

Can we eradicate extreme poverty in Bangladesh?

WAHIDUDDIN MAHMUD

EXTRME poverty is officially defined in Bangladesh in terms of total living expenses of a family falling short of the cost of minimum food needs. Since a part of spending of such a family will have to be incurred on essential non-food items like fuel or clothing, the minimum calorie needs of the family will not be met at such levels of total spending - hence the distinct categorisation of the extremely poor. According to the estimates based on the official Household Expenditure Survey, the proportion of the extremely poor population declined from 41 percent in 1990 to about 18 percent in 2010. That is a significant achievement; but it is the mopping up of the residual extreme poverty that has proved to be the most difficult challenge for most developing countries.

To a purely academic economist, the first reaction to the idea of complete eradication of extreme poverty in a low-income country like Bangladesh would be one of disbelief; such a goal defies commonly accepted development paradigms and cross-country experience. But Bangladesh has already achieved many seemingly unachievable goals - in reducing child mortality or sending girls to schools or reducing population growth, or delivering microcredit to the poor. So, if any low-income country is a candidate for defying a common economic rule, that country should be Bangladesh.

Why would one consider such a goal to be defying the commonly observed rule of income distribution? Economists are used to drawing the so-called income distribution curve for any country - rich or poor - which shows what percent of the households belongs to what level of income. The curve peaks at about the average

level of income and then tapers off on both sides. The high-income or right-hand tail shows the declining number of the rich with higher and higher income, and the left-hand tail shows the number of the poor households with lower and lower income.

No matter how equitable the income distribution is, the tails are there. If not for anything else, some people are extremely poor because they are just unlucky. At our levels of per capita income, eliminating extreme poverty will mean cutting short the omnipresent low-income-end tail of the income distribution curve - or even making it convex instead of its usual concave shape - so as to ensure that nobody is below a minimum threshold level of income. Straightening the tail of an income distribution curve is almost as difficult as doing that to a dog's tail.

But given those odds, consider the positive side. Sir Partha Dasgupta, a famous Cambridge economist, commented in his seminal book *An Inquiry into Well-Being and Destitution* that no country is so poor that it cannot provide for the basic physical well-being of its entire population. To be able to do that, by implication, there has to be the necessary political will. The political will relates to the whole range of governance-related issues of resource mobilisation for public social spending and the targeting of benefits. Consider this fact: the estimates of so-called poverty gap based on our current income distribution tells us that by redistributing only about 3 percent of our National Income, we can pull everyone out of extreme poverty even this year; but for that, we need to generate that additional resource by taxing the rich and targeting it to the extremely poor. Our tax-GDP ratio of 11 percent compares with Nepal's more than 15 percent, let alone other better-off developing

countries. And evasion of income tax is the weakest link of our tax system. Consider also the fact that, according to the Household Expenditure Survey 2010 of BBS, about half of the beneficiaries of the social safety net programmes are found to belong to non-poor households.

Luckily, we have some advantages. Barring the case of some small disadvantaged ethnic groups, upward economic mobility of people in the Bangladesh society is not characterised by any barriers of class or caste; and Bangladeshi people, though poor, are development aware and aspire for better life. Research has shown 'aspiration' as an important ingredient of economic growth. Poor people in even remote villages in Bangladesh no more take poverty as their destiny, since they have seen their peers to go up the income ladder by one means or another. That's why even poor people send their daughters to school - one of our unique development achievements.

Bangladesh has a rich variety of social protection programmes - catering to the specific needs of the various disadvantaged groups of the population. There working members of the extremely poor families need a guarantee of work for a minimum number of days in a year, particularly during the lean agricultural season in rural areas. The demographically weak households with no earning members will need cash transfers. A recent intensive research study led by Professor Robin Burgess of the London School of Economics has shown that free transfer of productive assets, rather than cash, can be a means of providing sustainable livelihoods for the extreme poor. While a comprehensive social protection strategy needs fine-tuning to cater to the needs of various vulnerable groups of the population, policymakers need to be careful about not creating a jungle of programmes too messy to monitor or programmes having too

small coverage to justify even the costs of delivery.

As a goal, eliminating extreme poverty has the advantage of involving a simple and easily measurable indicator. But we should be aware of the many kinds of deprivations and vulnerabilities hidden behind this single measure. For example, one puzzle about social development indicators in most of South Asia is that the incidence of child malnutrition remains obstinately high in spite of rapid poverty reduction. Likewise, seasonal poverty and hunger may be hidden behind estimates of poverty or food intake adequacy based on annualised estimates. Considerable progress has been achieved in addressing the problem of seasonal hunger, known as *monga*, in the greater Rangpur region; but new pockets of poverty and hunger have emerged in other parts of the country due to environmental degradation and climate change.

The initiatives in combating *monga* in Rangpur have been prompted by widespread public awareness created largely by media reports and civic activism. Amartya Sen has argued that the incentives in democracy are more effective in averting major economic disasters like famines than in addressing the problem of endemic hunger and extreme poverty. The recent public action against *monga* is a testimony that political incentives in a democracy can be created for combating severe incidence of seasonal hunger as well, once the phenomenon catches public attention. However, lack of similar awareness may have resulted in neglect of other regions in Bangladesh that are vulnerable to seasonal poverty and hunger.

The writer is a Country Advisor, International Growth Centre at the London School of Economics.

Poor people in even remote villages in Bangladesh no more take poverty as their destiny, since they have seen their peers to go up the income ladder by one means or another.

A free and fair election may break the ice

GHULAM MUHAMMED QUADER

THE election schedules for Dhaka North, Dhaka South and Chittagong City Corporation have been declared. April, 28th is the voting date. Almost all political parties including the major ones are in the race through candidates backed by them. In addition, there are a good number of independent candidates.

Recently, a debate has been going on about local government elections. Should it be partisan and contested on political party lines in place of the present non-partisan system? The logic in favour is that in reality local government elections are contested on party lines. Political parties give nomination and declare support to a single candidate and force other party aspirants to refrain or withdraw. Candidates who refuse face disciplinary action. Contesting party candidates are not provided with the party symbol as it is legally a non-party election but they use photographs of prominent party leadership in posters, festoons and other publicity materials. Party workers are engaged in electioneering activities in favour of the party candidate. The reason behind keeping it outside party based election is that the people elected would require holding executive power. They would be taking decisions and will be responsible for implementing works related to public interest. In order to maximize public benefit and ensure good governance neutrality and an uncompromising attitude in upholding interest of people are essential.

For the same reason there needs to be a separation between the government and the government party. When a party person is appointed in an executive function like minister, he/she is needed by constitution to perform duties neutrally. Before taking responsibility they are to make commitment by taking an oath as "I will do right to all manners of people according to law, without fear or favour, affection or ill-will". Present day reality however is quite contradictory. Not only are most of the party ministers breaking their vows but they are being

encouraged and sometimes forced to do so by their controlling authorities.

Now if the local government elections are made partisan officially, it could be almost impossible for the elected people to perform tasks maintaining impartiality and prioritizing public interest above that of party people. It will look like an encouragement of a bad practice rather than trying to curb it which should be the goal.

Except Dhaka, all other city corporation elections including Chittagong took place more or less on time and were run by elected mayors. The last Dhaka city corporation election was held in April, 2002. The tenure was for five years and the next election was due in 2007. It was not done under the pretext of some legal complexities. The existing mayor continued as there was no legal provision to hand it over to anybody but the next elected mayor. People started to think that the government was afraid to face the election as it apprehended a defeat and was just making up excuses. Ultimately, the government amended the Dhaka City Corporation law in November, 2011, to make provision for handing over the mayoral position to someone other than the next elected mayor. The city corporation was divided into two parts, Dhaka North and South in the same amendment.

Ultimately, the mayor elected in April, 2002 relinquished his position in November, 2011 after serving for more than nine and half years. From that time till date for more than three and half years Dhaka City Corporations have been administered by government officials. No elections were called. It was widely believed that it was to ensure victory of the ruling party candidates.

Some people considered the holding of the city corporation elections as a trap for the BNP-led opposition alliance. The logic was that if they participated in the election the anti-government movement would lose steam and the situation could be normalized without any positive result. But, the circumstances were already moving towards normalcy.

There was speculation that the government



Campaign posters for city corporation elections are seen hanging in the streets of Moghbazar.

PHOTO: AMRAN HOSSAIN

wanted to win the election without any formidable opposition. It was assumed that the BNP-led opposition would boycott as the main issue was that a fair election was not possible under this government. Now the decision of the BNP to take part has put the government in an awkward position. Some people think that the government might try to win these elections by any means influencing the Election Commission, government

officials etc. That would have dire consequences for the nation.

Others consider this as a good will gesture from government side. By participating, the BNP-led opposition will get an honourable exit from the violent movement they have trapped themselves in.

If that be the case, now that the BNP has decided to take part, it would be the responsibility of the government to extend sincere

cooperation for holding a free, fair and acceptable election for the sake of confidence building. If the ultimate aim is to establish political stability to achieve sustainable peace and prosperity, effective measures are to be initiated by the government to resolve the conflicts as early possible.

The writer is a former Minister and Presidium Member, Jatiya Party.

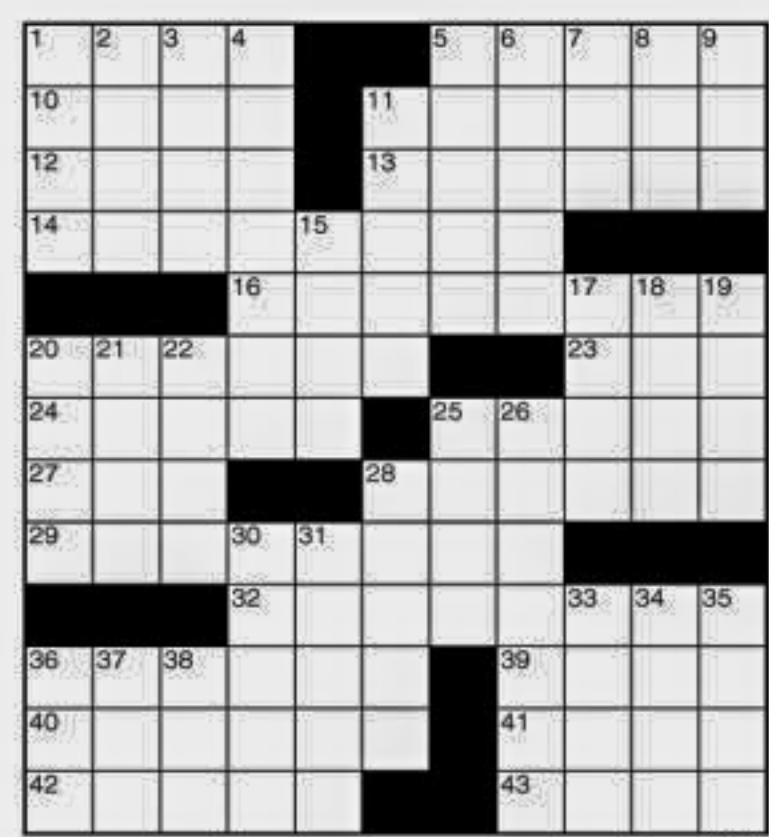
QUOTABLE Quote

Time doesn't take away from friendship, nor does separation.

Tennessee Williams

CROSSWORD by Thomas Joseph

- ACROSS**
- 1 Sharpen
 - 5 1973 loser to king
 - 10 Take on
 - 11 "Wild, man!"
 - 12 Related
 - 13 Like some bagels
 - 14 Round starters
 - 16 Cheap criticisms
 - 20 Luminous rings
 - 23 "My word!"
 - 24 Touches on
 - 25 Steak choice
 - 27 Grazing spot
 - 28 Sheets and such
 - 29 Seasonal safeguards
 - 32 Wanted poster features
 - 36 Washington city
 - 39 Met song
 - 40 Singer Frankie
 - 41 Prepare for a trip
 - 42 Alma--
 - 43 Fraternal group
- DOWN**
- 1 "I didn't hear you"
 - 2 Walk in the woods
 - 3 Buffalo's lake
 - 4 Sawbuck
 - 5 Tirades
 - 6 Limerick people
 - 7 Sticky gunk
 - 8 Colt creation
 - 9 Messy digs
 - 11 Picks up, as a bill
 - 15 Works the soil
 - 17 Eyeball
 - 18 New driver, usually
 - 19 Hardens
 - 20 Sports period
 - 21 Cain's victim
 - 22 Hawaiian do
 - 25 Is the right size
 - 26 Slim and trim
 - 28 Boston airport
 - 30 Beam
 - 31 Comic's forte
 - 33 Vaccine type
 - 34 Watch sound
 - 35 "The Odd Couple" director
 - Gene
 - 36 Orange tuber
 - 37 Gardner of movies
 - 38 Crazy--



Yesterday's answer

D	O	U	R	G	U	F
I	M	P	E	L	L	O
G	E	N	O	A	U	L
A	G	E	T	A	X	F
T	A	X	C	O	D	E
S	T	A	I	S	C	D
M	A	P	L	E		
A	P	P	E	A	R	N
S	P	A	T	A	X	T
T	A	X	H	I	K	E
A	C	T	E	D	S	M
S	H	O	R	E	T	I
H	E	N	S		G	E

CRYPTOQUOTE

EG UGO LGHHGS SXTNT OXT VROX CRK HTRE. YG, ZUJOTRE, SXTNT OXTNT ZJ UG VROX RUE HTRAT R ONRZH. --NRHVX SRHEG TCTNJUG

Saturday's Cryptoquote: THINGS DO NOT PASS FOR WHAT THEY ARE, BUT FOR WHAT THEY SEEM. MOST THINGS ARE JUDGED BY THEIR JACKETS. --BALTASAR GRACIAN

BEETLE BAILEY by Mort Walker



HENRY by Don Trachte

