The Basic MIMAP Poverty Profile (BMPP): Bangladesh

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1.   Introduction

With a low level of income and pervasive poverty, development priorities in Bangladesh increasingly focus on efficient growth policies and provision of basic services to the poor. The underlying factors that create and perpetuate poverty involve a number of dimensions e.g. low growth and unequal distribution of growth benefits; inadequate access to employment, basic services and resources by the poor; inequitable distribution of assets, technology and socioeconomic opportunities; low productivity and wages; underdeveloped infrastructure and other structural processes. The persistence of poverty, moreover, reflects the poor's varying state of vulnerability coupled with deprivation.[1] The poor differ in economic, social, geographic, physical and other characteristics so that reliance on increasing income alone is not likely to lead to sustained poverty reduction in the country. Poverty in Bangladesh has many dimensions and requires a multi-strategy solution.

In order to facilitate regular monitoring of the incidence of poverty using a comprehensive framework, the Basic MIMAP Poverty Profile (BMPP) of Bangladesh reflects the MIMAP philosophy of a multidimensional concept of poverty.   The multidimensionality of the concept has been captured through selected indicators in key economic and social dimensions relevant to monitoring changes in poverty and supporting policy design and assessment. The choice of indicators is guided by two considerations: availability of information and the proposed common framework of poverty profile across the MIMAP network of countries. The broad areas under which indicators have been included cover: income/expenditure, employment, nutrition, education, health, water/ sanitation, housing, assets and services.[2] The BMPP for Bangladesh, however, includes indicators in two supplementary areas e.g. access to credit and crisis/crisis coping for which MIMAP-Bangladesh generates information at the national level.   The indicators have been disaggregated, subject to availability of data, for the poor and the non-poor as well as for rural and urban areas in appropriate cases. The BMPP combines information collected through the Poverty Monitoring Survey (PMS) under MIMAP-Bangladesh with information from different sources to provide a comprehensive picture of poverty in Bangladesh.

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[1]   This brings out the importance of conceiving poverty within a broader framework entailing various forms of deprivation and not limited to purchasing power alone. For example, issues of capability and entitlement, participation, empowerment, vulnerability and crisis-coping capacity, intra-household and gender disparities, and other social concerns become important elements to address in alleviating poverty in Bangladesh.

[2]   The proposed poverty dimensions for BMPP across the MIMAP countries include these nine areas.

2. Demographic Characteristics

Bangladesh, with an area of 147,570 square km and estimated population of 130.2 million in 2000, reveals demographic dynamics and associated transformation which have significant implications on poverty. The total population was 89.9 million 1981 and 111.5 million in 1991 (Table 2.1). The present rate of population growth is estimated at 1.5 per cent per annum which was around 2.5 per cent in the 1970s. Despite rapid decline in population growth rate, the annual addition to the total population is around 2 million which is not likely to decline in the near future. The effects of decline in fertility will be more than offset by the number of women entering the reproductive age. The age structure of the population that exists in the country also has important implications for future development. The population age profile during 1996 suggests that about 40 per cent of the population is below the age of 15 years. The coming years, therefore, will witness a continuing growth in total population as well as a steady increase in school age and working age populations.

In 2000, the average density of population increased to 882 per square km from 609 in 1981. Another important factor in demographic movements is the rural-urban distribution of population. During 1981, 84 per cent of the population lived in rural areas. The share declined to 75 per cent in 2000.

Table 2.1

Demographic Characteristics

			1981	1991	2000
1.	Total area (square km)		147,570	147,570	147,570
2.	No. of households (million)		15.1	20.0	...
		Rural	12.9	16.0	...
		Urban	2.2	4.0	...
3.	Population (million)		89.9	111.5	130.2
		Female	43.6	54.2	...
		Male	46.3	57.3	...
	Rural		75.8	89.0	97.4
		Female	37.4	43.9	...
		Male	38.4	45.1	...
	Urban		14.1	22.5	32.8
		Female	6.2	10.3	...
		Male	7.9	12.2	...
4.	Female headed households (per cent)[a]				
		Rural	8.7		
		Urban	8.9		

a   Data refer to 1997.

Source: Bangladesh Bureau of Statistics, *Population Census 1981 and 1991*, BBS/MIMAP-Bangladesh, *Poverty Monitoring Survey 1997*.

The regional distribution of population is given in Table 2.2

Table 2.2

Regional distribution of population

| Division | Area (square km) | | Population (million) | | | |
| | | | 1991 | | 1997 | |
	Total	Per cent	Total	Per cent	Total	Per cent
Barisal	13,297	9.0	7.8	7.0	8.5	6.8
Chittagong	33,771	22.9	21.9	19.6	24.3	19.6
Dhaka	31,119	21.1	33.9	30.4	38.6	31.1
Khulna	22,274	15.1	13.2	11.8	14.7	11.8
Rajshahi	34,531	23.4	27.5	24.7	30.3	24.4
Sylhet	12,596	8.5	7.2	6.5	7.8	6.3
Bangladesh	147,570	100	111.5	100	124.2	100

Source: Bangladesh Bureau of Statistics, *Statistical Year Book of Bangladesh,1998.*

3.   Income and Expenditure

3.1   Income and Expenditure Per Capita

The private per capita consumption in real terms has consistently increased during the 1990s which indicates a favourable impact on poverty[3]. This is particularly true for those poor households which subsist around the poverty threshold (Table 3.1).

Table 3.1

Trends in real annual expenditure per capita

(Constant 1984/85 prices)

	Expenditure (Taka)
1990/91	3,854
1994/95	3,968
1999/00	4,772

Note: Current consumption figures have been adjusted by the GDP deflator.

Source: Bangladesh Bureau of Statistics, National Accounting Wing.

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[3]   The inequality in the distribution of consumption is much less than the distribution of income in the country. One of the major factors that contribute to less inequality in expenditure distribution is the greater dependence, particularly of the poor households, on subsistence production and access to common property resources.

The monthly per capita expenditure of the poor and the non-poor in rural and urban areas reveals substantial variations (Table 3.2). There exist both rural-urban and poor-nonpoor disparities in expenditures. The rural poor are observed to spend 78 per cent and the urban poor 72 per cent of total expenditures on food in 1999 compared to 69 per cent and 58 per cent for the nonpoor in rural and urban areas respectively.

Table 3.2

Monthly per capita expenditure

(Taka at constant prices)

		Rural		Urban	
		Poor	Nonpoor	Poor	Nonpoor
1997	Total	172	392	254	830
	Of which:				
	Food	131	258	169	405
	Non-food	41	134	85	425
	(Education)	(2.04)	(12.02)	(6.17)	(54.68)
	(Medicare)	(2.14)	(7.08)	(2.82)	(22.06)
1999	Total	184	448	275	808
	Of which:				
	Food	144	309	199	470
	Non-food	40	139	76	338
	(Education)	(5.68)	(8.96)	(4.31)	(33.82)
	(Medicare)	(5.42)	(7.73)	(3.10)	(13.39)

Note: Current expenditures have been deflated by cost of living indexes of rural and urban areas respectively.

Source: BBS/MIMAP-Bangladesh, *Poverty Monitoring Survey 1997 and 1999.*

The trends in annual per capita income in real terms, used as money-metric indicator instead of real expenditure, is presented in Table 3.3.

Table 3.3

Per capita income and GDP growth Rate

(constant 1984/85 prices)

Year	Per capita GDP (Taka)	GDP growth rate (per cent)
1985/86	4,216	4.3
1990/91	4,694	3.4
1994/95	5,137	4.4
1997/98	5,681	5.7
1999/00	6,157	6.0

Source: Ministry of Finance, *Bangladesh Economic Review 2000.*

The growth rate of real GDP started to increase consistently in the 1990s. During 1995-2000, annual growth rate of GDP was 5.6 percent generating nearly 4 percent growth in real per capita income. The rate is much higher than the long-term growth of per capita incomes of 1.5 percent and 0.5 percent recorded respectively for periods 1973-88 and 1965-88.

The monthly per capita income of the poor and the nonpoor in rural and urban areas also reveals wide variations (Table 3.4).

Table 3.4

Monthly per capita income

(Tk. at constant prices)

	Rural		Urban	
	Poor	Nonpoor	Poor	Nonpoor
1995	221	487	289	1,058
1997	205	510	282	1,301
1999	244	466	405	1,020

Note: Current incomes have been deflated by cost of living indexes of rural and urban areas respectively.

Source: BBS/MIMAP-Bangladesh, *Poverty Monitoring Survey, 1995, 1997 and 1999.*

The distribution of households by sources of income reveals the dominance of agriculture in the rural areas (Table 3.5). In rural areas, 56 per cent of the households derive

their income mostly from agriculture compared to 9 per cent of the urban households. In contrast, non-agriculture is the principal source of income for 56 per cent of urban households and 33 per cent of the rural households.

Table 3.5

Distribution of households by main income sources, 1999

(per cent)

Income sources	Rural			Urban		
	Poor	Nonpoor	Total	Poor	Nonpoor	Total
Wages & salary	5.0	10.8	8.3	20.3	38.0	30.9
Agriculture	57.4	54.2	55.6	13.1	5.8	8.7
: Self employment	24.1	49.3	33.4	7.4	4.6	5.7
: Daily wage	33.3	13.9	22.2	5.7	1.2	3.0
Non-agriculture	34.1	32.0	32.9	63.2	50.5	55.6
: Self employment	19.4	23.6	21.8	35.8	40.3	38.5
Daily wage	14.7	8.4	11.1	27.4	10.2	17.1
Others[a]	3.5	3.0	3.2	3.4	5.7	4.8
Total	100	100	100	100	100	100

a   Include pension, rent income, donation, charity and others.

Source: BBS/MIMAP-Bangladesh, *Poverty Monitoring Survey 1999.*

3.2   Poverty and Distribution

Poverty in Bangladesh is the outcome of interacting factors rooted in the structural processes of the society which reflect various aspects of deprivation. While income and livelihoods are major factors, equally important concerns are insecurity, routine vulnerability to crisis and exposures to a wide variety of socio-economic risks, limited ownership or access to productive resources, social discrimination and exclusion, inadequate availability of basic services, and limited human capabilities.

The income or consumption dimension of poverty reveals the extent to which actual levels of income or consumption of households or individuals fall below a poverty line that represents a minimum acceptable standard. The 1995/96 Household Expenditure Survey, conducted by the Bangladesh Bureau of Statistics (BBS), indicates that 47.1 percent of the rural population lived below the poverty line in 1995/96 compared to 61.9 percent in 1983/84

(Table 3.6). In the urban areas, the incidence of poverty declined to 49.7 percent in 1995/96 from 67.7 percent in 1983/84[4]. Two broad characteristics of poverty trends over the 1984-1996 period may be noted. First, the decline in poverty is rather slow and, given the fact that about 80 percent of the population live in rural areas, poverty remains mainly as a rural problem. Second, there has been some inter-period variation in poverty reduction, particularly in the category of 'hard core' poor who live below the lower poverty line.

Table 3.6

Incidence of poverty, 1984-1996

				(percent)
	Year	Rural	Urban	National
A.	Poverty line I			
	1995/96	47.1	49.7	47.9
	1991/92	47.6	46.7	47.5
	1988/89	47.8	47.6	47.8
	1985/86	54.7	62.6	55.7
	1983/84	61.9	67.7	62.6
B.	Poverty line II			
	1995/96	24.6	27.3	25.1
	1991/92	28.3	26.3	28.0
	1988/89	28.6	26.4	28.4
	1985/86	26.3	30.7	26.9
	1983/84	36.7	37.4	36.8

Note: Poverty estimates are based on the direct calorie intake method. The figures refer to percentage of the population whose calorie intake is below the level indicated in the respective poverty lines. Poverty line I is based on daily intake of 2122 kcal per person except for 1983/84 and 1985/86 when the estimates refer to 2200 kcal/person/day. For poverty line II, the estimates refer to intake of 1805 kcal/person/day except 1983/84 and 1985/86. For these years, the basis is 1800 kcal/person/day.

Source: Bangladesh Bureau of Statistics (BBS).

The recent trends in poverty can be assessed using information from the Poverty Monitoring Survey (PMS) conducted by BBS in collaboration with MIMAP-Bangladesh.

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[4] The 1995/96 Household Expenditure Survey also employed an alternative method, known as the cost of basic needs method, to estimate the incidence of poverty. The head count index, which shows the percentage of the population who live below the poverty line, suggests that the national head count index is 53.1 per cent in 1995/96: 56.7 per cent in rural areas and 35.0 per cent in urban areas. This has been termed as the upper poverty line. The very poor, who live below the lower poverty line, constitute 35.6 per cent of the population at the national level: 39.8 per cent in rural areas and 14.3 per cent in urban areas. The two poverty lines differ due to lower and upper non-food allowances to obtain the poverty lines. See BBS *Household Expenditure Survey 1995-96*.

The PMS estimates are based on the Foster-Greer-Thorbecke (FGT) class of poverty measures which reveal three aspects of poverty dimension: incidence, depth and severity. The headcount index is taken as a measure of incidence of poverty while its depth and severity are given by poverty gap and squared poverty gap respectively. The head count index measures the proportion of the people who live below the poverty line while poverty gap estimates how far below the poverty line the poor are on the average as a proportion of the line offering an idea of the minimum resources needed to close the gap. The squared poverty gap considers both the distance separating the poor from the poverty line and the inequality that exists among the poor.

Table 3.7

Recent incidence of poverty, 1996-1999

(percent)

Year	Head-count index			Poverty gap		Squared poverty gap	
	Rural	Urban	National	Rural	Urban	Rural	Urban
1996	47.9	44.4	47.0	12.0	14.2	4.4	6.1
1997	46.8	43.4	46.0	11.2	13.5	3.9	5.8
1998	47.6	44.3	46.7	12.3	13.6	4.6	5.7
1999	44.9	43.3	44.7	11.0	11.1	4.0	4.2

Note: The poverty lines refer to calorie intake of 2122 kcal/person/day in rural areas and 2112 kcal/person/day in urban areas. The head-count index refers to incidence while poverty gap and squared poverty gap measure depth and severity of poverty respectively. For interpretation of the poverty measures, see footnote 5.

Source: BBS/MIMAP-Bangladesh, *Poverty Monitoring Survey, 1999.*

The results suggest that the incidence of poverty has declined to 44.7 percent in 1999 from 47.1 percent in 1996 at the national level. Over the 1996-1999 period, the decline has been from 47.9 percent to 44.9 percent in the rural areas and from 44.4 percent to 43.3 percent in the urban areas. The incidence, however, is higher in the rural areas. Two significant achievements may be noted: first, fluctuations in poverty incidence have now largely been avoided despite floods and other natural calamities; second, the conditions of the extreme poor, particularly in the urban areas, show improvements.

3.3   Income Distribution

Estimated values of Gini-coefficient for selected years are presented in Table 3.8. As a summary measure, the coefficient indicates the state in distribution of income in the country.

Table 3.8

Gini index for income distribution

Region	1983/84	1985/86	1988/89	1991/92	1995/96
Rural	35.0	36.0	36.8	36.4	38.4
Urban	37.0	37.0	38.1	39.8	44.4
National	36.0	37.0	37.9	38.8	43.2

Source: Report on Household Expenditure Survey (Various Years).

An important observation is that higher economic growth and reduced poverty is associated with higher inequity in income distribution during the last decade. Inequality is higher in urban than in rural areas and has increased over time in both sectors, especially between 1991/92 and 1995/96. Urban inequality has increased more than rural inequality. Decomposition of the national Gini coefficient by sector indicates that the increase in national Gini was due not only to rising inequality within sectors, but also to rising inequality between the urban and rural sectors. The between-sector component of the decomposition increased substantially, particularly between 1991/92 and 1995/96.

Extreme disparity is observed in income accruing to population groups classified by income decile. At the national level, the top 5 percent of the population controlled 23.62 percent of income in 1995/96, which was 18.85 percent in 1991/92 and 18.30 percent in 1983/84. The income share of the lowest 5 percent of the population was 0.88 percent, 1.03 percent and 1.17 percent in 1995/96, 1991/92 and 1983/84 respectively. The income share of top 10 percent was 34.68 percent, 29.23 percent, and 28.30 percent respectively in 1995/96, 1991/92 and 1983/84. While for the lowest 10 percent the corresponding figures are 2.24 percent, 2.58 percent and 2.89 per cent.

Recent estimates of Gini values based on Poverty Monitoring Surveys suggest that income distribution has improved over the 1996 to 1999 period. In the urban areas, the Gini coefficient of income distribution has been 0.37 in 1998 compared to 0.43 in 1996 while, for expenditure distribution, the figures are 0.33 in 1998 and 0.35 in 1996. In the rural areas, the Gini coefficient of income distribution declined from 0.38 in 1996 to 0.31 in 1998. The Gini coefficient for rural expenditure distribution, however, increased from 0.21 in 1996 to 0.23 in 1998.

4. Employment

Agriculture sector continues to be the main employer engaging nearly 65 percent of employed population in the 1990s. Agriculture is followed by service sector employing 22 percent. The share of labour employed in manufacturing sector averaged around 11 percent during 1990s.

Table 4.1

Employment Structure

Employment Structure (%)									
	LFS 84	LFS 85	Av. 80	LFS 90	LFS 91	LFS 96	Av. 90		
Agriculture	58.80	57.70	58.25	64.90	66.40	63.10	64.80		
Manufacturing	8.90	9.30	9.10	13.90	11.80	7.50	11.07		
Construction	1.70	1.90	1.80	1.30	1.10	1.80	1.40		
Services	30.20	30.80	30.50	18.00	20.60	27.30	21.97		
Trade	11.60	12.50	12.05	8.20	8.50	11.20	9.30		
Communication	3.90	4.00	3.95	2.50	3.20	4.20	3.30		
Personal & Household	14.20	13.60	12.90	6.80	8.30	12.10	8.87		
Rate of Migration (per 1000 population)									
	1985	1986	1987	Av. 80	1990	1991	1992	1993	Av. 90
Rural to Urban Migration	4.29	6.48	4.06	4.94	4.46	5.62	6.74	6.89	5.93

Note: Employment shares are based on Labour Force Survey (LFS), and migration statistics are obtained from Sample Vital Registration System, BBS (1995).

Labour market indicator such as relatively high values of the index of real wage of non-agriculture compared to agriculture sector suggests that Harris-Todaro (1970) type incentives are in operation in Bangladesh to allure people to migrate from rural areas to urban areas. People do migrate[5] from rural areas to urban areas but they are not absorbed in industrial (and formal) sector rather they are mostly absorbed in the informal service sector[6].

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[5] Rate of migration from rural to urban areas has increased on average from 4.94 per 1000 population during 1980s to 5.93 per 1000 population in 1990s.
[6] It is revealed that real income differential between urban to rural areas and the probability of securing an urban job are the two incentives which stimulate rural to urban migration.

Within the services sector most of them have been absorbed in trading activities (i.e. 9.3 percent) and transport and personal services (i.e. 6 percent).

Table 4.2

Sectoral Distribution of Employment

1984-85

(Per cent)

Major Activity	Urban			Rural			Total		
	Male	Female	Both Sex	Male	Female	Both Sex	Male	Female	Both Sex
Agriculture, Forestry, Fishing	9.34	0.89	8.39	70.57	11.16	65.58	62.33	9.34	57.67
Mining and Quarrying	0.08	0.00	0.07	0.00	0.00	0.00	0.01	0.00	0.01
Industry	17.49	15.08	17.22	6.16	28.14	8.00	7.68	25.82	9.28
Electricity, Water and Gas	1.07	0.00	0.95	0.21	0.19	0.21	0.33	0.16	0.31
Construction	4.81	1.11	4.39	1.59	0.57	1.51	2.02	0.67	1.90
Trade Services	26.10	4.43	23.66	11.18	5.01	10.66	13.19	4.91	12.46
Transport and Storage	13.50	1.33	12.13	2.97	0.19	2.74	4.39	0.39	4.04
Finance, Business, Services	3.60	2.66	3.49	0.26	0.00	0.24	0.71	0.47	0.69
Community, Personal Services	21.79	19.07	21.49	6.14	13.54	6.76	8.25	14.52	8.80
Household Sectors	2.22	55.43	8.21	0.91	41.20	4.30	1.09	43.72	4.84
Not Adequately Defined	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
All Sector	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

1995-96

Major Activity	Urban			Rural			Total		
	Male	Female	Both Sex	Male	Female	Both Sex	Male	Female	Both Sex
Agriculture, Forestry, Fishing	12.77	34.93	18.89	65.43	83.83	72.87	54.44	63.95	63.25
Mining and Quarrying	0.16	0.04	0.12	0.04	0.00	0.02	0.07	0.04	0.04
Industry	14.81	20.05	16.26	5.77	5.29	5.58	7.66	7.96	7.48
Electricity, Water and Gas	0.65	0.22	0.53	0.17	0.04	0.12	0.27	0.21	0.19
Construction	3.93	0.56	3.00	2.47	0.36	1.61	2.77	1.36	1.86
Trade Services	29.26	4.99	22.56	13.14	1.95	8.61	16.50	9.59	11.10
Transport and Storage	13.84	0.71	10.21	4.82	0.14	2.93	6.70	3.97	4.23
Finance, Business, Services	1.94	0.37	1.51	0.22	0.03	0.15	0.58	0.57	0.39
Community, Personal Services	21.07	28.09	23.01	6.95	5.47	6.36	9.90	9.84	9.33
Household Sectors	1.56	10.04	3.90	0.98	2.88	1.75	1.10	2.51	2.14
Not Adequately Defined	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
All Sector	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

According to the extended definition[7], the estimated number of labour force in 1995-96 was 56 million of which 34.7 million were male and 21.3 million were female (Labour Force Survey 1995/96). Regional composition is skewed towards to rural areas with 45.8 million in rural areas compared to 10.2 million in urban areas.

Estimated total employment was 54.6 million envisaging an unemployment rate of only 2.5 percent (Table 4.3). However, low rate of unemployment is somewhat misleading. An important, yet disturbing, feature of labour market in Bangladesh is the prevalence of high rate of under employment. According to LFS 1995/96, rates of under employment were 35 percent, 20 percent and 38 percent respectively for national, urban and rural levels (Table 4.4). It is also reported that under-employment is much higher among female workers than their counterparts both at national and regional levels. Unemployment among the educated youth is one of the major problems in Bangladesh. The educated labour force in 1995/96 was 24.7 million and educated unemployment rate is estimated at about 4.4 percent (LFS, 1995/96).

Table 4.3

Unemployed Population Aged 10 Years and Over

Region	Both Sex		Male		Female	
	No. of unemployed* population ('000)	Unemploy-ment rate	No. of unemployed* population ('000)	Unemploy-ment rate	No. of unemployed* population ('000)	Unemploy-ment rate
Bangladesh	1417	2.5	931	2.7	486	2.3
Urban	455	4.5	324	4.4	131	4.6
Rural	962	2.1	607	2.2	355	1.9

Source: BBS, Labour Force Survey (LFS) 1995/96.

*A person of age 10 years and over is considered as unemployed if he/she did not work at all during the preceding week of survey and was actively looking for work or was available for work but did not work due to temporary illness or because there was no work available.

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[7] Under the extended definition a large number of persons particularly womenfolk in agro-based rural households who perform various non-market production activities are included in the economically active population. Thus, the number of labour force under this definition is significantly higher than the usual or conventional definition.

Table 4.4

Under-employed population Aged 10 Years and Over

(million)

Category	Bangladesh			Urban			Rural		
	Both Sex	Male	Female	Both Sex	Male	Female	Both Sex	Male	Female
Employed persons*	54.6	33.8	20.8	9.7	7.0	2.7	44.8	26.7	18.1
Employed persons (<35 hrs/week)	18.9	4.2	14.7	1.9	0.7	1.2	17.0	3.5	13.5
Under-employment rate**	34.6	12.4	70.7	19.6	10.0	44.4	37.9	13.1	74.6

Source: BBS, Labour Force Survey (LFS) 1995/96.

*Employed person is a person who was either working one or more hours for pay or profit or working without pay in a family farm or enterprise or organisation during the reference period or found not working but had a job or business from which he/she was temporarily absent during the reference period.

**Those who worked less than 35 hours per week as percentage of the total number of employed population.

The labour force participation rate (LFPR) which was 65 percent in 1995/96 has been highly gender differentiated with 78 percent for male and 51 percent for female. While the LFPR is higher in the rural areas, prevalence of under employment is also higher in rural areas. It has been reported that low-return wage employment accounts for only 26 percent of total employed days among the non-poor whereas for the extreme and moderate poor groups it stands at 59 and 44 percent respectively.

On the whole, given the present employment situation, substantial scope exists for employment generation and improvement of under employment situation in the rural areas and particularly for women who are in a disadvantageous situation compared to their male counterpart.

Real Wages

Another important element in assessing poverty in Bangladesh is the movement in real wage rates. Since wage earnings constitute a major share of total incomes of the poor households, any increase in wage rates is likely to raise the incomes of the poor. Despite the

counteracting growth of the labour force at a rapid rate, the real wage rates of all categories of labour have increased although the growth of agricultural wage rate is relatively low. The performance of agricultural wage rate, however, should be seen in the background of the fact that more than 60 percent of the civilian labour force are employed in agriculture while the contribution of agriculture is less than one-third to the total GDP.[8]

Along with increases in nominal wage rate of agricultural labourers who constitute the most vulnerable group in poverty, the purchasing power of agricultural wage has also increased. During 1996/97, the index of coarse rice equivalence of the daily agricultural wage rate increased to 121 from 100 in 1990/91.

Table 4.4

Real Wage Rate Indices, 1991-1998

				(Base: 1969/70=100)
Year	General	Agriculture	Manufacturing	Construction
1990/91	107	95	114	107
1991/92	107	98	113	104
1992/93	113	105	119	109
1993/94	114	106	121	106
1994/95	111	103	121	100
1995/96	114	104	123	105
1996/97	120	109	130	111
1997/98	122	107	137	114

Source: Bangladesh Bureau of Statistics (BBS).

5.   Nutrition

Poverty and nutritional deprivations are closely linked. There exists strong empirical evidence of interrelationships between nutritional intakes and human productivity. The productivity of the poor is low since they are unable to meet the minimum nutritional requirements.

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[8]   In terms of employment, agriculture still remains as the largest sector with more than 63 per cent of total employed labour of 54.6 million in 1995/96. The bulk of recent employment generation has, however, occurred in the informal sector.

Table 5.1 compares the recommended minimum intake for balanced nutrition with actual intake of different food items for the poor and the non-poor.[9] For the poor, substantial deficit in food intake, compared to the minimum, is revealed in the aggregate as well as for individual food items. The deficit is more pronounced in case of protein-rich items e.g. pulses, oils and fats and livestock products compared to cereals. The per capita calorie intake of the poor is also low (Table 5.2). The average daily per capita calorie intake for the poor is estimated at 1932 kcal in rural areas and 1923 kcal in urban areas in 1999. An important feature of the dietary pattern is the overwhelming dominance on cereals: in the rural areas, 75 per cent of total calorie intake for the poor is derived from rice while another 6 per cent from other cereals in 1999. Similar shares are 69 per cent and 9 per cent in the urban areas during the year.

Table 5.1

Per capita intake of food items

(gm/day/person)

	Recommended minimum intake[a]	Rural			Urban		
		1992	1997		1992	1997	
			Poor	Non-poor		Poor	Non-poor
Rice	390	481	425	506	416	392	386
Other cereals	100	42	30	59	55	43	79
Tubers & vegetables	225	176	165	226	209	171	227
Pulses	30	17	11	21	22	14	24
Oils & fats	20	9	7	13	16	11	26
Spices	10	26	24	40	36	38	45
Fruits	50	16	5	23	23	8	65
Sugar/gur	10	9	6	17	11	6	21
Fish	45	32	21	42	48	21	54
Meat & eggs	34	12	6	29	20	13	51
Milk	30	18	10	41	23	13	63
Total	944	838	710	1017	879	730	1041

a   Norm of minimum food intake required for balanced nutrition as specified by the Bangladesh National Nutrition Council.

Source: Bangladesh Bureau of Statistics, *Household Expenditure Survey 1991-92* and BBS/MIMAP-Bangladesh, *Poverty Monitoring Survey 1997*.

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[9] The poor and the non-poor are defined in terms of poverty lines which refer to calorie intake of 2122 kcal/person/day in rural areas and 2112 kcal/person/day in urban areas.

Table 5.2

Per capita calorie intake

(kcal/capita/day)

		1995			1999		
		Poor	Non-poor	Total	Poor	Non-poor	Total
Rural							
	Total	1885	2543	2244	1932	2555	2288
	of which:						
	Rice	1511	1750	1642	1444	1647	1650
	Other cereals	64	166	119	119	207	169
Urban							
	Total	1896	2452	2217	1923	2508	2274
	of which:						
	Rice	1315	1360	1341	1334	1352	1345
	Other cereals	169	253	218	167	289	240

Source: BBS/MIMAP-Bangladesh, *Poverty Monitoring Survey, 1995 and 1999.*

Another important aspect of nutritional deprivation is the trends on child anthropometry which has important implications for inter-generational mobility and future growth prospects. Anthropometric measures are based on physical manifestations of under nutrition with age, weight and height revealing different aspects of nutritional status of children. The weight-for-height or wasting reflects deficit in tissue and fat mass compared to that of a normal child of the same height which may occur due to growth failure or loss of weight. On the other hand, height-for-age or stunting reveals reduced skeletal growth compared to that of a normal child of the same age. Finally, weight-for-age or underweight as an indicator of nutritional deprivation combines both short and long term consequences of undernutrition. Severity of malnutrition may be indicated by using different cut-off points vis-a-vis the reference median weight-for-age.

Table 5.3 shows the nutritional status of children aged 6-71 months in Bangladesh. The incidence of underweight at the national level has been declining: 57 per cent in 1996 compared to 72 per cent in 1986. While the trends are similar across rural and urban areas, the incidence is higher in rural areas. The rate of stunting at the national level has declined from 69 per cent to 51 per cent over the 1986-1996 period indicating long term improvement in nutritional status of the children. The rural-urban difference, however, persists. The rate of wasting, however, has increased from 15 per cent in 1986 to 17 per cent in 1996 at the

national level. While the situation has marginally improved in urban areas, the rural areas have suffered a deterioration with the rate of wasting increasing from 15 per cent in 1986 to 17 per cent in 1996.

Table 5.3

Nutritional status of children, 1986-1996

(Per cent)

Indicator	1986					1996				
	Rural	Urban		National		Rural	Urban		National	
			Total	Boys	Girls			Total	Boys	Girls
Under weight	72.4	63.8	71.5	69.5	73.8	59.3	46.3	57.4	56.8	58.1
Stunted	70.0	58.2	68.7	67.1	70.5	52.8	42.9	51.4	51.6	51.2
Wasted	14.9	13.7	14.8	13.9	15.9	17.2	13.3	16.6	15.9	17.3

Note: The data refer to children aged 6-71 months. Underweight indicates weight-for-age equal to or less than -2SD of NCHS median, stunted refers to height-for-age equal to or less than -2SD of NCHS median, and wasted refers to weight-for-height equal to or less than -2SD of NCHS median.

Source: Bangladesh Bureau of Statistics, *Child Nutrition Survey of Bangladesh 1995-96.*.

The incidence of severe malnutrition among the children has also declined (Table 5.4). The share of severely malnourished children in the country has declined from 30 per cent in 1986 to 18 per cent in 1996: from 31 per cent to 19 per cent in rural areas and 20 per cent to 12 per cent in urban areas. The gap between rural-urban incidence has also narrowed: from 10 per cent to 7 per cent over the 1986-1996 period.

The results suggest considerable improvements in the overall nutritional status of children in Bangladesh. This is true for a range of nutritional indicators which reveal physical manifestations of undernutrition. Despite the progress, around 60 per cent of the children still suffer from some form of malnutrition.

Table 5.4

Prevalence of severe malnutrition, 1986-1996

(Per cent)

	1986	1996
Rural	30.9	18.9
Urban	19.9	12.0
National	29.7	17.9

Note: The data relates to children aged 6-71 months. Severe malnutrition refers to weight- for -age less than -3SD of NCHS reference population according to Z score categories.

Source: Bangladesh Bureau of Statistics, *Child Nutrition Survey of Bangladesh 1995-96.*

6.   Education

The government attaches high priority to education. Annual public expenditure on education is nearly 3 percent of GDP while private sector contribution is about 1.6 percent making the total expenditure on education at around 4.6 percent of GDP. Almost 16 percent of the national budget is allocated to the education sector. The share of primary education is nearly 50 percent of the education budget. At the primary education level, programmes are underway for making it accessible to all.

Table 6.1

Status of Education Indicators

Indicators	1995	1998
Adult Literacy Rate (% of 15 plus)	43.2	58.0
Adult Literacy Rate (Male:Female)	55.6:38.1	52:48
Gross Enrollment Ratio in Primary School	92	96.2
Primary Enrollment Ratio (Male:Female)	52.6:47.4	52.2:47.9
Gross Enrollment Ratio in Secondary School	43.3	48.3
Secondary Enrollment Ratio (Male:Female)	53.8:46.2	53.1:46.9

Table 6.1 reveals the progress in several key education indicators. The rate of adult literacy has increased from 43 percent to 58 percent and gross enrolment ratios for primary and secondary level have also shown improvements between 1995 and 1998. As a result of increased and diversified schooling opportunities, enrolment at the primary level increased to 92 percent in 1995 and now stands at 96 percent. For the secondary level, corresponding figures are 43 percent and 48 percent respectively. It is also revealed that female participation has also been improved in 1998 compared to 1995.

7.   Health

Bangladesh has made remarkable progress in the health sector during the last two decades, which are clearly vindicated by trends of the following major health sector indicators:

- Rise of the life expectancy,

- Substantial reduction of infant and child mortality

- Decline in maternal mortality rate

- Reduction of total fertility rate

- Improving the provision of and accessibility to available services by the rural and poor segment of the population.

- The success of EPI program and treatment of diarrhoea diseases.

Table 7.1
State of Health Indicators in Bangladesh

Indicators	1995	1998
Life Expectancy at Birth	58.7	60.8
Maternal Mortality Rate (per 1000)	4.4	4.2
Infant Mortality Rate (per 1000 below 1 year)	71	57
Under 5 Child Mortality Rate (per 1000 live birth, 1-5 age group)	12	9.2
Household Access to Safe Water (% household)	89.0	96.6
Access to Sanitary (% household)	21.0	35.8
Total Fertility Rate (birth per women)	3.45	2.98
Contraceptive Prevalence Rate (%)	41.4	51.8
Crude Birth Rate (per 1000 persons)	26.5	19.9
Crude Death Rate (per 1000 persons)	8.4	4.8
Population per Physician	4956	4574
Population per Nurse	9076	8177
Population per Hospital Bed	4284	4221

It is observed that the major health indicators recorded significants improvement between 1995 to 1998. In particular, the infant mortality rate has been reduced from 71 per 1000 in 1995 to 57 in 1998. Life expectancy at birth has increased from 58.7 years in 1995 to over 60 in 1998. On the other hand, maternal mortality and under 5 mortality have declined from 4.4 and 12 in 1995 to 4.2 and 9.2 respectively in 1998. Total fertility rate has reduced to 2.98 compared to 3.5 in 1995. The contraceptive prevalence rate has also showed significant improvement with 52 percent of the child bearing women reported using contraceptives compared to 41 percent in 1995. Almost 36 percent of all households have access to sanitary facility in 1998 compared to 21 percent in 1995. Provision of health services such as

population per physician, nurse and hospital bed has also shown significant improvement between 1995 to 1998. Population per physician, nurse and bed has lessened by 7.7 percent, 9.9 percent and 1.5 percent respectively over the 1995 to 1998 period.

8.   Water/Sanitation

Improving the access of the population to sustainable water supply and sanitation services is difficult and complex in Bangladesh especially under conditions of rapid population growth and limited resources. Despite such constraints, the achievement in water supply coverage is significant. For drinking purpose, 95 per cent of the population in rural areas use tubewell water while 99 per cent in urban areas use piped and tubewell water (Table 8.1). The difference between the rich and the poor in access to drinking water is also small. The expansion in coverage in quantitative terms, however, does not necessarily reveal the quality of available services.[10] The use of safe water for other household purposes is low, particularly in the rural areas.

Table 8.1
Access to potable water, 1997

(Per cent)

Source	Water for drinking			Water for other household uses		
	Poor	Non-poor	Total	Poor	Non-poor	Total
Rural						
Piped water	...	...	...	...	...	...
Tubewell	95.1	95.0	95.0	42.0	38.4	40.0
Well	3.1	1.9	2.5	4.4	3.2	3.7
Pond	1.1	1.3	1.2	40.9	45.9	43.7
River/canal	0.5	1.7	1.2	12.3	12.2	12.2
Others	0.2	0.1	0.1	0.4	0.3	0.4
Total	100	100	100	100	100	100
Urban						
Piped water	20.8	38.4	31.0	16.4	49.6	35.7
Tubewell	77.4	61.2	68.0	57.6	34.5	44.3
Well	0.6	0.2	0.4	3.0	0.7	1.7
Pond	0.6	0.1	0.3	8.5	9.6	9.2
River/canal	0.6	0.1	0.3	13.1	5.3	8.6
Others	...	...	...	1.4	0.3	0.5
Total	100	100	100	100	100	100

Source: BBS/MIMAP-Bangladesh, *Poverty Monitoring Survey 1997*.

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[10] For instance, despite significant coverage, the serious arsenic contamination in tubewell water for drinking purpose is not captured in the data. Moreover, the problem disproportionately affects the rural areas compared to the urban areas.

In case of access to hygienic sanitation, only 27 per cent in the rural areas and 74 per cent in the urban areas use flash, sanitary (pucca) and slab facilities which are considered as hygienic (Table 8.2). The difference between the rich and the poor is also significant: 16 per cent of the poor have access to hygienic sanitation in rural areas compared to 36 per cent of the non-poor. In urban areas, 54 per cent of the poor enjoy access to hygienic sanitation as against 88 per cent of the non-poor.

Table 8.2

Access to sanitation, 1997

(Per cent)

Type of facility	Rural			Urban		
	Poor	Non-poor	Total	Poor	Non-poor	Total
Flash toilet	...	...	...	3.0	22.4	14.3
Sanitary (pucca)	2.4	9.5	6.3	31.3	48.2	41.1
Slab	13.5	26.4	20.6	19.6	17.8	18.6
Katcha	45.2	45.2	45.2	6.9	2.6	4.4
Open space	36.5	17.7	26.2	39.2	9.0	21.6
Others	2.4	1.2	1.7	...	...	...
Total	100	100	100	100	100	100

Source: BBS/MIMAP-Bangladesh, *Poverty Monitoring Survey 1997*.

9.   **Housing**

The housing structure and the condition of the households significantly affect the living standards of individual members and their capacity to perform basic household functions.

The distribution of households by wall and roof materials of the main housing structure in both rural and urban areas is given in Table 9.1. In the rural areas, the proportion of households with tiles/C.I./metal sheet, wood and brick/cement as wall and roofing materials has increased from 15 per cent in 1991 to 21 per cent in 1995/96. In the urban areas, similar proportion is estimated at 41 per cent in 1991 and 60 per cent in 1995/96.

The differences in roofing materials of the main housing structure in terms of the poor and the non-poor are shown in Table 9.2. In 1997, 53 per cent of the rural poor had roofing

materials made of brick/cement, C.I. sheet and bamboo/wood/tiles compared to 73 per cent of the non-poor. In the urban areas, the proportion of the poor having roofs with similar materials was 92 per cent and, among the non-poor, 98 per cent.

The average floor space is also higher for the non-poor compared to that of the poor: by 66 per cent in rural areas and 23 per cent in urban areas (Table 9.3). The average number of persons per room is 4.8 for the poor and 4.4 for the non-poor in rural areas. In urban areas, the number is 4.3 for the poor and 2.7 for the non-poor.

Table 9.1

Distribution of households by wall and roof materials of the main housing structure

(Per cent)

Wall material	Roofing material							
	Straw/bamboo		Tiles/C.I./metal sheet		Cement		Total	
	1991	1995-96	1991	1995-96	1991	1995-96	1991	1995-96
Rural								
Straw/bamboo	37.02	27.08	22.27	23.04	...	...	59.29	50.12
Mud/unburnt brick	13.05	11.90	11.41	14.09	...	...	24.46	25.99
CI/metal sheet, wood	1.33	3.13	11.83	16.28	...	...	13.16	19.41
Cement/brick	0.08	0.21	2.07	3.13	0.94	1.14	3.09	4.48
Total	51.48	42.32	47.58	56.54	0.94	1.14	100	100
Urban								
Straw/bamboo	22.42	10.63	20.35	16.59	...	...	42.77	27.22
Mud/unburnt brick	5.07	3.33	9.81	7.26	...	...	14.88	10.59
CI/metal sheet, wood	0.93	1.56	11.76	14.24	...	...	12.69	15.80
Cement/brick	0.40	0.57	11.34	18.20	17.92	27.62	29.66	46.39
Total	28.82	16.09	53.26	56.29	17.92	27.62	100	100

Source: BBS, *Population Census 1991* and *Household Expenditure Survey 1995-96*.

Table 9.2

Roofing materials of main housing structure and its distribution, 1997

(Per cent)

Roofing material	Rural			Urban		
	Poor	Non-poor	Total	Poor	Non-poor	Total
Brick/cement	1.9	3.6	2.8	12.9	46.9	32.6
C.I. sheet[a]	48.8	65.4	57.9	66.1	45.8	54.3
Bamboo/wood/tiles	2.5	3.7	3.2	13.3	5.6	8.0
Straw	42.2	22.0	31.2	0.4	...	0.2
Others[b]	4.6	5.3	4.9	7.3	1.7	4.9
Total	100	100	100	100	100	100

a   Corrugated iron sheet
b   Include mud, jute stick, leaves and other materials.

Source: BBS/MIMAP-Bangladesh, *Poverty Monitoring Survey 1997*.

Table 9.3

Average floor space and number of persons per room, 1997

Roofing material	Average floor space (sq.ft.)			No. of persons		
	Poor	Non-poor	Total	Poor	Non-poor	Total
Rural						
Brick/cement	220	325	293	4.6	4.6	4.6
C.I. sheet[a]	238	391	333	5.0	4.6	4.7
Bamboo/wood/tiles	145	227	198	4.9	4.2	4.5
Straw	169	213	186	4.5	4.0	4.3
Others	172	260	224	4.6	4.3	4.4
Total	203	337	276	4.8	4.4	4.6
Urban						
Brick/cement	170	229	222	3.6	2.4	2.5
C.I. sheet[a]	174	147	159	4.3	3.2	3.6
Bamboo/wood/tiles	80	93	84	5.2	3.8	4.7
Straw	98	...	98	2.7	...	2.7
Others[b]	75	77	75	4.8	3.7	4.4
Total	155	190	179	4.3	2.7	3.2

a   Corrugated iron sheet

b   Include mud, jute stick, leaves and other materials.

Source: BBS/MIMAP-Bangladesh, *Poverty Monitoring Survey 1997*.

10.   Assets

In rural Bangladesh, where the majority of the poor live, household incomes depend largely on asset ownership, primarily land.[11] The changes in land ownership pattern can be seen from Table 10.1. The major trend is that of growing pauperization rather than concentration of landholdings. Due to extreme pressure of population on limited land resources, increasing dominance of small and marginal farmers is evident. Only 28,000 households owned land holdings in sizes of 25 acres or more in 1984 and the number has declined to 19,000 in 1996. At the other end, 6.4 million (46 per cent of rural households) were functionally landless (owning less than 0.5 acres) in 1984; the number has grown to 10 million (56 per cent of all rural households) by 1996. The number of landless households increased by 3.4 per cent per year compared to 2.1 per cent for all rural households. The large land owner category (with more than 7.5 acres), constitutes only 2.1 per cent of all rural households in 1996 compared to 3.8 per cent in 1984.

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[11] According to the recent poverty surveys, more than 80 per cent of the total poor in the country live in rural areas.

Table 10.1

Distribution of landownership

Size of land-ownership (acre)	1984		1996		Annual rate of growth (per cent)
	No. of households (thousand)	Per cent of households	No. of households (thousand)	Per cent of households	
Nil	1,198	8.7	1,815	10.2	3.4
0.01-0.49	5,200	37.6	8,172	45.8	3.7
0.50-2.49	4,639	33.6	5,473	30.7	1.4
2.50-4.99	1,598	11.6	1,458	8.2	-0.8
5.00-7.49	650	4.7	541	3.0	-1.6
7.50-24.99	504	3.6	350	2.0	-3.0
25.00 & above	28	0.2	19	0.1	-3.2
Total	13,818	100	17,828	100	2.1

Source: Bangladesh Bureau of Statistics, *Report of Agricultural Census, 1983-84 and 1996.*

The pattern of distribution of landholdings reveals that medium and large holdings are increasingly subdivided, due largely to demographic pressures, leading to an increase in the number of small and marginal farms.   The proportion of medium and large farms has declined from 27 per cent in 1984 to 19 per cent in 1996 whereas that of marginal and small farms increased from 73 per cent in 1984 to 81 per cent in 1996 (Table 10.2). The share of operated land has also changed: for large and medium holdings declining from 71 per cent in 1984 to 59 per cent in 1996 and increasing from 29 per cent to 41 per cent for small and marginal farmers over the same period.

Table 10.2

Pattern of distribution of landholdings

Farm size[a] (acre)	1984			1996		
	No. of holding (thousand)	Per cent of total holding	Per cent share of operated land	No. of holding (thousand)	Per cent of total holding	Per cent share of operated land
Marginal farms	3,373	30.6	3.1	4,277	33.6	4.9
Small farms	4,659	42.3	26.2	6,066	47.7	36.5
Medium farms	2,483	22.6	44.9	2,078	16.4	41.3
Large farms	496	4.5	25.8	298	2.3	17.3
Total	11,002	100	100	12,719	100	100

a	The definitions of farm size distribution are as follows: marginal farms (0.1 to 0.49 acres), small farms (0.50 to 2.49 acres) medium farms (2.50 to 7.49 acres) and large farms (7.50 + acres).

Source: Bangladesh Bureau of Statistics, *Report of Agricultural Census, 1983-84 and 1996.*

The land tenure situation is revealed in Table 10.3. Most of the tenants are owner-cum-tenants who have some land of their own and rent-in some additional land for better capacity utilization of farm assets (e.g. family labour and draft animals). The structure of tenurial arrangements reveals the prevalence of both share cropping and fixed rent and other practices (Table 10.4). The sharecropping tenancy is usually considered exploitative which provides disincentives to agricultural investments and the adoption of input-intensive new technologies. The tenants prefer to adopt fixed-rent tenancy and medium-term leasing arrangements to grow input-intensive modern varieties to reap additional returns from higher investments on agricultural inputs. For rain-fed crops, the preference is for share cropping arrangements to minimize risks in cultivation due to floods, droughts or other natural calamities.

Table 10.3

Land distribution by tenancy, 1996

(Per cent)

Size of farm holding[a]	No. of farms (million)	Operated area (million acre)	Owner		Tenant		Owner-cum-Tenant	
			No.	Area	No.	Area	No.	Area
Small	9.42	8.22	62.6	56.6	4.0	3.1	33.4	40.3
Medium	2.08	8.28	56.8	57.5	1.4	1.3	41.8	41.2
Large	0.30	3.46	64.2	65.5	0.7	0.6	35.1	33.9
Total	11.80	19.96	61.6	58.5	3.5	1.9	34.9	39.6

a   Size of farm holding as follows: small (0.05 to 2.49 acres), medium (2.50 to 7.49 acres) and large (7.50 acres and above).

Source: Bangladesh Bureau of Statistics, *Agricultural Census 1996.*

Table 10.4

Type of tenancy, 1996

Size of farm	Small	Medium	Large	Total
Share cropping				
Percent of holdings taking land	21.8	27.2	13.0	22.9
Per cent of share cropped land in total operated land	15.5	12.5	4.8	13.4
Fixed rent and others				
Per cent of holding	17.8	20.8	19.6	18.4
Per cent of area	10.1	7.0	6.1	8.2

Note: For definition of farm size, see footnote under Table 10.3.

Source: Bangladesh Bureau of Statistics, *Agricultural Census 1996.*

Land ownership is significantly associated with poverty in the rural areas. Households with no land face a higher probability of being poor and poverty falls as the size of landownership increases. During 1999, 67 per cent were poor among the landless while the incidence of poverty was 50 per cent among the small landowners (with less than 2 acres). In contrast, only 18 per cent of the large landowners (with 5 acres or more) were poor (Table 10.5).

Table 10.5

Poverty incidence by landownership

(Head count ratio in per cent)

Landownership class[a]	1995	1999
Landless	72.9	66.6
Small	52.8	49.6
Medium	29.5	26.3
Large	17.9	17.5
Total	46.8	44.9

a   The definitions of landownership class are as follows: landless (no operated land), small (owning less than 2 acres), medium (owning land between 2 and 5 acres) and large (owning land of 5 or more acres).

Source: BBS/MIMAP-Bangladesh, *Poverty Monitoring Survey, 1995 and 1999*.

The poverty status of the households is also determined by the tenurial status of operated land (Table 10.6). In the rural areas, owner farmers are less likely to be poor followed by owner-cum-tenant farmers. The tenant farmers are more vulnerable to poverty with half of them living below the poverty line in 1999.

Table 10.6

Poverty incidence by tenurial class, 1999

(Head count ratio in per cent)

Tenurial	Head count ratio
Owner farmers	28.2
Tenant farmers	49.9
Owner-cum-tenant farmers	40.4

Source: BBS/MIMAP-Bangladesh, *Poverty Monitoring Survey, 1999*.

The ownership pattern of productive assets reveals marked variation across rural and urban areas as well as among the poor and the non-poor (Table 10.7). The value of assets per urban household is almost three times that of rural household on the average. For the non-poor households, the average asset value is nearly 200 per cent higher in the rural areas compared to the poor. In urban areas, the disparity is much higher: the average asset value of the nonpoor is five times that of the poor. The ownership of agricultural equipment across different farm sizes also reveal substantial inequity with the large farmers owning a greater share of such assets along with land (Table 10.8). The provision of sustainable livelihood options through ownership and access to productive assets is thus a key element in ensuring economic security and socioeconomic rights of the poor.

Table 10.7

Ownership of productive assets, 1999

(Taka)

Type of assets[a]	Rural			Urban		
	Poor	Nonpoor	Total	Poor	Nonpoor	Total
Productive assets	14,210	38,076	27,912	22,635	100,324	69,697
Transport equipment	510	2,575	1,696	895	10,197	6,530
Other assets	5,430	17,919	12,485	11,263	60,129	40,865
Total	20,150	58,570	42,093	34,793	170,650	117,092

a   The asset value refers to average per household. Other assets include non-productive assets e.g. household durables, kitchen equipment and others.

Source: BBS/MIMAP-Bangladesh, *Poverty Monitoring Survey 1999*.

Table 10.8

Ownership of agricultural equipment

(Per cent)

Size of farm holding	Small	Medium	Large	Total
Holdings with ownership of:				
Tractor	0.1	0.3	6.5	0.2
Power tiller	0.5	2.3	76.1	1.1
Spray machine	17.1	21.9	87.0	18.7
Threshing machine	0.8	0.9	10.8	0.8

Source: Bangladesh Bureau of Statistics, *Agricultural Census 1996.*

11. Services

The distribution of households with access to electricity reveals significant rural-urban disparity (Table 11.1). In 1994, only 14 per cent of the rural households had access to electricity compared to 76 per cent of the urban households. Similar disparity in types of fuel use for household purposes is also noticed. The poor, particularly in the rural areas, are overwhelmingly dependent on leaves, straw, cowdung and other sources for meeting their fuel needs.

Table 11.1

Distribution of households with access to electricity and fuel facilities

(Per cent)

A. Access to electricity		
	1991	**1994**
Rural	7.2	13.9
Urban	68.3	76.4

B. Fuel use by type						
		Rural			**Urban**	
	1991	**1997**		**1991**	**1997**	
		Poor	**Nonpoor**		**Poor**	**Nonpoor**
Firewood	42.7	19.4	40.2	57.6	52.5	42.7
Kerosene	0.4	1.5	1.9	2.3	1.8	2.0
Natural gas	0.2	...	...	20.4	17.6	46.5
Electricity	0.4	0.1	0.3	5.1	2.4	6.2
Others[a]	56.3	79.0	57.6	14.6	25.7	2.6
Total	100	100	100	100	100	100

a   Others include leaves, straw, cowdung etc.

Source: BBS, *Population Census 1991* and BBS/MIMAP-Bangladesh, *Poverty Monitoring Survey 1997*.

12. Credit

The access to credit can be viewed as a means to overcome the constraint of the poor's lack of ownership of productive resources other than labour. The objective of targeted credit programmes in Bangladesh is to create opportunities for productive employment and income earning opportunities for the poor. Over the years, Bangladesh has emerged as a pioneer in innovating and successfully managing microcredit programmes for the poor and disadvantaged groups.

The access to credit from institutional and non-institutional sources in rural and urban areas is given in Table 12.1. It can be seen that the Grameen Bank and the NGOs have emerged as the main source of institutional credit, particularly for the poor households in the country. In case of non-institutional credit, relatives and friends are the dominant source for both poor and nonpoor households.

Table 12.1

Distribution of households by credit sources

(Per cent)

		Rural				Urban			
		1997		1999		1997		1999	
		Poor	Nonpoor	Poor	Nonpoor	Poor	Nonpoor	Poor	Nonpoor
1.	**Institutional**	**40.0**	**31.1**	**43.4**	**49.4**	**29.5**	**28.7**	**27.6**	**27.0**
	Banks	7.3	11.9	12.2	21.3	3.8	12.4	5.1	12.8
	Grameen Bank	20.4	11.0	11.1	10.5	3.8	...	6.8	1.9
	NGOs	9.2	5.4	16.5	13.0	13.3	4.7	10.7	6.4
	Cooperatives/Groups	3.1	2.8	3.6	4.6	8.6	11.6	5.0	5.9
2.	**Non-institutional**	**60.0**	**68.9**	**56.6**	**50.6**	**70.5**	**71.3**	**72.4**	**73.0**
	Relatives & friends	40.6	47.5	34.8	32.1	48.6	59.7	49.5	53.0
	Money lenders	11.8	10.7	16.9	12.8	12.4	9.3	9.6	8.7
	Others	7.6	10.7	4.9	5.7	9.5	2.3	13.3	11.3
	Total	100	100	100	100	100	100	100	100

Source: BBS/MIMAP-Bangladesh, *Poverty Monitoring Survey 1997 and 1999.*

The use of credit by major activities is given in Table 12.2. Some variations may be observed in the use of credit by poor and nonpoor households. A substantial proportion of credit is used to finance other activities by both the poor and nonpoor groups which include, among others, financing small business activities, educational expenses of children, and travel and other costs of household members seeking overseas employment.

Table 12.2

Use of credit by rural and urban households

(Per cent)

	Rural				Urban			
	1997		1999		1997		1999	
	Poor	Nonpoor	Poor	Nonpoor	Poor	Nonpoor	Poor	Nonpoor
Crop production	13.4	15.0	15.9	18.3	...	...	6.0	3.9
Purchase of:								
Livestock animals	6.4	6.8	15.2	11.3	...	...	8.4	6.0
Essential household items	32.2	19.8	19.3	13.4	26.7	16.3	24.1	16.6
Land	4.8	2.5	2.4	3.6	4.8	3.9	1.4	3.8
Construction/repair of house	5.9	13.8	8.6	10.7	21.9	33.3	10.3	14.3
Medical expenses	3.4	6.5	5.8	5.7	14.3	10.6	8.9	9.4
Others	33.9	35.6	32.8	37.0	32.3	35.9	40.9	46.0
Total	100	100	100	100	100	100	100	100

Source: BBS/MIMAP-Bangladesh, *Poverty Monitoring Survey 1997 and 1999.*

13. Crisis and Crisis-Coping

An important characteristic of poverty in Bangladesh is the process of vulnerability. The process operates through the relatively high incidence of crisis among the poor households e.g. crop loss, natural disasters, economic crisis and uncertainty, illness and related expenses, death of income earners, lack of socioeconomic security and other life-cycle and social events. While such crisis-events are often recurrent in nature, an important implication of these events is the problem of income erosion of the poor households both through crisis-related expenditures and reduction in income-earning capabilities. The nature of crises faced by rural and urban households is given in Table 13.1. It can be seen that large medical expenses due to illness of the family members and crop loss due to natural calamities are the two major crises that are faced by the households.

Table 13.1

Nature of crises faced by households

(Per cent)

| | Rural | | | | Urban | | | |
| | 1997 | | 1999 | | 1997 | | 1999 | |
	Poor	Nonpoor	Poor	Nonpoor	Poor	Nonpoor	Poor	Nonpoor
Death of income earner	4.8	4.3	5.2	3.3	8.0	...	22.3	15.8
Unexpected medical expenses	24.2	41.7	29.6	27.9	28.0	36.6	22.4	30.4
Crop loss	17.7	16.6	23.2	28.4	...	...	13.0	4.4
Theft/robbery	1.6	4.3	2.3	4.4	12.0	7.3	3.6	7.8
River erosion	17.7	3.1	4.0	0.9	...	...	0.8	1.2
Dowry payment	5.8	4.3	2.5	2.7	...	9.8	4.8	5.6
Others	28.2	25.7	33.2	32.4	52.0	46.3	33.1	34.8
Total	100	100	100	100	100	100	100	100

Source: BBS/MIMAP-Bangladesh, *Poverty Monitoring Survey 1997 and 1999.*

The households adopt different measures to cope with crisis-events (Table 13.2). The use of past savings and borrowings are the common measures adopted by most households. The marked inadequacy in crisis-coping capacity is thus an important dimension of both rural and urban poverty in Bangladesh and reliance on increasing income alone is not likely to lead to sustained poverty reduction in the country. Along with increased income, actions are needed to support capacity building to protect the poor against shocks and increase the poor's access to resources and markets. This will help the poor to enhance their crisis-coping capacity and cope better with risks of income erosion.

Table 13.2

Crisis-coping measures adopted by households

(Per cent)

	Rural				Urban			
	1997		1999		1997		1999	
	Poor	Nonpoor	Poor	Nonpoor	Poor	Nonpoor	Poor	Nonpoor
Past savings	6.4	12.9	11.8	16.6	24.0	24.4	15.2	14.8
Sale of land	5.6	14.7	4.6	4.0	4.0	4.9	4.9	3.6
Sale of other assets	6.5	4.3	5.1	4.2	4.0	...	1.6	1.5
Loan from money lenders	14.5	11.7	14.5	9.8	12.0	12.2	17.2	14.1
Loan from relatives/friends	21.8	12.3	10.7	6.3	32.0	41.5	14.9	9.9
Land mortgage	4.8	11.7	3.8	5.1	...	2.4	4.0	5.6
Others	40.4	32.4	49.5	54.0	24.0	14.6	42.2	50.5
Total	100	100	100	100	100	100	100	100

Source: BBS/MIMAP-Bangladesh, *Poverty Monitoring Survey 1997 and 1999*.

14. Concluding Remarks

The Basic MIMAP Poverty Profile (BMPP) of Bangladesh highlights the multidimentional nature of poverty suggesting the need to adopt a comprehensive approach to poverty reduction. The prime concern of the strategy requires to generate high economic growth which is necessary for widening economic opportunities, providing resources for human and non-human investments and creating the foundation to increase returns from such investments. The adopted policies should aim to promote a structure of economic growth that has a high capacity to reduce poverty by strengthening the channels through which the benefits of growth reach the poor and increasing the efficiency with which the sectoral linkages cater to the needs and demands of the poor. This requires actions on a broad front to enhance the 'voice' of the poor and provide better access to them within a broad asset framework: physical assets for increasing productivity and income; human capital to enhance capabilities and take advantage of new opportunities; financial assets to undertake better livelihood options; natural assets to ensure sustainability through environmental conservation and common property resource management; social capital through mobilization at the grassroots level; and political capital through empowerment and participation.

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