

Next budget should prioritise poverty elimination

AN OPEN DIALOGUE



Dr Abdullah Shibli is an economist and currently employed at a nonprofit financial intermediary in the USA. He previously worked for the World Bank and Harvard University.

ABDULLAH SHIBLI

A report recently released by the Bangladesh Institute of Development Studies (BIDS) affirmed that there had been a sharp increase in poverty rates across multiple districts between 2022 and 2024, “with food insecurity reaching alarming levels.” The World Bank finds similar poverty rate trends, which may continue this year with the expected slowdown in the FY25 GDP growth rate. The recent political changes, economic disruption, and high inflation have hit the poorer people hard.

Advocates for the poor can only hope that the upcoming national budget, now being prepared by the interim government (IG), will address the economic well being of the poor and offer additional support for the social safety net programmes. After the last budget in June 2024, a widely circulated news item quoted a resident of Dhaka expressing his dismay after the then finance minister announced the policy measures in the now-dissolved parliament. “This is a strange country. It keeps siding with the rich and dishonest people, leaving its poor alone in extraordinary crisis,” said Nahid Miah, head of a lower-middle-income household and a father of three.

The various commissions and task forces formed by the IG have identified areas of concern that need reforms and suggested policy measures that demand immediate attention. Some of the high priority budget line items relate to the creaky social safety net, employment creation in rural areas, health services for low-income households, and economic inclusion of vulnerable groups.

There are various indications that some segments of lower-income households have, in recent months, experienced destitution, indigence, and food insecurity. Multiple factors have contributed to such hardships.

The head of the IG, Prof Yunus, has been a lifelong champion of the poor, and is well aware of the “*harir khoror*” or family balance sheet of the masses in rural and urban areas. Unfortunately, one of his visions, the total eradication of poverty by 2030, is still not within our reach. Nonetheless, his tenure as the head of the government can be expected to re-energise the “poverty elimination” movement in the country and around the globe.

To reduce poverty in Bangladesh, the



Bangladesh has fallen behind in implementing programmes undertaken for the SDG initiative.

FILE PHOTO: STAR

IG should focus on sustainable economic growth, skills development for the youth, and strengthening social safety nets. The 2025-26 budget has to make provisions to remind ministries to prioritise “corruption free” investment in infrastructure, improving the business environment for SMEs, and promoting inclusive growth through education and health programmes.

Government spending on social safety net programmes, infrastructure, and human capital development can directly and indirectly improve the living standards and economic opportunities of individuals and families struggling with poverty.

Bangladesh has fallen behind in

The previous executive director of Yunus Centre has been appointed as the principal coordinator of SDG affairs in the Chief Adviser’s Office to coordinate the implementation of the SDGs. Since inclusive and equitable distribution of opportunities must be a guiding principle for our leaders, the SDG team must be fully integrated into the budgetary process.

The US government, which provided financial and material support for many of our anti-poverty programmes, has scaled back its contribution. Hence, other sources, including the government and other G7 countries, need to step up to fill the gap. USAID had in the past played a significant

role in food security programmes, disaster relief, and in combating maternal and child mortality. The NGOs and government agencies need to review how the reduction in external resources might impact the poor and other vulnerable groups.

There is a knowledge gap in the government’s data collection efforts. Delays in the release of time-sensitive data are affecting our poverty-oriented

polycymaking. Takahiro Utsumi, head of research at the World Food Programme (WFP) Bangladesh, said they have partnered with European statistics experts and the BIDS to refine small-area poverty estimation. “Our estimates, based on the 2022 Household Income and Expenditure Survey, need updates due to economic downturns and shocks affecting households,” he said. He added that, “Understanding recent poverty trends is crucial for effective polycymaking.”

In the same vein, one needs to add robust management information systems to streamline National Social Security Strategy expenses and strengthen the National Household Database.

An earlier study found that Bangladesh’s social security programmes have high exclusion errors (i.e. leaving out deserving beneficiaries), inclusion errors (including non-deserving beneficiaries), and leakages from the system. Many poor people living in remote areas are “unaware of social protection schemes or cannot access them due to lack of motivation of officials to go to remote sites and create awareness.”

Strengthening the social support network in Bangladesh is crucial and should be a priority in the budget. Bangladesh’s social protection system, which includes programmes like cash transfers, food support, and maternity allowances, should be expanded and improved to better address the needs of the poor and vulnerable.

The new budget must review items on the following checklist for its social programmes: job creation, skills development, enhanced transparency and accountability, reduced corruption, reduced risks from natural disasters and climate change, disaster resilience, and improved agricultural productivity.

A 19-country econometric study found that there is “no clear evidence that higher government spending has played a significant role in reducing income poverty in low- and middle-income countries,” according to a paper published in *World Development*. What this means is that we must strive to do better.

The recent op-ed titled, “The Evolution of Poverty Research in Bangladesh,” on these pages offered an interesting review of the evolution of academic research on poverty. I enjoyed reading the historical narrative of the involvement of some institutions, particularly BIDS, in solicitations of funding and government attention in this critical area. I’d like to mention the pioneering work done by Shopon Adnan of Dhaka University in the early 1970s by his village studies group when we were his students in the economics department. We followed up on that work at the International Food Policy Research Institute (IFPRI) during 1980-83. Our study, jointly conducted by IFPRI and BIDS and funded by the WFP, provided insights into the role of rural infrastructure by using the randomised control trials methodology. Of the total of 16 randomly selected villages, half were from areas with limited infrastructure (roads, electricity, and telecommunication services). Our team leaders were Raisuddin Ahmed of IFPRI and Abdul Gafur, Mahabub Hossain, and Abu Abdullah of BIDS.

The contribution of Prof Anisur Rahman, who was a strong advocate for people’s self development and Participatory Action Research, must also be recognised. He was instrumental in introducing and promoting PAR in Bangladesh through Research Initiatives, Bangladesh (RIB).

Climate change is taking a toll on tea production



Mintu Deshwara is a journalist at The Daily Star.

MINTU DESHWARA

The tea industry of Bangladesh is facing an unprecedented crisis that threatens the country’s economic health and the livelihoods of many. A prolonged heatwave and severe drought, which began at the end of Chaitra (the last month of the Bangla calendar), are wreaking havoc on tea gardens, particularly in Moulvibazar and surrounding districts. The situation is so dire that industry insiders are warning that the sector may fail to meet its 2025 production target of 103 million kilogrammes of tea. In fact, production has consistently fallen short of expectations in recent years. The primary culprit is a combination of extreme weather conditions, poor management practices, and insufficient infrastructure. If immediate action is not taken, this vital sector, which provides jobs for thousands of workers, could be irreparably damaged.

The scale of the problem is evident in the current weather patterns. According to Md Anisur Rahman, in charge of the Sreemangal Meteorological Observatory, typical rainfall during this period should range from 15 to 20mm. However, last year, Sreemangal, considered the tea capital of the country, saw 48mm of rain, while this year, only 4mm of rain has been recorded—a sharp decline that has exacerbated the ongoing drought. The considerably lower rainfall has left the tea estates parched. As a result, they are unable to sustain their crops.

For the tea industry, the timing of the drought could not be worse. January production figures, according to Bangladesh Tea Board Statistical Bulletin, 2025, have already shown a massive shortfall: only

309,000 kg of tea were produced, far below expectations for the month. Tea gardens are entering the critical plucking season, but with no new buds sprouting and existing bushes dying due to the heat, workers are finding it nearly impossible to harvest the leaves required for production. The combined effects of insufficient rainfall and extreme heat are taking a toll on the plants, with around 40 percent of newly planted saplings withering and 10 percent of mature tea bushes suffering significant damage.

The tea industry is inherently vulnerable to the effects of extreme weather, but what makes the current crisis particularly alarming is the degree of damage being done. Heatwaves push temperatures far above the tolerable range for tea bushes, which can withstand temperatures up to 29 degrees Celsius without permanent harm. The lack of shade trees, a critical component in protecting tea bushes from the heat, is compounding the problem.

Tea plants require shade to survive in hot climates, as it allows them to maintain a cooler microclimate underneath the canopy. According to experts, each acre of tea garden should have between 300 and 350 shade trees, yet many gardens no longer maintain these numbers. As a result, without sufficient shade, the plants are at risk of overheating, decreasing the yield and quality of the tea. The lack of shade is a direct consequence of poor management practices, as garden owners have neglected to invest in shade tree planting, choosing instead to focus on maximising the land for tea production.

The situation is further compounded by the scarcity of water. Tea gardens, especially those in more remote regions, rely heavily on natural water sources or small irrigation systems to maintain their crops. However, with water sources running dry, many tea estates are struggling to keep their plantations hydrated. Estate workers, who are already facing increased pressure to maintain the gardens, are now forced to make do with

a socioeconomic one, as many families in tea-growing regions are at risk of losing their jobs or experiencing reduced wages.

Moreover, the tea industry contributes significantly to the country’s export earnings. Any disruption in production has far-reaching consequences, both in terms of revenue and the reputation of Bangladeshi tea in global markets. If the current trend continues, Bangladesh may struggle to

long-term strategies to make the tea gardens more resilient to future climate challenges.

The Bangladesh Tea Board, in collaboration with the Bangladesh Tea Research Institute, must immediately focus on enhancing water management systems across tea estates. Water reservoirs should be built, and more efficient irrigation techniques should be adopted to ensure that every garden has a steady supply of water, even in times of drought. Additionally, efforts must be made to restore shade trees across all tea estates. Not only will these trees help protect the plants from heat stress, but they also contribute to the overall health of the ecosystem in tea-growing regions.

Planting climate-resilient tea varieties should also be prioritised. Several tea varieties are better suited to hotter and drier conditions. These should be incorporated into tea estates to help mitigate the damage caused by rising temperatures. Furthermore, estate managers should receive better training in sustainable agricultural practices, including the maintenance of shade trees, improved irrigation systems, and pest control measures that do not rely on chemicals, which can further harm the environment.

The tea workers themselves must also be given more support. Many of them work under harsh conditions, often with limited resources and low wages. In times of crisis, these workers must be given proper compensation and provided with the necessary tools and training to manage the tea gardens effectively.

Bangladesh’s tea industry is facing a crossroads. Without immediate action, the sector may suffer long-term damage that will have repercussions for the economy, the environment, and the livelihoods of the workers who depend on it. The government, industry leaders, and estate managers must collaborate urgently to implement sustainable practices, improve infrastructure, and provide support to the workers who are at the heart of the industry. If the right steps are taken now, the tea gardens of Bangladesh can survive this crisis and emerge stronger, better equipped to withstand the challenges posed by a changing climate.



Climate change is exacerbating the severity of weather patterns, and the tea industry must adapt to this new reality.

FILE PHOTO: STAR

limited water, which further hampers the growth of the tea bushes.

The tea industry is a cornerstone of Bangladesh’s economy, employing hundreds of thousands of workers, many of whom live in tea estates and depend on the harvests for their livelihoods. As the tea gardens struggle to produce, these workers face severe uncertainty about their income. The crisis is not just an environmental issue but

maintain its position as a key player in the global tea trade, and the long-term effects could be devastating for the economy.

While the current drought and heatwaves are unusual, they are not isolated events. Climate change is exacerbating the severity of weather patterns, and the tea industry must adapt to this new reality. Experts have pointed out the need for both short-term solutions to manage the current crisis and