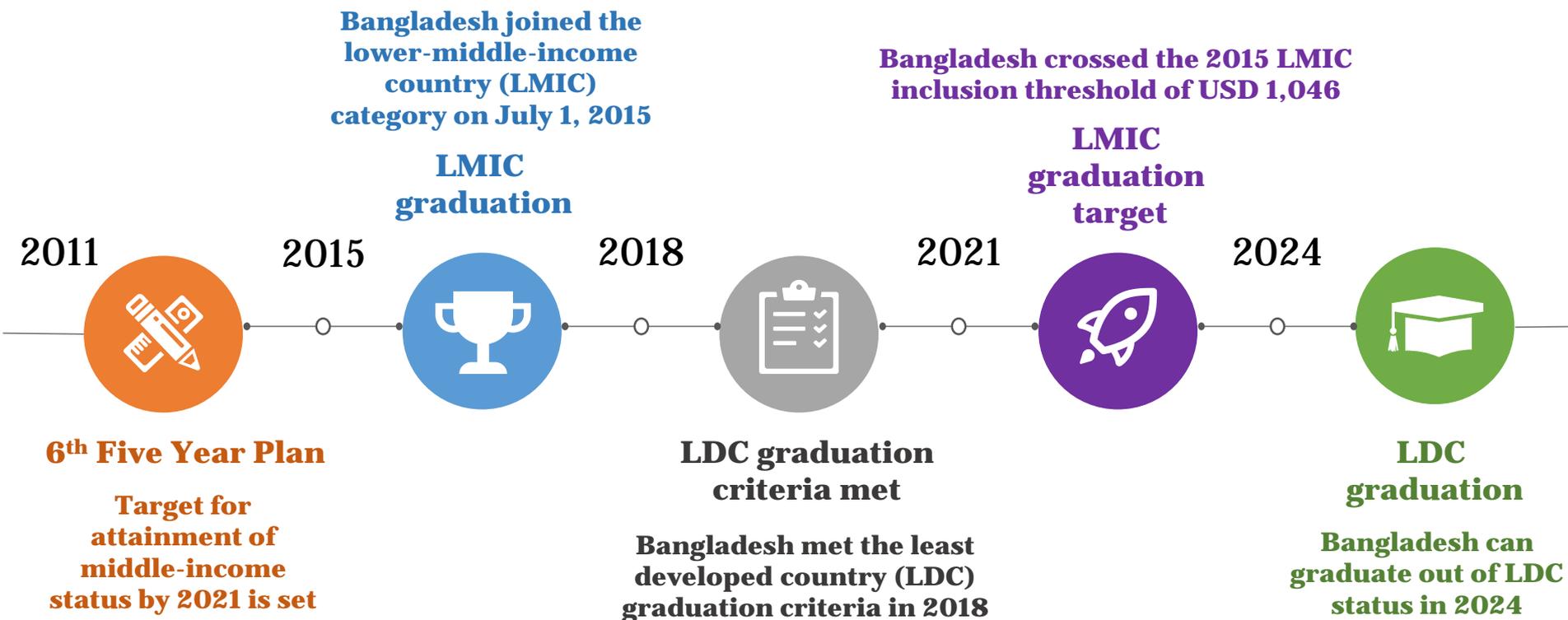


Source: Household Income and Expenditure Surveys, BBS

Major Achievements in Recent Periods

□ Bangladesh has achieved important milestones since 2015

Milestones in the country's development journey



Section III. Key Challenges

- ❑ Despite impressive economic growth, some disquieting features are observed.

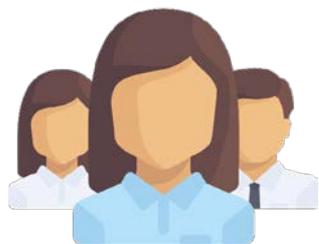
Two major concerns are:

- Higher growth could not generate adequate employment
- Benefits of growth are unequally distributed

- ❑ These issues threaten the inclusivity of economic growth.

Youth unemployment

- ❑ Despite the increase in employment, the jobs created were not adequate to meet the market demand.



1.4 million people entered the country's labour force during the period 2015-16 and 2016-17 (BBS, 2018).



Between 2015-16 and 2016-17, a total of 1,296 thousand jobs were created in Bangladesh (BBS, 2018).

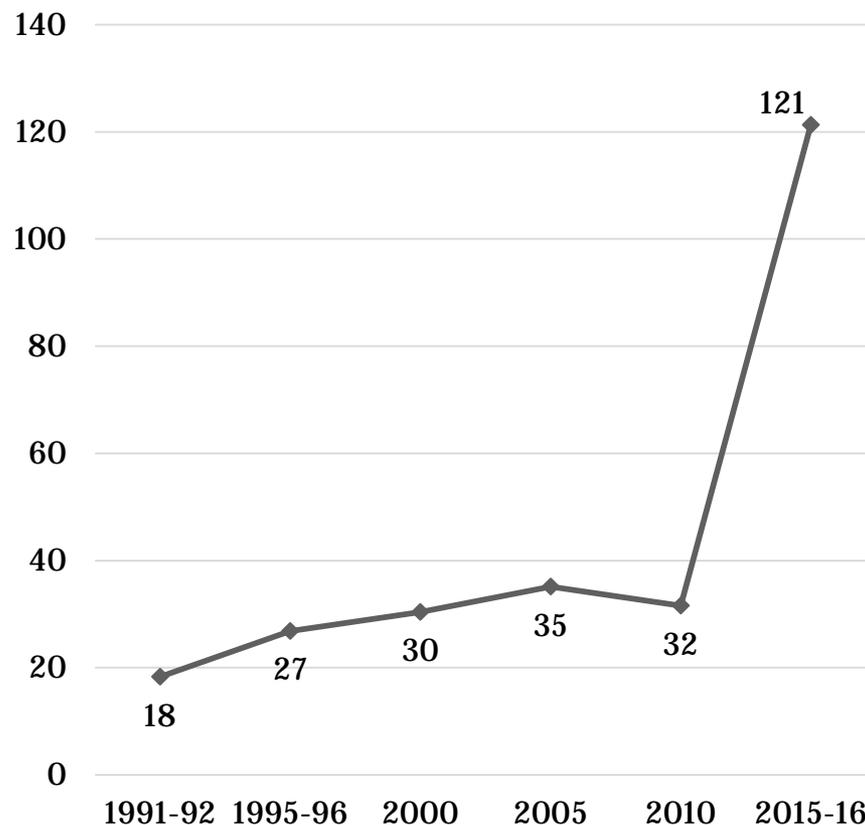


- ❑ This implies that even if approximately 1.3 million jobs are created each year, about 104 thousand newly unemployed people will join the already significant amount of unemployed in the country each year, provided all other factors are held constant.

Rising inequality

- ❑ Income share held by the richest 5% of the households in Bangladesh increased from 18.85% in 1991–92 to 27.89% in 2015–16;
- ❑ Income share held by the poorest 5% of the households in the country fell from 1.03% in 1991–92 to 0.23% in 2015–16.
- ❑ In 2010, the richest 5% of the households were 32 times richer than the poorest 5%;
- ❑ This difference magnified astronomically in 2015 when the richest 5% was 121 times richer than the poorest 5%.

Figure: Income share held by the richest 5% as a multiple of the income share held by the poorest 5%



Source: Author's illustration based on data from Household Income and Expenditure Surveys, (BBS).

Section IV.

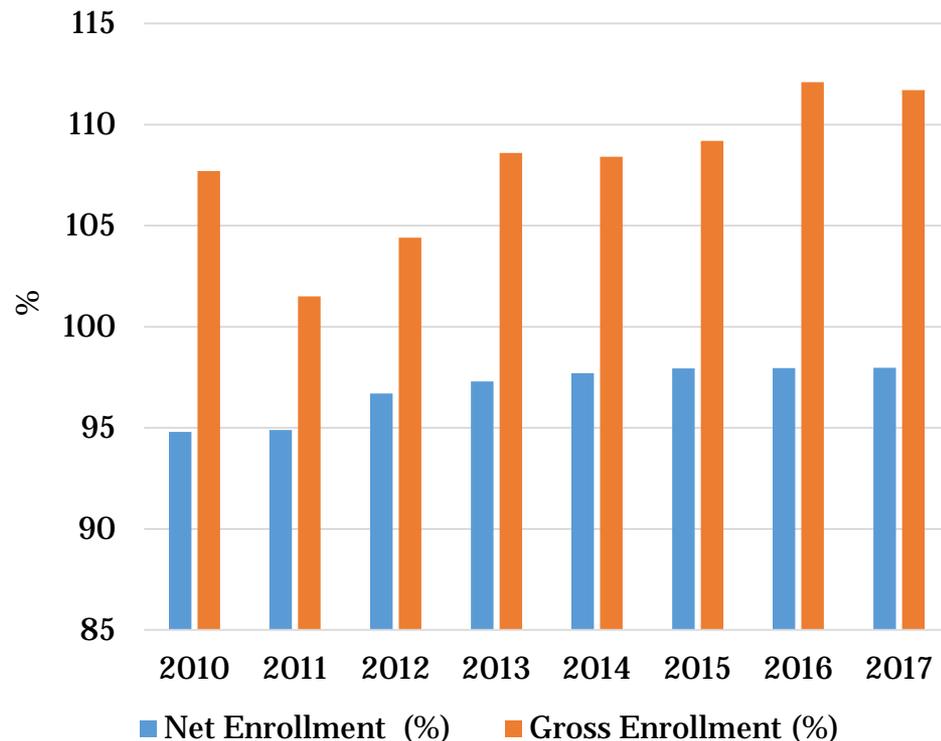
Equitable Quality Education

□ Progress in Education Sector

Since 2000, Bangladesh has experienced notable progress in educational achievements in areas including:

- Improvement in near-universal access to primary education
- Increase in adult literacy rate from 56.9% in 2008 to 72.9% in 2017
- Increase in participation supported by expanding stipend scheme and free textbooks and improvement in student-teacher ratio
- Increase in teacher salary, implementation of student assessment reforms and improvement in school facilities
- Elimination of gender gaps in access to primary and secondary education

Figure: Gross and net enrolment trend from 2010 to 2017



Source: DPE, 2017.

- ❑ Education received 16.4 % of total allocations of budget for FY2018.
- ❑ This is a departure from the development in actual expenditure, which was exhibiting an increasing trend from FY2013 to reach 19.1% of total expenditure in FY2017
- ❑ Per capita real expenditure on education has increased by Tk. 445 during FY2009 to FY2017

Figure : Share of education expenditure in budget expenditure and GDP

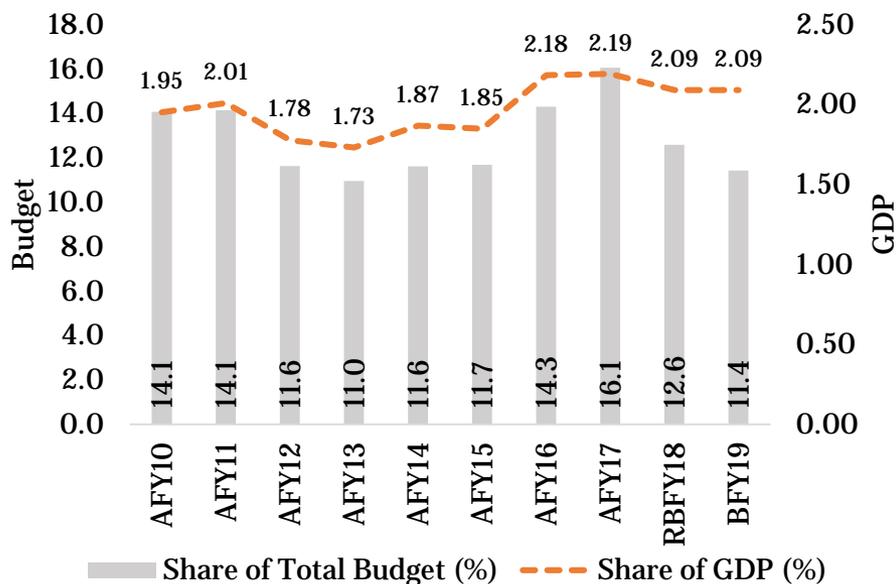
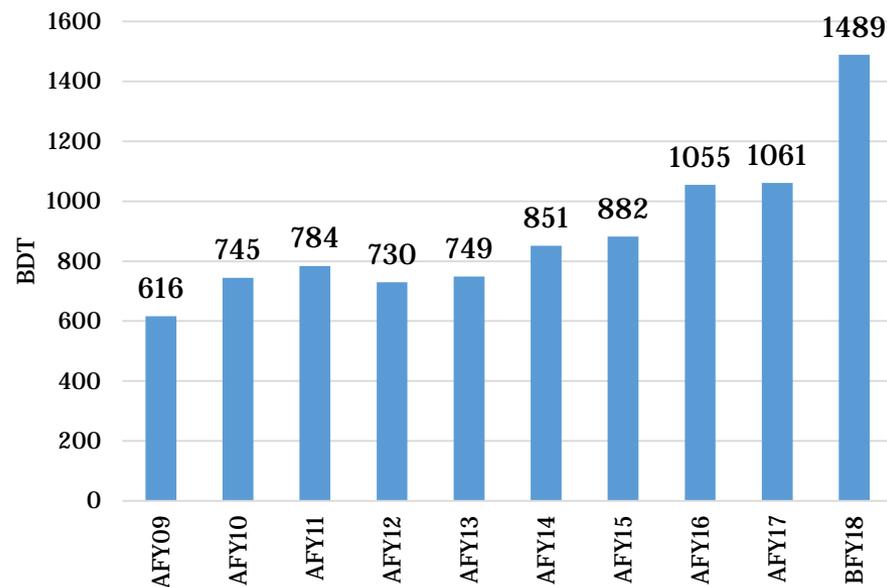


Figure: Per capita real expenditure on education



Source: Ministry of Finance (MoF), Bangladesh.

Note: AFY stands for Actual Budget in Fiscal Year; RBFY stands for Revised Budget in Fiscal Year BFY stands for Budget in Fiscal Year.

Raising allocation for public education budget to at least 4% of GDP
and 20% of the national budget

Reforming the Technical
and Vocational Education
and Training (TVET)

Decentralising
education governance

**Major areas
that need
attention**

Providing life-long
learning opportunity

Making teaching a
prestigious and
attractive profession

Promoting expansion of
quality pre-primary education

Section V. Healthcare for All

- ❑ Bangladesh's progress in health sector is manifested through improvements in a number of health indicators, such as:
 - reduction in maternal mortality and under-five mortality; decline in total fertility; increased immunisation coverage; higher life expectancy at birth; and contraceptive prevalence rate

Table: Trends in major health statistics

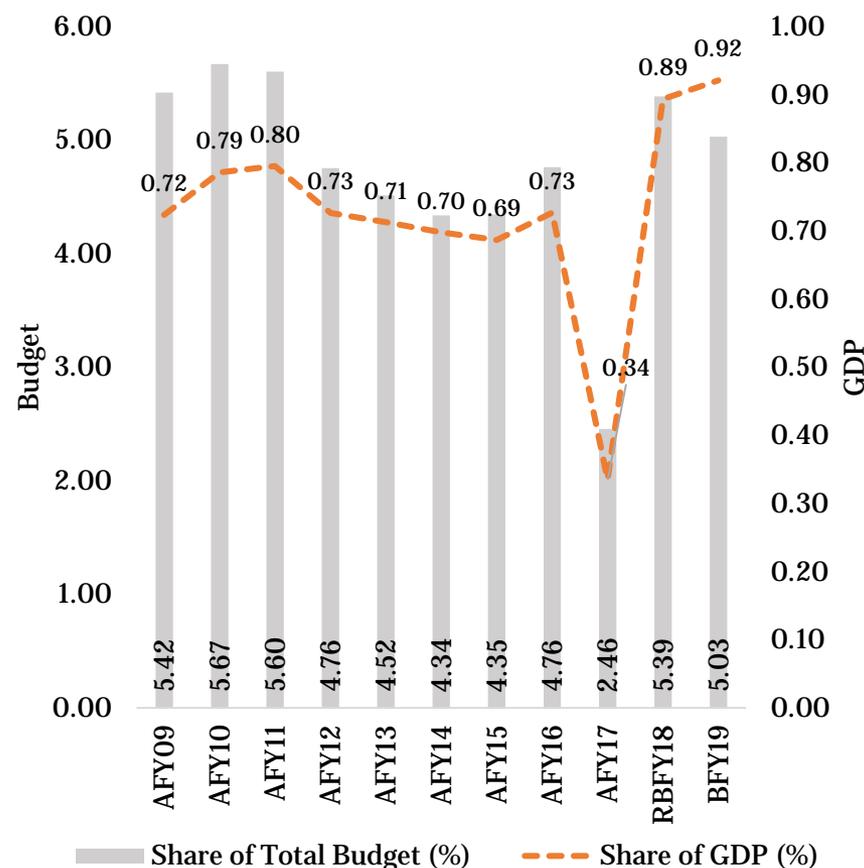
Indicator	2007	2017
Life expectancy at birth	66.6	72.0
Crude birth rate per 1000	20.9	18.5
Crude death rate per 1000	6.2	5.1
Infant mortality rate per 1000 live birth	43	24
Under five mortality rate per 1000 live birth	60	31
Maternal mortality ratio per 100,000 live birth	351	172

Source: Sample Vital Registration Statistics (SVRS), BBS.

- ❑ Targeted policies and investment in the sector by major involved players have contributed to these achievements.

- ❑ Some of the policies and initiatives include Health, Population and Nutrition Sector Development Programme (HPNSDP), National Health Policy 2011, 4th HPNSP (2017-2022), Sector Wide Approach (SWAp), Health Care Financing Strategy (HCFS) 2012-2032, and Community Clinics (CCs).
- ❑ Despite quantitative progress in health indicators, the quality of healthcare in both public and private health services is unsatisfactory.
- ❑ Resource constraint, lack of professionalism, poor management and inadequate policy initiatives are the major reasons.

Figure : Share of health expenditure in budget and GDP

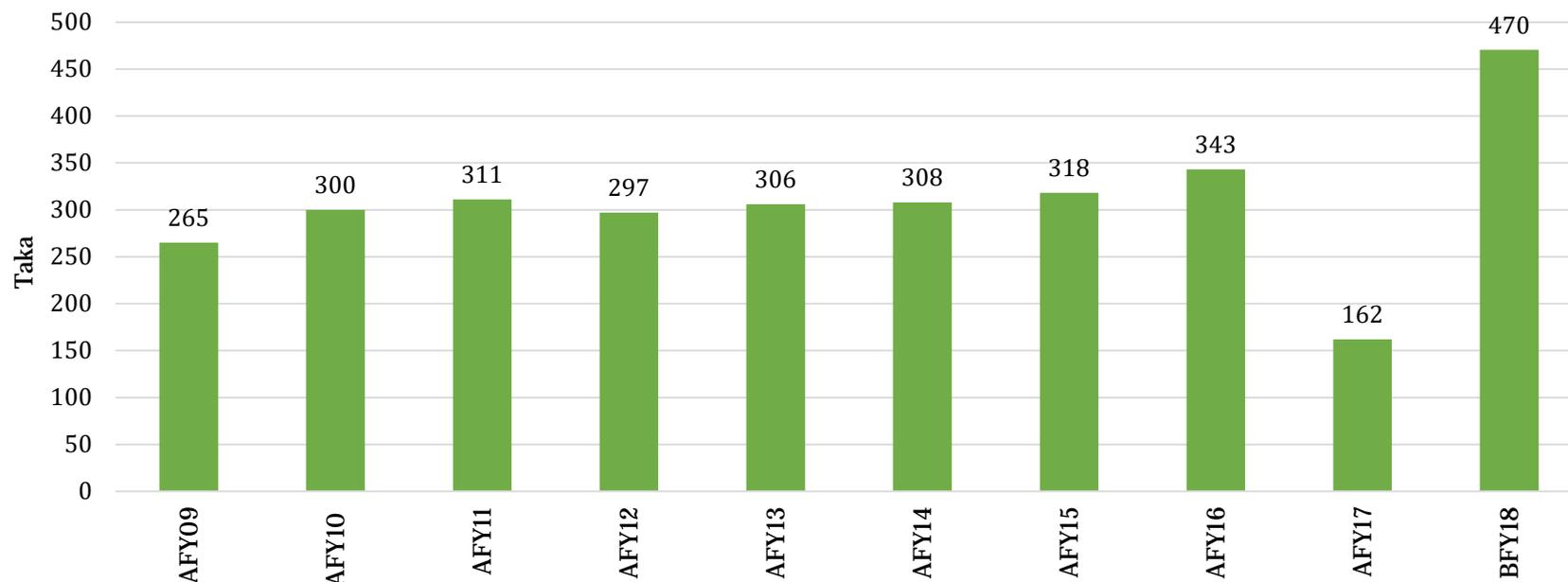


Source: Ministry of Finance (MoF), Bangladesh.

Note: AFY stands for Actual Budget in Fiscal Year; RBFY stands for Revised Budget in Fiscal Year BFY stands for Budget in Fiscal Year.

- ❑ Rise in per capita public expenditure on health has been rather insignificant.
- ❑ Per capita real public expenditure on health has increased by Tk. 205 during FY2009 to FY2018.

Figure: Per capita real expenditure on health

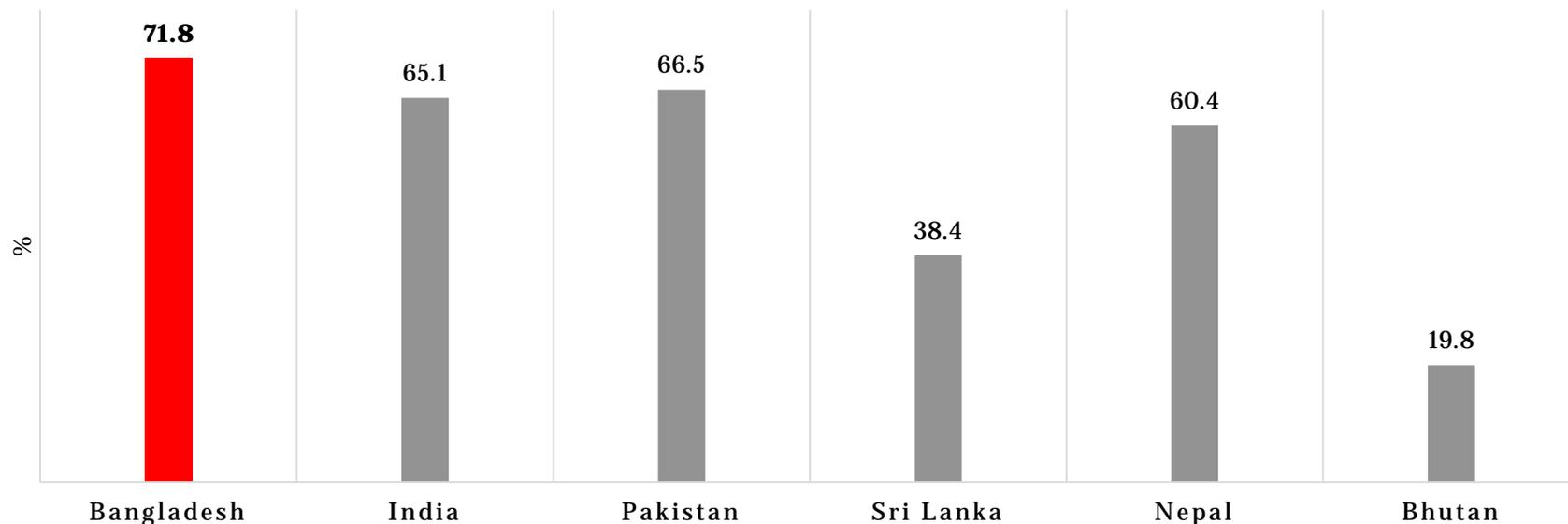


Source: Ministry of Finance (MoF), Bangladesh.

Note: AFY stands for Actual Budget in Fiscal Year; BFY stands for Budget in Fiscal Year.

- ❑ Insignificant rise in per capita public expenditure on health has led to high out-of-pocket expenditure.
- ❑ Over two-thirds of total health expenditure is financed by out-of-pocket spending. In Bangladesh, 71.8% of total health expenditures were out of pocket spending in 2015 which was highest among all South Asian countries.

Figure: Out-of-pocket expenditure (% of current health expenditure) in South Asia in 2015



Source: World Health Organization Global Health Expenditure database. (<http://apps.who.int/nha/database>). Accessed on 25 November 2018.

Investing more resources on healthcare to
reduce inequity in health outcomes

Investing in advanced
research and developing
strong database

Providing regular
training for professional
development

Improving governance
of the healthcare system

Regulation and
monitoring of
healthcare institutes



Encouraging preventive and
promotive healthcare

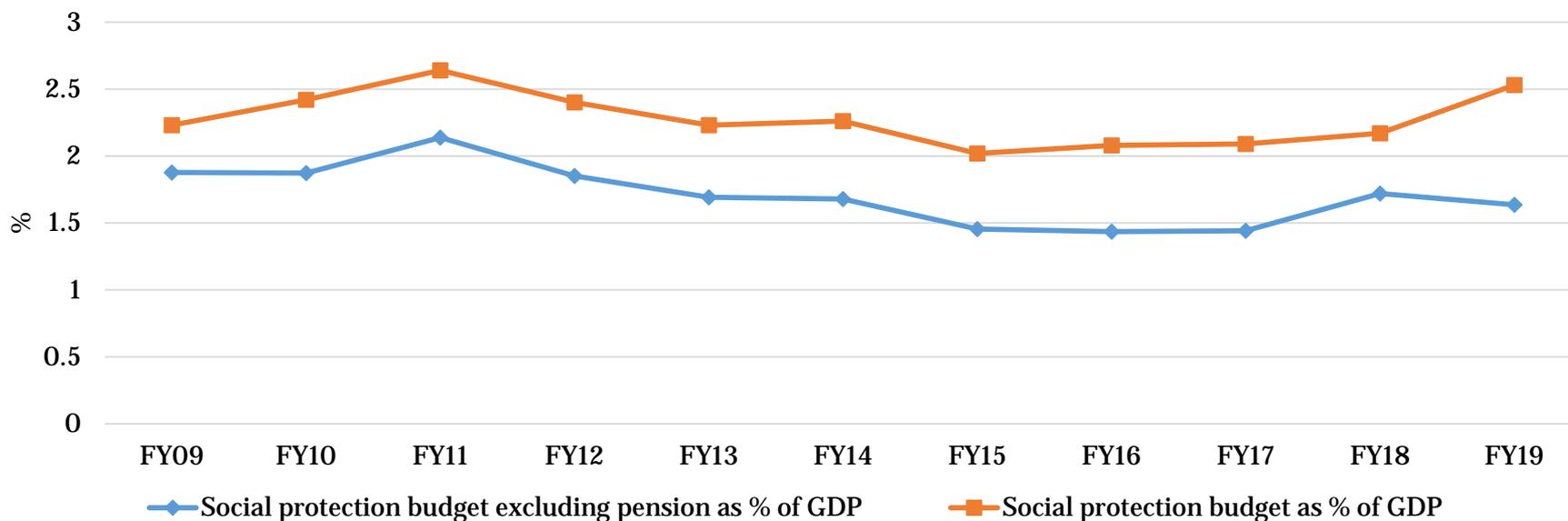
Section VI.

Social Protection for the “Left Behind”

Social Protection for the “Left Behind”

- ❑ In promoting inclusive growth in an economy, social protection ought to take a central place in development planning.
- ❑ In FY2019, the social security budget was 2.5% of the GDP, which exceeded the target of 2.3% of GDP outlined in the 7FYP.
- ❑ However, a close scrutiny of the allocation for social security indicates that in FY2018, 41.3% of the budget for social security was allocated for the pension of government officials (GED, 2018).
- ❑ The social security budget, excluding pension, has been on the decline - from 2.1% of GDP in FY2011 to 1.7% of GDP in FY2018.

Figure: Social security budget as a % of GDP

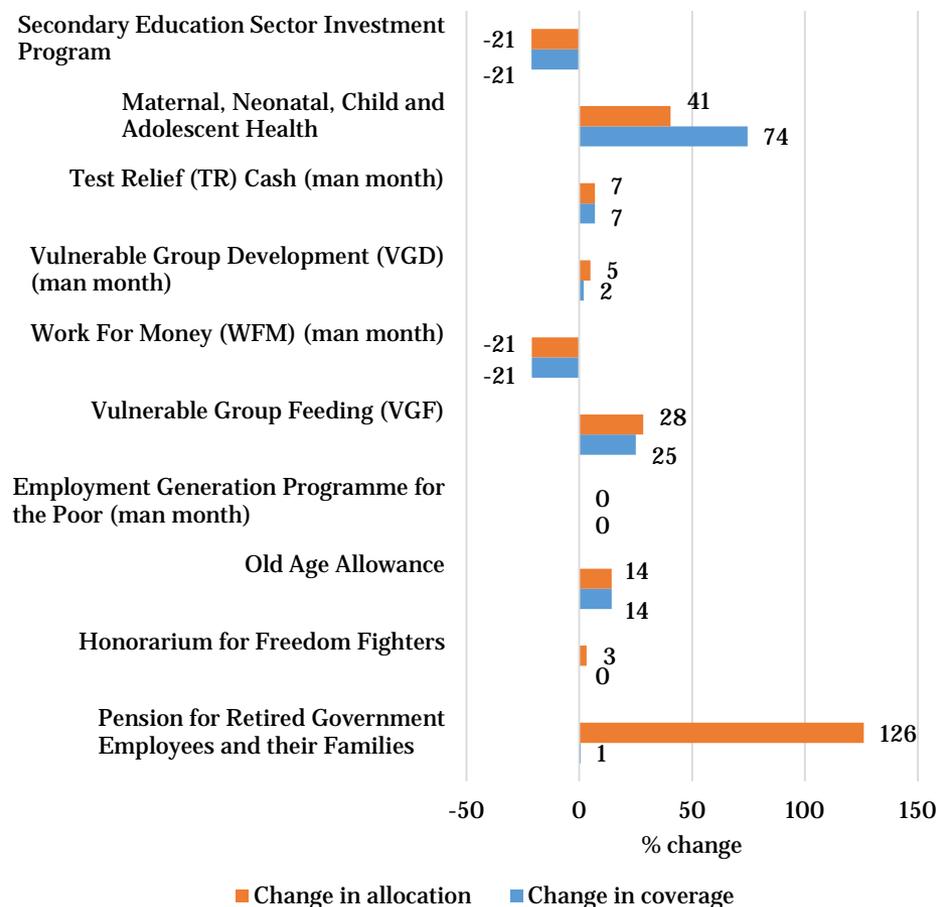


Source: Authors' calculation based on Social Security Policy Support (SSPS) Programme data and budget documents.

Social Protection for the “Left Behind”

- ❑ In FY2019, the coverage and allocation for **eight** out of the **10** largest social protection programmes has increased from the previous year.
- ❑ However, per capita allocation for maternal, neonatal, child, and adolescent health programme has decreased by 19%.
- ❑ Per capita allocations for **three** out of the **10** largest programmes increased by only 3%, while per capita allocation for **five** out of the **10** largest programmes remained unchanged.
- ❑ Coverage of Vulnerable Group Development (VGD) programme has increased, with special emphasis on Teknaf and Ukhiya.

Figure: Change in coverage and allocation of largest social protection programmes between FY2018 and FY2019



Source: Authors' illustration based on data from budget documents, Ministry of Finance.

Social Protection for the “Left Behind”

Redistributing allocation of resources more equitably among
the Safety Net Programmes (SSNPs)

Optimizing fiscal space
and fiscal stance

Prioritizing SSNPs
strategically

Improving inter-
ministerial coordination

Monitoring and
analysing programmes
rigourously



**Major areas
that need
attention**

Identifying critical areas - extreme poverty,
hunger, and the most vulnerable groups

Section VII.

Reflection of Selected Social Development Issues in the Election Manifesto

Reflection of Selected Social Development Issues in the Election Manifesto

Youth Unemployment

- CPD IRBD Report**
- Improve education system to help build analytical competence of students
 - Increase access to computers and broadband internet
 - Develop skills through technical and vocational training
 - Create self-employment through building entrepreneurship
 - Create enabling environment for employment of female youth

- Bangladesh Awami League Election Manifesto**
- Giving highest allocations for education will be ensured
 - A 'Youth Plan' will be introduced to take internet to the youth
 - There will be youth training centre in every upazila
 - There will be more investment in technical education and ICT
 - A 'Youth Entrepreneur Policy' will be formulated
 - Tk 2 lac collateral-free loan facility is being given on easy terms; will be expanded
 - Augmented work for establishing women as successful entrepreneurs
 - 'Day Care Centres' will be set up at public and private institutions

Equitable Quality Education

- CPD IRBD Report**
- Increase public education budget to at least 4%, and eventually to 6%, of GDP
 - Make teaching a prestigious and attractive profession
 - Promote expansion of quality pre-primary education
 - Provide lifelong learning opportunity
 - Bring various levels of school education under one national administrative jurisdiction

- Bangladesh Awami League Election Manifesto**
- Giving highest allocations for education and the proper utilization of the fund will be ensured
 - All out efforts to improve standard of education; for language and mathematics
 - Encouragement and assistance will be provided to university teachers for research
 - Disparities in the salary structure of primary school teachers will be dealt judiciously

Reflection of Selected Social Development Issues in the Election Manifesto

Healthcare for All

- CPD
IRBD
Report**
- Invest more resources on healthcare to reduce health inequity
 - Impose higher taxes on products injurious to health, such as tobacco
 - Improve efficiency of resource utilisation
 - Provide regular training for professional development
 - Put regulatory framework in place and monitor for quality health services
 - Encourage preventive and promotive health
 - Recruit and retain human resources for a better health sector
 - Improve governance of health system through decentralized structure

- Bangladesh Awami League Election Manifesto**
- Making the health and nutrition services available to every citizen of the country will be ensured
 - Every person below one year and above 65 will be given health services free of cost
 - Health service system will be made friendlier and fault-free by introducing modern technologies
 - Increasing the number of doctors, improving the quality of services and the availability of medical persons in the rural health centres will be ensured

Reflection of Selected Social Development Issues in the Election Manifesto

Social Protection for the “Left Behind”

- CPD IRBD Report**
- Reevaluate existing SSNPs to improve targeting, reduce leakages and avoid overlaps
 - Reorient SSNPs to attain the 2030 Agenda—‘leave no one behind’—by targeting the most vulnerable groups
 - Extensively examine and scrutinise the relative prioritization of SSNPs
 - Monitor programmes rigorously for transparency of resources and progress
 - Allocate resources for capacity building of institutions for better implementation of the National Social Security Strategy (NSSS)
 - Improve inter-ministerial coordination and ensure effective collaboration

- Bangladesh Awami League Election Manifesto**
- Steps will be taken to extend the number of inclusion and the amount of assistance under ‘Social safety network’ programme
 - The coverage of the existing programme and expenditure for ultra-poor, widow and elderly women will be enhanced

Section VIII. Way Forward

- One of the structural features of employment generation had been shift from traditional (crop sector) to industry and service sector.
- A large part of the relocation of labour force had been in the informal sector.
- On the other hand, there has been a growing trend of youth unemployment, particularly among the educated youth.
- A fundamental reason in this case had been that the nature of economic growth did not create adequate employment demand.

Key recommendations

- Improve education system to help build analytical competence of students
- Increase access to computers and broadband internet, particularly in the rural areas
- Develop skills through technical and vocational training
- Give fair opportunity for all in the job market without nepotism
- Increase access to information on jobs at national, regional and local levels
- Create self-employment through building entrepreneurship
- Connect students with employers
- Start career counselling from an early stage
- Create enabling environment for employment of female youth
- Explore employment opportunities abroad

- Successes were reflected in education in areas of achieving gender parity, higher school enrollment ratio and adult literacy.
- Although the allocation to the education sector has increased only marginally.

Key recommendations

- Increase public education budget to at least 4%, and eventually to 6% of GDP
- Align education objectives with national plans
- Decentralise education governance and strengthen upazila and district based-planning and management of basic and school education
- Make teaching a prestigious and attractive profession
- Improve quality of degree colleges
- Support non-formal alternatives for out-of-school children
- Promote expansion of quality pre-primary education
- Provide life-long learning opportunity
- Reform Technical and Vocational Education and Training (TVET)
- Bring all school education under one national administrative jurisdiction

- In case of health sector, infant mortality, under-five mortality, maternal mortality, low birth rate and child immunisation did register commendable improvement.
- Rise of non-communicable and climate-related diseases remain a major concern.
- Inequality in accessing health service and low allocation of budgetary resources impeded further improvement in the health sector.

Key recommendations

- Invest more resources on healthcare to reduce health inequity
- Mobilise resources from new and innovative sources
- Improve efficiency of resource utilisation
- Recruit and retain human resources for a better health sector
- Provide regular training for professional development
- Put regulatory framework in place and monitor for quality health services
- Encourage preventive and promotive health
- Improve governance of the health system through decentralised structure
- Invest in advanced health research
- Develop strong database for the health sector

- Social protection related activities led to higher coverage of target population facilitated by higher allocation of public resources.
- These interventions often lacked coordination and harmonisation

Key recommendations

- Re-evaluate existing SSNPs to improve targeting, reduce leakages and avoid overlaps
- Reorient SSNPs to attain the 2030 Agenda – ‘leave no one behind’ by targeting the most vulnerable groups
- Extensively examine and scrutinise the relative prioritisation of SSNPs
- Carry out comprehensive mapping of most vulnerable groups to design SSNPs
- Consolidate distribution of SSNPs for effective interventions
- Monitor programmes rigorously for transparency of resources and progress
- Improve inter-ministerial coordination and ensure effective collaboration
- Put greater emphasis on moving towards social protection measures from SSNPs
- Allocate resources for capacity building of institutions for better implementation of the NSSS

Thank You



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