

**Bangladesh Development Research Working Paper Series
(BDRWPS)**

BDRWPS 21 (January 2014)

**Priority Areas for Bangladesh's Further
Development: Inequality, Employment, and Poverty**

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Priority Areas for Bangladesh's Further Development: Inequality, Employment, and Poverty

Rubena Sukaj*

Abstract

This paper summarizes Bangladesh's developmental progress since gaining its independence in 1971. During the last five years, the country experienced close to an annual 6 percent growth rate in real GDP, continuing its path of growth despite the recent world financial and economic crisis. Bangladesh has also made serious progress with achieving the Millennium Development Goals (MDGs). Following a review of Bangladesh's recent progress, the paper then focuses on three priority areas (inequality, employment, and poverty), where the government needs to focus on in order to make further progress in Bangladesh's development.

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I. Introduction

Bangladesh is a small country located in South Asia which gained its independence from Pakistan in 1971 after a bloody civil war. Bangladesh has one of the highest population densities in the world, with 155 million people living in an area of 130,170 square kilometers (World Bank, 2014). Even though Bangladesh has been experiencing weak governance, poor quality of public institutions, high levels of corruption and is frequently hit by cyclones and flooding, it has experienced economic growth and poverty reduction. It is also making progress towards achieving many of the Millennium Development Goals (MDGs).

As a least developed country, the role played by the public sector is increasing in Bangladesh, and most of the steps mentioned in the different development models are very visible. Noticeable changes in the structure and needs of its economy are happening as is predicted by the development models of public sector growth (like Wagner's law and Baumol's law). This has emphasized the need for stronger public institutions and less corruption.

Bangladesh has gained a strong international position in the ready-made garment (RMG) industry, and the increasing demand of international buyers will benefit the country and its development process. The rapid growth experienced in this sector provides for many job opportunities for the population, and has helped in alleviating poverty in many areas of the country. As buyers are moving away from China, there is potential for Bangladesh to attract even more suppliers from the United States and Europe as wages continue to be very low in the country when compared to the region and capacity and quality are very high.

Even though rapid growth is being experienced, there are many obstacles that need to be overcome. Increasing inequality is being faced not only because there is a big disparity between urban and rural areas in the country, but also because the high rates of urbanization have led to increasing inequality even inside the major cities of Bangladesh. The Gini coefficient has been increasing indicating that concentration of income to the rich has been taking place and emphasizing yet again the important role that should be played by the institutions. With a rapidly growing workforce, there also is a challenge of creating new jobs and to educate the workforce to be able to compete in the world economy. And finally, despite progress, there are still many millions of people living below \$1.25-a-day in Bangladesh.

This paper focuses on three priority areas that are critical for Bangladesh's further development: inequality, employment, and poverty. Following this introduction, the paper provides a brief review of the literature, examines Bangladesh's progress, and analyzes then the three priority areas, before it provides some conclusions.

II. Brief Literature Review

There are thousands of publications that focus on Bangladesh development since its independence in 1971, ranging from academic publications, government reports, studies by international developmental organizations, and more recently also by businesses. The following summaries are some recent examples for each category of publication.

- Among academic publications, Quddus and Khan (2011) contain a collection of 20 selected papers from the 2008 and 2009 Conferences on Bangladesh at Harvard University, reflecting on Bangladesh's economy in the 21st century. As pointed out by the

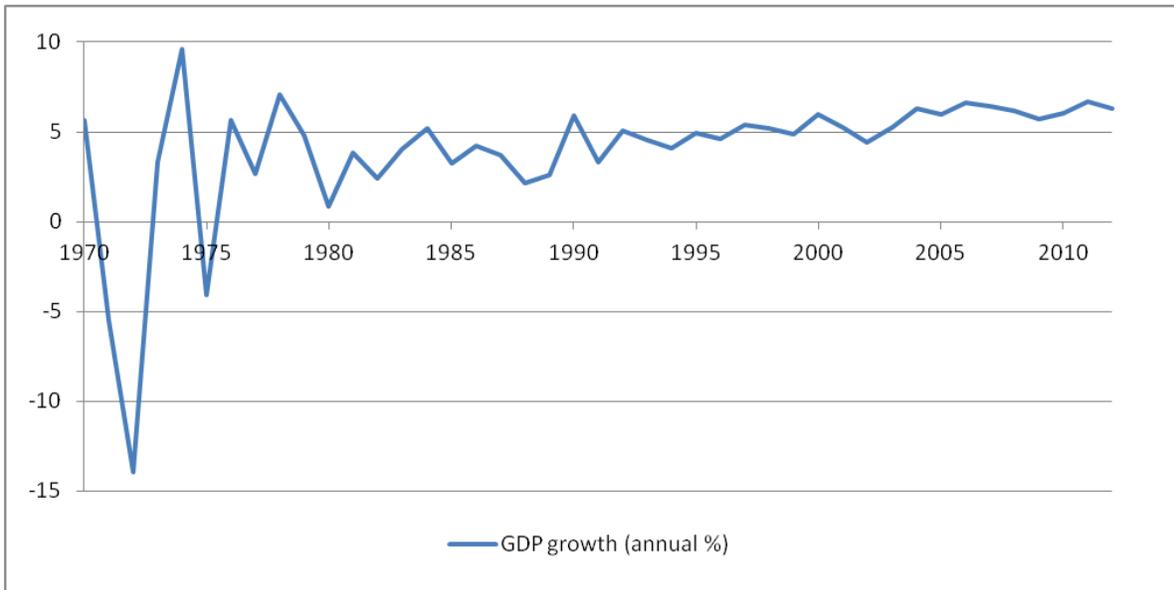
editors in the preface of this book (p. xxxvii): “In the first decade of the 21st century, the economy of Bangladesh performed well enough to surprise many scholars and practitioners in the field of development.” However, as the 20 chapters illustrate, there remain many development challenges.

- One of the most detailed government publications on Bangladesh’s developmental ambitions is Bangladesh’s Poverty Reduction Strategy Paper (PRSP) of 2011 (which is also published as IMF Country Report No. 13/63, see IMF, 2013). PRSPs describe a country’s macroeconomic, structural, and social policies in support of growth and poverty reduction, as well as associated external financing needs and major sources of financing.
- A more recent detailed government report is the Bangladesh Progress Report 2012 of the MDGs, which highlights aspects of each of the goals, current trends, challenges in achieving the goals and future policy priorities. The report shows that Bangladesh has achieved remarkable progress in the areas of primary schooling, gender parity in primary and secondary level education, lowering the under-five mortality rate, reducing the incidence of communicable diseases and improving indicators on the environmental changes. The report indicates some challenges of achieving MDGs in areas such as maternal health, retaining of students at the primary level to complete primary education, gender parity in tertiary education, quality issues in accessing safe drinking water and improved sanitation, and hunger.
- The book edited by Narayan and Zaman (2009), which is a collection of papers written for the World Bank’s Bangladesh Poverty Assessment of 2008, is likely the most detailed analysis of poverty in Bangladesh. The book provides details on the significant progress Bangladesh has made in reducing poverty.
- Within the growing literature from business related sources, Berg et al. (2011) focus on the successful growth formula of the RMG sector during the recent years. It emphasizes the advantages and the disadvantages faced by this industry in Bangladesh and how it is currently gaining market share from China’s RMG industry. The report states that the story of Bangladesh has just begun.

III. Recent Socio-Economic Development

The Liberation War in 1971 was very hard on the economy of Bangladesh and was followed by slow growth. However, in the 1980s, the economy started to grow again, though at relatively low rates (averaging 3.2 percent in real terms during 1980-1989, see World Bank, 2014). Following the liberation war, the political situation in the country was characterized by several years of political unrest and turmoil, the military taking control of the country, and assassinations of presidents. As illustrated in Figure 1, since the return of democracy in 1991, Bangladesh’s economy has achieved a more steady growth rate, averaging 5.93 percent during 2000-2012. Real GDP growth reached a maxim of 6.7 percent in 2011, followed by a slightly lower, but still impressive, 6.3 percent in 2012 (World Bank, 2014).

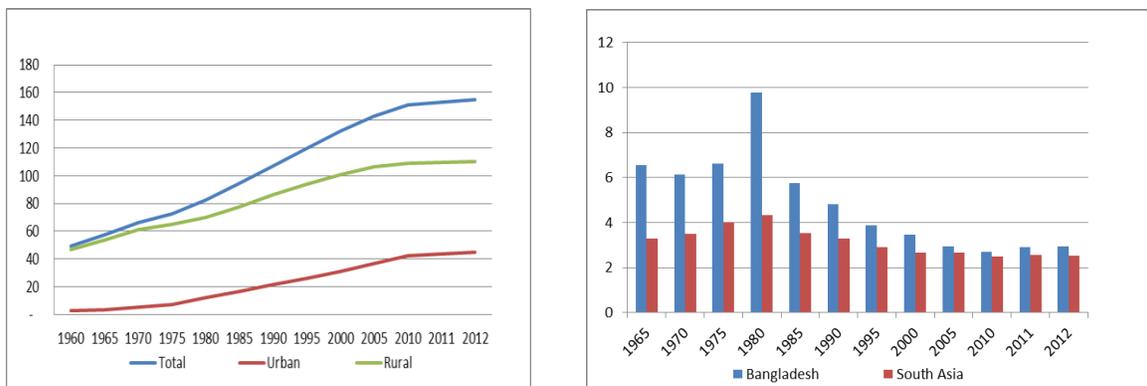
Figure 1: GDP Growth (annual, percent)



Source: Created by author based on World Bank (2014).

Today, Bangladesh has officially a population of 155 million, of which 110 million people live in rural areas and 45 million live in urban areas (World Bank, 2014). As in most other countries, economic growth and the urbanization rate are strongly correlated with each other. Bangladesh has experienced a high growth rate of its urban population since the declaration of independence in 1971, reaching an all-time high average growth rate of 12 percent in 1976. Bangladesh’s annual urbanization growth rate is higher than the growth rate of the urban population of the region of South Asia for the similar period (World Bank, 2014). Dhaka, Chittagong, Khulna and Rajshahi are the four major cities where more than half of the national urban population lives (Kawsar, 2012).

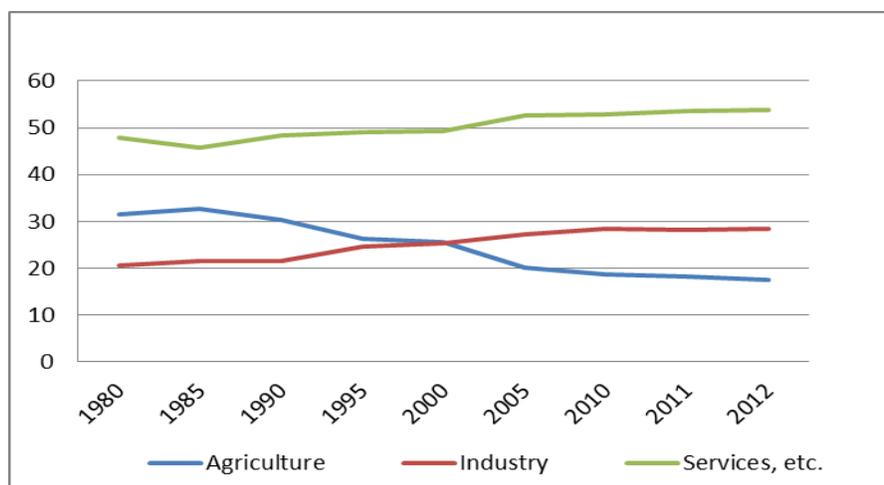
Figure 2: Population (million) and Urban Population Growth (percent)



Source: Created by author based on World Bank (2014).

As shown in Figure 3, the size of the sectoral components to GDP has changed over time, with agriculture constituting only 17.5 percent of GDP in 2012, following a long-term descending trend (World Bank, 2014). The service sector has increased significantly, adding up to 53.9 percent of GDP in 2012 and becoming the largest contributor. Industry started to increase its contributions to GDP in the 1990s, when the country became more stable politically and began attracting some foreign direct investment (World Bank, 2014).

Figure 3: GDP Composition by Sector (value added, percent of GDP)



Source: Created by author based on World Bank (2014).

The increase of the industry sector (which accounted for 28.5 percent of Bangladesh's GDP in 2012) in particular has been contributing at an increasing rate to GDP growth, and a lot of this increase is attributed to the RMG industry. The RMG industry emerged initially in response to the Multifiber Arrangement (MFA) in 1974, which set quotas on exports of garments from other developing countries, especially China.¹ The Korean firm Daewoo came to an agreement with a Bangladeshi firm, Desh Garments, to which it trained and provided equipment (Hossain, 2011).

With about 4 million workers directly employed in the RMG sector, RMG employs only around 5 percent of the total labor force of 76.0 million (World Bank, 2014). However, the RMG sector accounts to about three quarters of Bangladesh's export earnings and in 2011 the RMG sector accounted to about 13 percent of GDP (Berg et al., 2011). Because of its steady performance throughout the years, its importance to the job market, its contribution to GDP growth and to the country overall, RMG has been the focus of not only economic but also political discussions.

The outcome of the difficult political periods that persisted in Bangladesh has led to various problems within economic institutions. The role of strong economic institutions is very important in ensuring longer-term growth and stability in the country. To solve the problem of development will entail reforming these institutions. The United States Agency for International Development (USAID)-funded PROGATI program (Promoting Governance, Accountability,

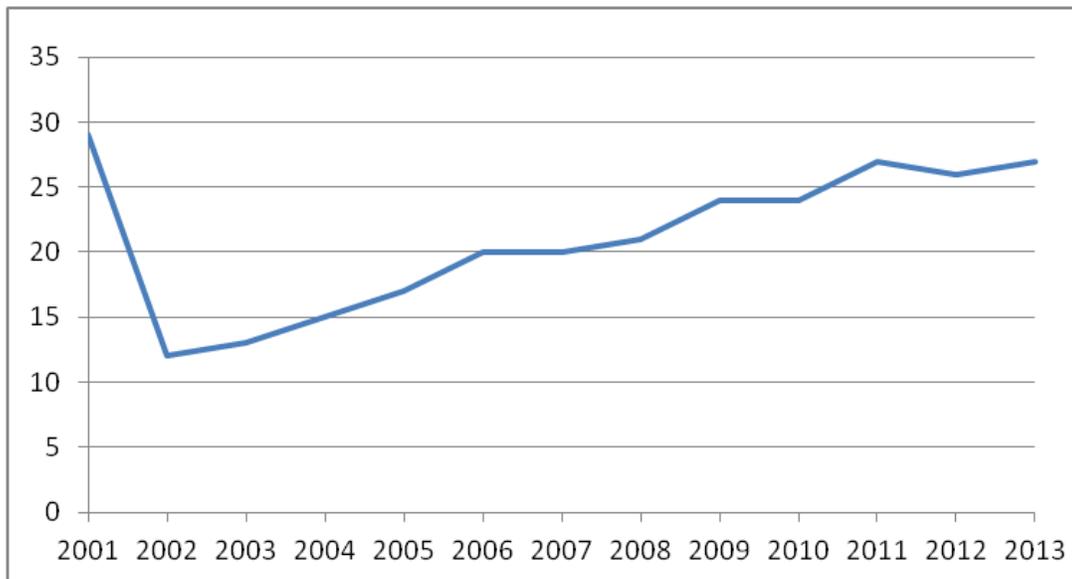
¹ The MFA expired on January 1, 2005.

Transparency, and Integrity), implemented by IREX, addresses these issues by focusing on strengthening media, civil society and citizen participation, and public institutions and parliament's oversight and capacity (IREX, undated).

PROGATI has undertaken three major approaches to strengthen Bangladesh's public institutions. It has led the design and implementation of tasks to strengthen the effectiveness and efficiency of public institutions' procedures and operating systems. It has focused on valuations, trainings and improvement of staff members' skills. PROGATI has also focused on improving the media environment, Civil Society Organizations and CAG office. PROGATI has also focused on strengthening the capacity of the public institutions in promoting good governance, anti-corruption drives and creating a positive environment in carrying out activities.

Corruption is an important issue for Bangladesh. PROGATI has been doing considerable work in Bangladesh to decrease its levels of corruption, see Figure 4. Based on the latest (2013) Corruption Perceptions Index (CPI), Bangladesh ranked 136th among 177 countries, which is an improvement compared to the 2012 CPI, where Bangladesh ranked 144th among 176 countries, though Bangladesh is still behind its ranking of 2011, when it ranked 120th among 183 countries.² Based on the 2013 CPI, which scales from 0 (= highly corrupt) to 100 (= very clean), Bangladesh is (with a CPI of 27) less corrupt than, for example, Cambodia (20). Myanmar (21) and Laos (26), but more corrupt than, for example, Bhutan (63), Sri Lanka (37), India (36), Nepal (31) and Pakistan (28).

Figure 4: Bangladesh's CPI Score 2001-2013 (0 = highly corrupt, 100 = very clean)



Source: World Bank (2014) and Transparency International (2013).

² See <http://cpi.transparency.org/cpi2013/results/#myAnchor1>.

Bangladesh is investing in ameliorating the health and education system in order to reduce externalities and fulfill the MDG targets. Although Bangladesh is facing a tough political situation and has been hit frequently by natural disasters, it has made considerable progress in attaining human poverty reduction in education, health and nutrition. As a result, achievement of most of the goals by 2015 is still possible for Bangladesh, even though it represents a big challenge as these improvements in poverty and hunger have been accompanied by regional and social disparities.

Bangladesh has made great progress in increasing primary school enrollment and in promoting gender equity. This can be seen in Table 1, in the high rates of primary education enrollment, where female enrollment is higher than male enrollment. Bangladesh was able to close the gender gap in enrolment at primary school in the mid-1990s, ahead of the MDG targets. Since 2000, females outnumber males in secondary education enrollment as well. This is believed to be the outcome in part of the availability of cash stipends for all unmarried girls attending school. Even though the great success has been achieved in enrollment, dropout rates remain high. As a result, even though 100 percent has been achieved in terms of primary school enrollment, primary school completion rate remains low, at 65 percent in total. As a result, additional effort is needed to reach the target, which not only is going to increase the levels of an educated and more efficient workforce, but will also have a positive effect in decreasing poverty and inequality levels.

Table 1: Progress in School Enrollment Ratios (percent, gross)

Indicator Name	1970	1980	1990	2000	2005	2009
School enrollment, primary	53.03	61.66	72.05		100.3	103.3
School enrollment, primary, female	34.9	46.4	65.6		102.9	106.2
School enrollment, primary, male	70.1	76.5	78.2		97.8	100.6
School enrollment, secondary		17.5	18.0	48.2	45.7	49.3
School enrollment, secondary, female		8.6	12.0	49.0	47.5	51.5
School enrollment, secondary, male		26.0	23.8	47.4	44.0	47.1
School enrollment, tertiary	1.9	2.8	3.9	5.5	6.2	10.6
School enrollment, tertiary, female	0.4	0.8	1.3	3.6	4.3	8.0
School enrollment, tertiary, male	3.3	4.7	6.5	7.4	8.1	13.1

Source: Created by author based on World Bank (2014).

Despite progress, maternal mortality remains high in Bangladesh. In 2010 the maternal mortality rate was 240 per 100,000 live births. Bangladesh's mortality rate is higher than that of China and India, which is, respectively, 37 and 200 per 100,000 live births (World Bank, 2014). Limited access to health care services makes the achievement of this target really hard.

Finally, climate change remains a great threat for Bangladesh, not only for the areas near the

coastal belts and river banks, but for the whole nation. This could diminish the beneficial effects of the achievements attained during the progressive years.

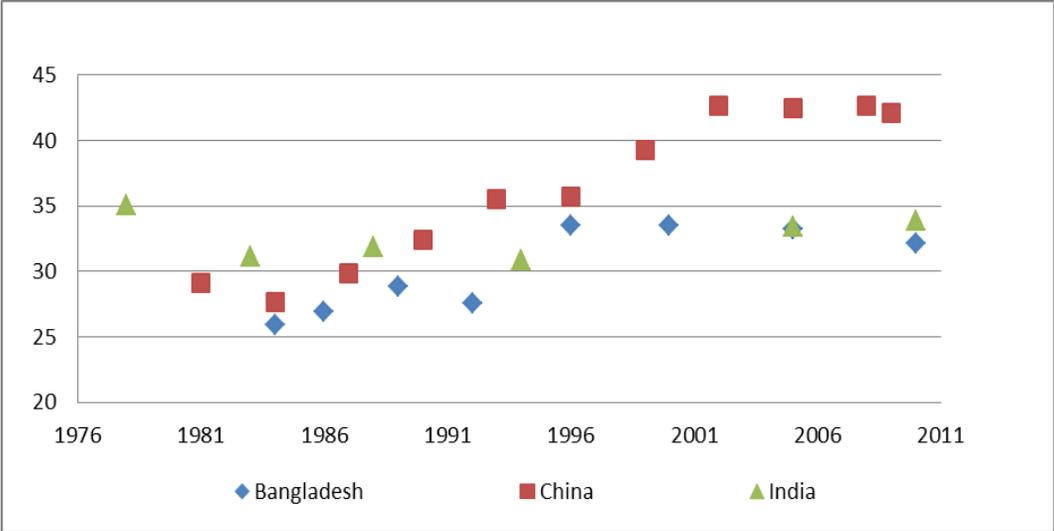
IV. Priority Area 1: Inequality

Industrialization is in its initial steps in Bangladesh, and the country is facing high infrastructure needs at the moment. Bangladesh’s industrialization has been accompanied by increasing urbanization rates as the population is moving from rural to urban areas and has started to generate a range of externalities and increasing levels of inequality in the area.

Bangladesh has moved from an economy with low growth but with equity, to an economy with higher growth but with inequity and with a greater effect on reducing poverty. The Gini Coefficient of income increased slightly after the declaration of independence. It continued increasing throughout the years, but it started increasing significantly in the 1990s, from 0.27 in 1992 to 0.32 in 2010 (World Bank, 2014). As it is represented in Figure 5 below, it is very close to the Gini Index in India. This bears evidence that concentration of income to the rich has been taking place.

Evidence of inequality is emphasized even further in data published by the Bureau of Statistics, shown in Table 2, where there is a noticeable difference between the percentage distribution of income accruing to households in the lower 5 percent and in the top 5 percent. The share of the lower 5 percent income group remained almost the same from 2005 to 2010, for both rural and urban population. This is noticed for the first five deciles, where the shares (which have had a decreasing trend in earlier years) have not been subject to major changes. An opposing trend is noticed for deciles 6 to 9, where the share has been increasing during the years. However, the 10th decile of the population continues to experience a decreasing trend, so does the top 5 percent share. This is evidence towards redistribution of income in Bangladesh from the very top as the concentration of income in the richest decile of the population has decreased from 2005 to 2010.

Figure 5: GINI Index, 1976-2011



Source: Created by author based on World Bank (2014).

Table 2: Percentage Distribution of Income Accruing to Households in Groups (Deciles)

Household Income Group	2010			2005		
	Total	Rural	Urban	Total	Rural	Urban
National	100.00	100.00	100.00	100.00	100.00	100.00
Lower 5%	0.78	0.88	0.76	0.77	0.88	0.67
Decile-1	2.00	2.23	1.98	2.00	2.25	1.80
Decile-2	3.22	3.53	3.09	3.26	3.63	3.02
Decile-3	4.10	4.49	3.95	4.10	4.54	3.87
Decile-4	5.00	5.43	5.01	5.00	5.42	4.61
Decile-5	6.01	6.43	6.31	5.96	6.43	5.66
Decile-6	7.32	7.65	7.64	7.17	7.63	6.78
Decile-7	9.06	9.31	9.30	8.73	9.27	8.53
Decile-8	11.50	11.50	11.87	11.06	11.49	10.18
Decile-9	15.94	15.54	16.08	15.07	15.43	14.48
Decile-10	35.85	33.89	34.77	37.64	33.92	41.08
Top 5%	24.61	22.93	23.39	26.93	23.03	30.37

Source: Bangladesh Bureau of Statistics (2010).

Inequalities arise from three different dimensions: geographic, educational and gender. In Bangladesh there is still substantial income inequality between rural and urban areas. The rural population has been historically involved with agriculture associated with little technological progress. Urban population on the other side has been involved with activities other than agriculture, like industry, manufacturing and services which have higher paying jobs. Poverty, unemployment and low-paying jobs pushed the population to migrate and seek employment in the neighboring countries. As a result, one of the main sources of income for the locals are remittances brought back to Bangladesh by people working abroad.

As it is shown in Table 3, remittances play an important role as a source of income on the national level for Bangladesh. In 2010, both the rural and urban areas experienced an increase in the percentage share of remittances received. Remittances represent the third largest share of income for the rural households, 17.3 percent in 2010, and this percentage has been experiencing an increasing trend since 1995, while they constitute a much smaller share of income of the urban population, 7.75 percent in 2010. This indicates the different sources of income for the population and proves yet again the inequality between the different parts of Bangladesh (see Bangladesh Bureau of Statistics (2010), Chapter 10).

There is broad agreement that sustained and equitable economic growth leads to poverty reduction. However, economic growth has not been very equitable for Bangladesh, and this has resulted in a disproportional distribution of resources and led to an increase in income inequality levels. While there is evidence that income inequality has increased over time in Bangladesh and is higher in urban areas, consumption inequality has remained largely unchanged since 1995-96

according to the Household Income and Expenditure survey. According to the survey, poverty gap measures show similar changes in their trend also. This emphasizes the strong impact of inequality and poverty upon each other. Unequal access to opportunities impedes the progress done so far in reducing poverty and needs further government attention since it can be harmful to the growth rate of the economy.

Table 3: Percentage Share of Income of Households by Sources of Income

Decile of Household	Total	Agriculture	Business & Commerce	Professional Wages and Salary	Housing Services	Gift & Remittance	Others
National							
2010	100.0	20.44	19.16	35.55	7.27	13.62	3.93
2005	100.0	20.0	23.1	31.3	6.7	9.8	8.7
2000	100.0	18.0	25.9	29.4	7.8	10.9	8.0
1995-96	100.0	26.3	20.3	30.3	6.8	9.1	7.2
Rural							
2010	100.0	29.73	15.05	29.57	5.18	17.28	3.16
2005	100.0	28.7	17.3	28.1	5.1	12.0	8.7
2000	100.0	25.5	22.4	27.7	5.0	11.0	8.4
1995-96	100.0	35.4	14.7	27.7	6.5	9.6	6.1
Urban							
2010	100.0	5.56	25.75	45.14	10.63	7.75	5.15
2005	100.0	5.8	33.1	36.9	9.5	5.9	8.7
2000	100.0	3.7	32.4	32.6	13.1	10.6	7.5
1995-96	100.0	4.8	33.4	36.6	7.4	7.9	9.9

Source: Bangladesh Bureau of Statistics (2010).

Urban inequality has been increasing as a result of the rapid growth rate of the urban population. People are moving to the big cities as a result of lack of opportunity and as a consequence decentralization of urban growth should be considered by the government. This can be achieved by investing outside of the bigger cities, especially Dhaka and Chittagong in order to move industries to rural areas. This will create job opportunities and reduce income inequality, especially for swamp dwellers.

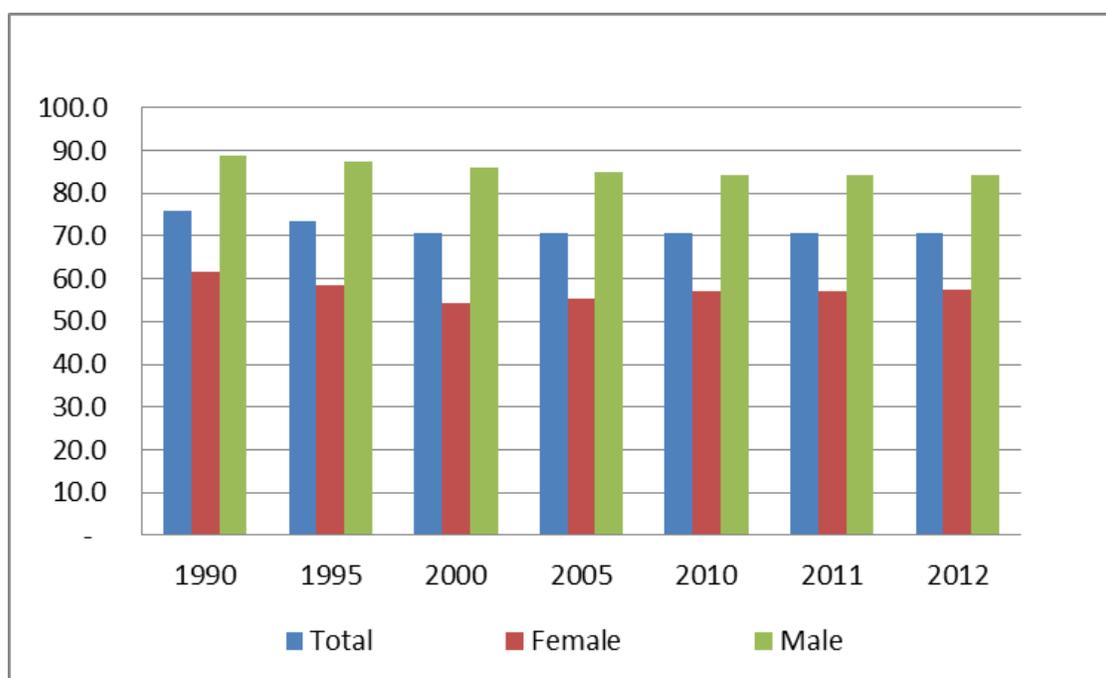
V. Priority Area 2: Employment

Another area that still needs more attention is achieving full and productive employment. Even though Bangladesh's total population has been increasing throughout the years, the labor force participation ratio experienced a decreasing trend up till 2004, when compared to the highest participation rate of 75.5 percent experienced in the 1990s. Labor force participation rate for the

total population has been increasing since 2004 in the recent years and was up to 70.8 percent in 2012. Women's participation in the labor force is much lower at 57.3 percent than the men's participation rate of 84.1 percent (World Bank, 2014).

Including women and young people in the working force has typically been difficult to accomplish for Bangladesh, except in the RMG sector, where the majority employed are women, which has visibly changed the lives of women and girls in the country. Despite progress, the full employment MDG target will be hard to be achieved by 2015, but is a very important one.

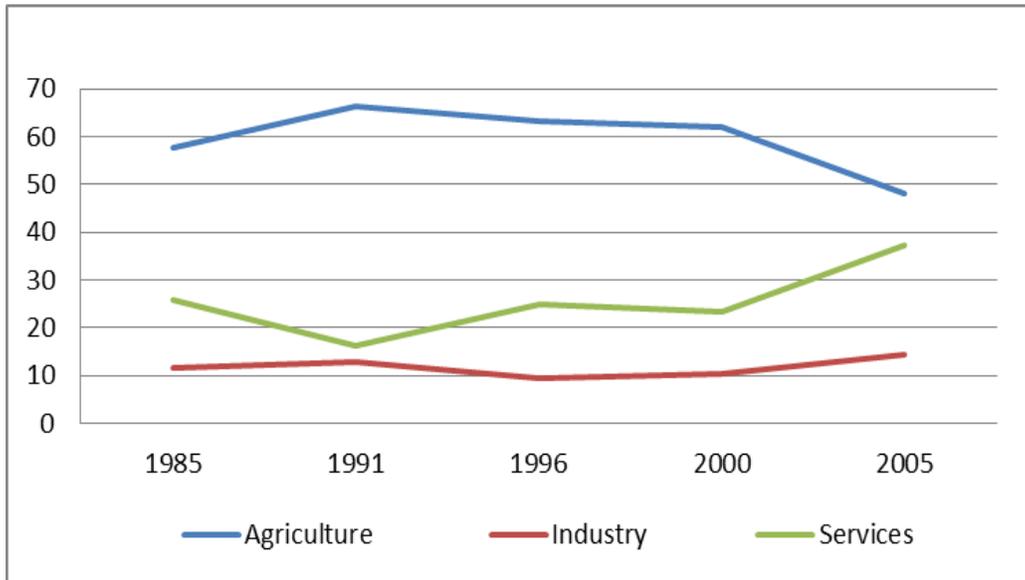
Figure 6: Labor Participation (percent of population ages 15+)



Source: Created by author based on World Bank (2014).

The labor market plays a very important role in production and achieving economic growth. Throughout the years, there has been a shift in the employment trend from jobs in the agriculture sector to jobs in the industry and services sector. Total employment in agriculture fell from 66.4 percent in 1991 to 48.1 percent in 2005. On the other hand, there is an increasing trend in employment in a) the industry sector, which increased from 13 percent in 1991 to 14.5 percent in 2005, and b) the services sector, where employment increased from 16.2 percent in 1991 to 37.4 percent in 2005 (World Bank, 2014). New job opportunities for women have been seen in new areas of public sector institutions. Bangladesh has been implementing new programs to combat poverty, and as a result there has been an increasing need for teachers and social/health workers.

Figure 7: Employment by Sectors (percent of total employment)

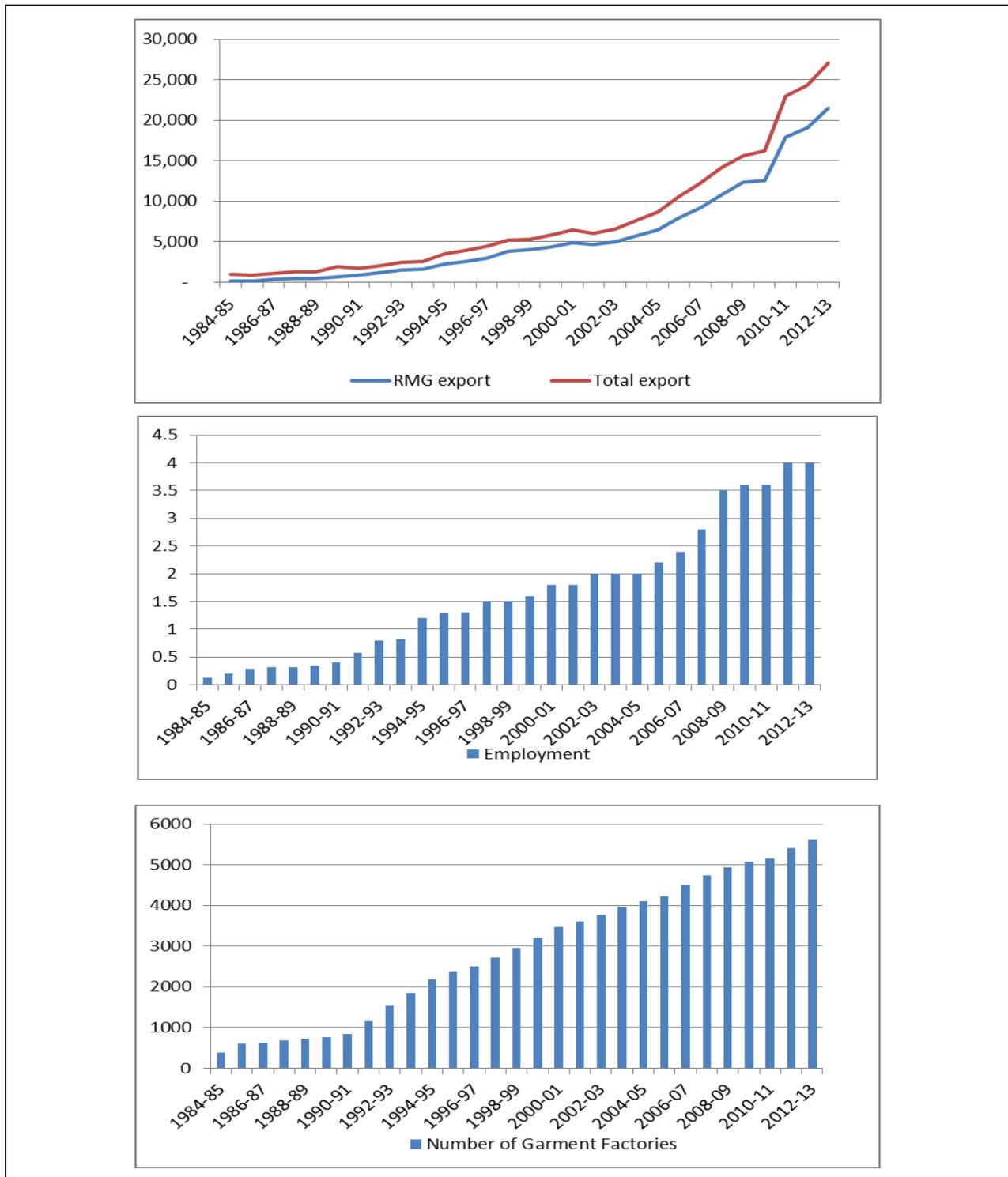


Source: Created by author based on World Bank (2014).

The industry sector is expected to grow even further as a result of the RMG industry, where Bangladesh has been succeeding and dominating the export sector (three quarters of exports revenues come from garment industry). The RMG industry is the most important industry in Bangladesh. In 2012, there were around 5,000 RMG factories, employing about 4 million workers in Bangladesh, see Figure 8 below. Despite some recent setbacks related to safety issues of garment workers, the RMG industry is expected to continue to grow. This offers a great opportunity to include more women in the workforce and to provide more jobs for the growing population.

The RMG industry will continue to experience a growing demand, forcing Bangladesh to quickly face significant challenges that are associated with this growth. While sourcing to Bangladesh has many advantages because of the low price and high capacity, challenges exist in many areas like infrastructure, political stability, workers' performance, raw materials, etc. Infrastructure remains the biggest issue in hindering Bangladesh's progress. The lack of a deep sea harbor, congested inland transportation, and the slow progress in building the highway between Dhaka and Chittagong are some of the most important issues that add to the inefficiency of the industry sector. Such developments from the private sector in the construction of factories need the support of the public sector in building most importantly connecting highways as well as high capacity ports and airports. A significant increase in the public sector expenditure is necessary at this point of the development phase, with infrastructure playing a very dominant role in the nature of expenditure.

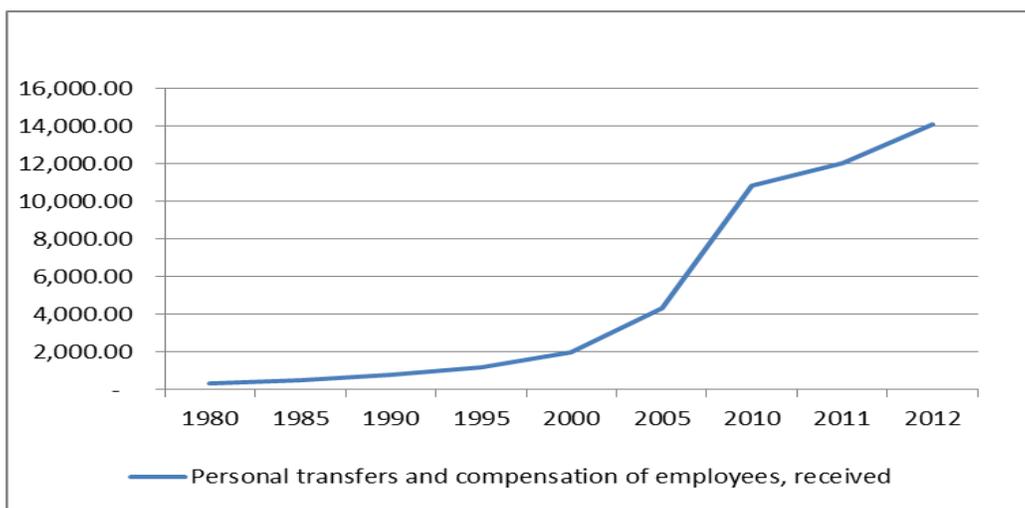
Figure 8: Evolution of RMG Industry, 1984-85 to 2012-13



Source: Created by author based data available on the website of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA): <http://www.bgmea.com.bd/>.

Because rural and urban industries are not able to meet the supply of workers, a big part of the working force is searching employment abroad. As a result, there has been a significant increase in workers' remittances in Bangladesh. Remittances have been a key driver of economic growth and poverty reduction in Bangladesh, increasing at an average annual rate of 13 percent in the last 30 years, from 1980 till 2012 (World Bank, 2014). Remittances are sent to Bangladesh from workers working abroad and 64 percent of them are coming from migrants working in the Middle Eastern countries (Hussain, 2009). Steady remittances have played an important role in poverty alleviation and also in maintaining a current account surplus despite experiencing a trade deficit (World Bank, 2014).

Figure 9: Remittances (million US\$), 1980-2012



Source: Created by author based on World Bank (2014).

VI. Priority Area 3: Poverty

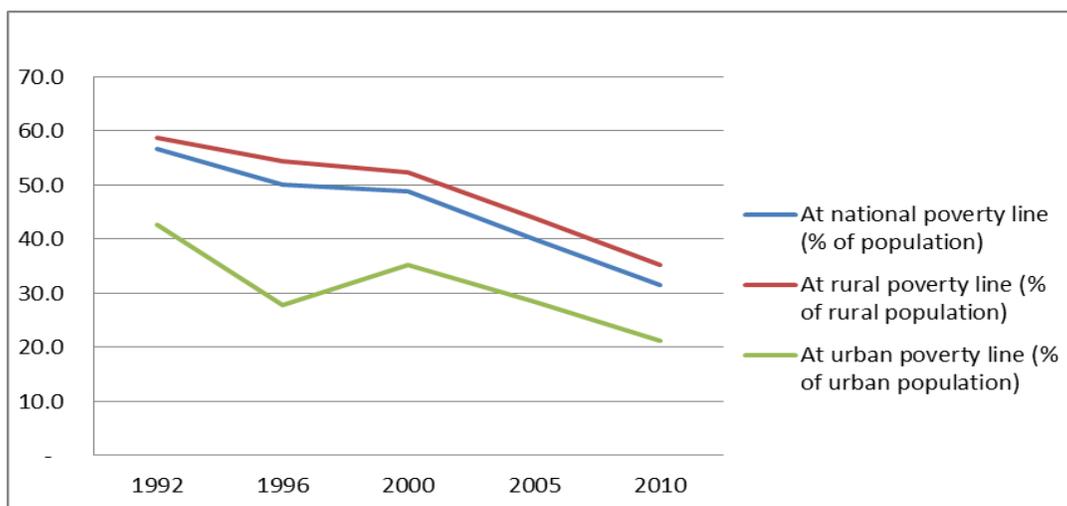
Even though a lot of work has been done to reduce poverty in Bangladesh, it still remains a persistent problem. Geographically, there are three areas of the country that need more attention: the north-west, which is affected by droughts and river erosion; the central northern region, which is subject to serious seasonal flooding that limits crop production; and the southern coastal zones, which are affected by soil salinity and cyclones. According to the World Bank (2014), 43 percent of the population lives below the poverty headcount ratio at \$1.25-a-day (PPP) and 77 percent of the population lives below the poverty headcount ratio at \$2-a-day in 2010. These ratios have decreased considerably from 70 percent and 93 percent respectively in 1992,³ but more work needs to be done in this direction as the numbers imply that there are still many million Bangladeshis living in poverty.

Various programs have been implemented and the Government of Bangladesh has been partnering with the United Nations Development Programme (UNDP) and different donors in

³ World Bank (2014).

order to improve the livelihoods and living conditions of the poor in Bangladesh with special focus given to the conditions of women and girls. UNDP is supporting programs of settlement improvement and socioeconomic development in 30 towns and cities in addition to policy advocacy efforts. Currently, the project is focusing on 2.5 million slum dwellers, two million urban poor, half of whom are women and girls. The program is focusing on establishing partnerships between local governments, urban poor community groups, civil society and the private sector and also on developing town-level participatory economic growth and poverty reduction strategies.⁴

Figure 10: Poverty Headcount Ratio



Source: Created by author based on World Bank (2014).

There is a big disparity between urban and rural areas of the country as poverty has decreased at different rates in different areas of Bangladesh. The largest poverty reduction has occurred in Chittagong, from 34 percent in 2005 down to 26.2 percent in 2010, followed by Khulna and Dhaka divisions. In general, there have been significant reductions for all divisions of the country, with Sylhet having the lowest reduction at the national level (Bangladesh Bureau of Statistics, 2010).

Still even in the major cities, a big part of the population lives in swamps and dwellings with no access to health care and clean drinking water. The rural population lives in traditional houses, with no electricity and very low standard of living. This comes as a result of a rapidly urbanizing country, which has played an important role in poverty reductions. However, urban poverty and inequality are two major problems arising from such high rates of urbanization. As a result there is a strong need for urbanization strategies, where institutions have to play an important role by alleviating health risks, providing services needed by both stable and poor neighborhoods, and better utilization of land use.

⁴ For further details, see: <http://www.bd.undp.org/content/bangladesh/en/home/ourwork/overview.html>.

Table 4: Incidence of Poverty (Head Count Rate) by Cost of Basic Needs Method

Poverty Line and Division	2010			2005		
	National	Rural	Urban	National	Rural	Urban
1. Using Lower Poverty Line						
National	17.6	21.1	7.7	25.1	28.6	14.6
Barisal	26.7	27.3	24.2	35.6	37.2	26.4
Chittagong	13.1	16.2	4.0	16.1	18.7	8.1
Dhaka	15.6	23.5	3.8	19.9	26.1	9.6
Khulna	15.4	15.2	16.4	31.6	32.7	27.8
Rajshahi (Former)	21.6	22.7	15.6	34.5	35.6	28.4
Rajshahi (New)	16.8	17.7	13.2	...	...	...
Rangpur	30.1	30.8	24.0	...	...	...
Sylhet	20.7	23.5	5.5	20.8	22.3	11.0
2. Using Upper Poverty Line						
National	31.5	35.2	21.3	40.0	43.8	28.4
Barisal	39.4	39.2	39.9	52.0	54.1	40.4
Chittagong	26.2	31.0	11.8	34.0	36.0	27.8
Dhaka	30.5	38.8	18.0	32.0	39.0	20.2
Khulna	32.1	31.0	35.8	45.7	46.5	43.2
Rajshahi (Former)	35.7	36.6	30.7	51.2	52.3	45.2
Rajshahi (New)	29.8	30.0	29.0	...	...	...
Rangpur	46.2	47.2	37.0	...	...	...
Sylhet	28.1	30.5	15.0	33.8	36.1	18.6

Source: Bangladesh Bureau of Statistics (2010).

VII. Conclusion

So far, Bangladesh has taken remarkable steps of improvement in the areas of primary and secondary schooling, women's jobs, girls' education, eliminating hunger, etc. It has made significant progress and it is on the right track to achieve poverty reduction as it continues to promote opportunity, facilitate empowerment and enhance security of its citizens. However, Bangladesh's development faces many threats as corruption remains high in the country, social disparities remain and there is a lack of strong institutions. Continuous improvements in these sectors will ensure a continuous positive growth rate for Bangladesh.

The RMG industry, which will become more reliant on a better educated and more skilled labor force, will continue to make Bangladesh an attractive opportunity for investors. In order for this to happen, Bangladesh needs to take further actions in reducing corruption levels in the country and improving the governance level. The only way that steady positive growth will be

maintained is through a strong corruption-free institutional base, such as a stronger legal system, a reformed public sector and better implementation of projects, especially infrastructure ones. A reduction in the corruption levels will help towards a faster achievement of the MDGs, faster growth of the RMG industry and will also create more opportunities for women and the poor, decreasing in this way poverty and inequality.

The further development of infrastructure is a necessary step in the growth process of Bangladesh. Better buildings and schools need to be constructed, and there is a high need for improved transportation infrastructure. The government should continue to attract foreign investment to help finance the construction of highways, ports and airports, which play such a vital role in building a higher capacity and efficiency of the RMG industry. Employment generation for the underemployed population of Bangladesh is the next priority step that needs to be taken.

Bangladesh should consolidate the achievements and successes that have been attained so far and continue working further in this direction. This will include covering people living in remote areas and minorities that were bypassed by the programs that were implemented in the past. The next step is not to stop in front of accomplishments but to continue working further in the future. Only in this way will inequality and poverty be alleviated.

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