



## We have come a long way

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Post-1975, key industries like banking, manufacturing and telecommunication began to be privatised and continue to be so till this day. Owing to rapid private sector participation and development, per capita income in Bangladesh rose from USD 100 in 1970s to USD 687 in 2010, slashing poverty by half in

in supporting private sector expansion. The national policy for accelerated poverty reduction and social development emphasised the need for poverty reduction by creating an open and competitive environment conducive to private investment, highlighting exports and rural development. Creation of such an enabling environment assisted in creating jobs and

democracy. Before 1990, coups and military rule dominated Bangladeshi politics which gave way to comparatively steady, democratic rule beginning from 1990, after which the country has mostly been run by two major parties and has experienced relative political stability that helped to foster an environment conducive to local and international businesses. Undisrupted trade and manufacturing has helped foreign and local firms to grow and invest in Bangladesh, increasing per capita income and helped to generate jobs in both urban and rural areas.

**b. Role of NGOs**  
Bangladesh has been one of the most successful cases of NGO intervention. The country currently hosts two of the biggest and most influential NGOs in the world, namely BRAC and Grameen. Grameen introduced and popularised the idea of micro-credit and social business which helped rural communities become financially educated and independent. BRAC, on the other hand, made ample contributions towards improving education, women's health and sanitation which assisted in addressing abject poverty. Landless villagers and marginalised farmers were the poorest in rural Bangladesh. NGOs, through their community based door-to-door social and financial services, and introduction of investment concepts like credit based cooperatives, helped landless, helped the rural population become financially liberated. NGOs also generated employment through investment loans, capacity building training and employment in their organisations. Today, Bangladesh's NGO programmes, especially those dealing with innovative, financial instruments and schemes, are emulated around the world and are helping to lift millions out of poverty.

**Stable food production**  
Bangladesh has increased her food grain production over the last three decades from 11.8 million metric

tonnes in 1974 to more than 34.5 million metric tonnes in 2010-11. The country has also made admirable progress over the past 40 years in achieving food security. With one of the fastest rates of productivity growth in the world since 1995, agriculture accounted for 90 percent of the reduction in poverty between 2005 and 2010. More than 70 percent of Bangladesh's population and 77 percent of its workforce live in rural areas and nearly half of all of Bangladesh's workers and two-thirds in rural areas are directly employed in agriculture. About 87 percent of rural households rely on agriculture for part of their income. In the last 10 years, rice production in Bangladesh has increased at a higher rate than population growth, which assisted in reducing poverty. The daily per capita availability of food grains in Bangladesh has reached the standard food grain requirement or target consumption level of 454 grams in 1997-98 and has always been above the threshold level since. This unprecedented rise in food production has helped Bangladesh tackle its growing population and has significantly helped pulling millions out of poverty.

**Adoption of affordable technology**  
Bangladesh experienced a communication revolution due to the ready availability of affordable mobile and internet connectivity. Proliferation of mobile banking has increased digital financial inclusion and has made conducting businesses easier and faster, thereby contributing to economic growth in both urban and rural Bangladesh. In 2015, mobile technologies and services alone generated 6.2 percent of Bangladesh's GDP. Mobile technologies have particularly been a boon to the rural population whose marginal utility from use of mobile phones is far greater than urban con-

sumers. The rural population suffers from a lack of timely and relevant information, so mobile phones provide villagers across Bangladesh pertinent information and communication which enhanced existing business and created new ones. Mobile communication and mobile banking also significantly reduced the cost of doing business and gave thousands of people outside the formal banking network a chance to digitally conduct cash transfers. Mobile banking services have altered and revolutionised ways in which people from the low income bracket spend, transfer and save money. Less than 30 percent of the 160 million people in Bangladesh hold a formal bank account, hence, the Central Bank vigorously encouraged mobile banking services. Today the number of mobile money users now stands at 23 million, enabling millions to conduct transactions digitally.

**Conclusion**  
Continued support from governments towards market led growth, role of non-government outfits, macroeconomic stability and equitable and forward looking policymaking, all in conjunction assisted in creating an environment conducive to economic development. However, Bangladesh still has 23.6 percent of its population living under the poverty line and several key socioeconomic hurdles to overcome before it can reach middle income status and climb up the Human Development Index. In the end, complete and sustainable poverty alleviation would require further innovative policymaking, political stability, and persistent contribution and commitment from all stakeholders.

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Proliferation of mobile banking has increased digital financial inclusion.

PHOTO: STAR

the process. The private sector today accounts for 93 percent of GDP, 81 percent of total investment, 94 percent of consumption expenditure, and 80 percent of domestic credit. This occurred due to both the major political parties' commitment towards private-sector led growth. Successive governments, in spite of opposing on many fronts, have remained steadfast

generating higher income leading to declining poverty.  
**Development of a more participatory and inclusive political regime**  
**a. Relatively stable political climate**  
In governance development context, 1990 can be seen as a 'Watershed Year' for Bangladesh. The 1990s did away with volatile politics in Bangladesh and ushered in an era of relatively stable

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