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Development: Where Do We Stand?

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Bangladesh has achieved the status of a 'lower middle-income' country 44 years after emerging as a sovereign state. Along the way, it achieved some successes in improving several development indicators such as life expectancy, primary school enrolment, infant mortality rate, maternal mortality, etc. But how remarkable are these achievements in relation to the attainments of other countries?

The objective of this write-up is to provide a relative comparison of some key development indicators of Bangladesh with those of other South Asian Association for Regional Cooperation (SAARC) member countries, viz. Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. Afghanistan has been excluded, considering its difficult political and security situation as well as the unavailability of some data.

There is much variation in the literacy rate among the SAARC members. Bangladesh, Bhutan, Pakistan, and Nepal have fairly similar low literacy rates. Maldives and Sri Lanka have very high literacy rates, while India has a moderately high rate. All these countries, except Sri Lanka, which already had very high literacy rates, achieved large increases in their literacy rates since 1981.

Gross primary school enrolment (the ratio of total enrolment, regardless of age, to the population of the age group that officially corresponds to the level of primary education) has also shown a very large improvement. For Bangladesh, it was only 50 percent in 1971, but it more than doubled to 114 percent by 2011 (The World Bank, 2010; The World Bank, 2015). The table shows that all countries attained very high primary enrolment rates suggesting that much attention was given to primary education. These numbers, however, do not indicate how many successfully completed primary education or what the quality of this education was in terms of the three R's (reading, writing, and arithmetic).

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Table: Development Indicators of SAARC Countries

Indicators	Year	Bangladesh	India	Pakistan	Sri Lanka	Nepal	Bhutan	Maldives
Literacy rate, adult total (% of people age above 15)	2011	59	74	55	91(2010)	57	55(2012)	98(2006)
	1981	29	41	26	87	21	--	--
School enrolment, primary (% gross)	2011	114	113	92	99	143	112	105(2007)
	1971	51	78	47	103	42(1972)	20	139(1980)
Life expectancy at birth, total (years)	2013	71	66	67	74	68	68	78
	1980	55	55	58	68	48	45	52
Mortality rate, infant (per 1,000 live births)	2013	33	41	69	8	32	30	8
	1980	134	114	122	39	141	135	107
Maternal Mortality (Per 100,000 live births)	2015	176	174	178	30	258	148	68
	1990	569	556	431	75	901	945	677
Health expenditure per capita (current US\$)	2013	32	61	37	102	39	90	720
	1995	11	16	15	24	11	22	93
Access to electricity (% of population)	2012	60	79	94	89	76	76	100
	1990	22	51	60	78	70	66	94
Access to electricity, urban (% of urban population)	2012	90	98	100	100	97	100	100
	1990	67	86	93	97	100	100	100
Internet users (per 100 people)	2014	10	18	14	26	15	34	49
	1999	0.04	0.27	0.06	0.35	0.15	0.14	1.12
Inflation, consumer prices (Arithmetic mean - 2006-14)		7.75	8.80	11.09	9.17	8.79	7.21	7.01

Source: The World Bank Group, the WHO

According to World Bank sources, the expected life expectancy of the people of India, Pakistan, and Sri Lanka was higher than that of Bangladesh in 1980. The life expectancy of the people of the Maldives was, however, lower than that of Bangladesh in 1980. But since then, a very large increase in the expected longevity was achieved by the people of the Maldives, who now have the highest longevity in the region. Bangladesh also made large gains, and by 2013 the longevity increased by almost 20 years. Now only the Maldives and Sri Lanka have higher expected longevity than Bangladesh. This is a remarkable achievement on the part of Bangladesh and suggests a marked improvement in basic health care, including immunization.

The Maldives and Sri Lanka have the lowest infant mortality rate of 8 per 1000 live births. In 1971, the Maldives had an infant mortality rate of 168 and Sri Lanka 39. The remaining SAARC countries also achieved large reductions in infant mortality rates during this period. The reduction achieved by Bangladesh was more than that of India and Pakistan, but less than the other countries. Some authors, including Amartya Kumar Sen, spoke highly about Bangladesh doing better than India on the health front, but it was seldom mentioned that with a per capita income of only about three-fifths of that of Bangladesh, Nepal also achieved remarkable results.

According to the report 'Trends in Maternal Mortality 1990 to 2015' (done jointly by WHO, UNICEF, UNFPA, World Bank Group, and the United Nations Population Division), the Maldives took great strides among the SAARC countries in reducing maternal mortality. It reduced the maternal mortality rate by 90 percent from 677 to 68 per 100,000 live births between 1990 and 2015. Bhutan reduced the maternal mortality rate by 85 percent over the same period. Nepal reduced it by 72 percent. Bangladesh reduced the rate by 70 percent from 569 to 176 per 100,000 live births during this period. It fell short of the Millennium Development Goals (MDGs) target level of 75 percent. India, Pakistan, and Sri Lanka achieved reduction rates of 69, 59, and 60 percent, respectively. However, it should be understood that the reduction rate does not necessarily indicate the actual situation at the terminal year. Although Sri Lanka achieved nearly the lowest reduction rate, its actual maternal mortality rate was far better than any of the SAARC countries.

It is evident that Bangladesh has done well in terms of several health indicators. A paradox raised by these is that Bangladesh also happened to spend the lowest amount on health. It spent much less than Nepal and Pakistan and only about half of India. It is not clear how Bangladesh could attain much better outcomes on the health front with so few resources, or alternatively, why these other countries could not do as well with higher spending! Bangladesh may have a story to tell.

Although access to electricity is essential both for households and industries, the access rate of the people of Bangladesh to this basic facility is, unfortunately, the lowest among the SAARC countries, as shown in the table. Despite the initiatives taken by the government to increase electricity production, the rate of increase in access to electricity is not very satisfactory. While only 60 per cent of the total population of Bangladesh had access to electricity in Bangladesh in 2012. The comparable figure was 76 percent for the poorest country in the table, viz. Nepal.

The urban population of Bangladesh had much greater access to electricity, with 90 percent of the urban dwellers connected to electricity. The urban dwellers of the other countries fared much better with almost everyone having access to electricity. According to the World Bank report 'Doing Business 2016', Bangladesh ranked 189 among 189 economies on the ease of getting access to electricity (The World Bank, 2014).

Bangladesh is also a laggard among the member countries of the SAARC in terms of internet users in the country. There was very little use of the Internet in the SAARC countries in 1999; less than 1.0 percent of the people of all SAARC countries used the Internet. After 15 years (2014) only 10 per cent of the people in Bangladesh had access to internet facilities. The comparable figures were 18, 14, 26, 15, 34, and 49 percent for India, Pakistan, Sri Lanka, Nepal, Bhutan, and the Maldives, respectively. Data show a low level of internet penetration in SAARC countries, with the mainland countries except Bhutan doing the worst. Bangladesh has not been able to take advantage of the digital technology drive of the government despite being densely populated. The much-uttered 'Digital Bangladesh' has remained a political slogan only (The World Bank, 2014; The World Bank, 2015; WHO, 2015).

Through appropriate monetary management in recent years, Bangladesh has been able to contain the inflation rate at a 10-year average of 7.94 percent. This is a middling performance better than four of the SAARC countries, but worse than two. Except for Pakistan, the inflation rates of the other countries do not vary a great deal. It may be mentioned that this period has been a generally low inflation period around the world.

Bangladesh was able to reduce poverty as measured by headcount ratio, a traditional and widely used measure of poverty. However, a Multidimensional Poverty Index (MPI) devised by Oxford University shows that 51 percent of the total population of Bangladesh was 'multidimensional' poor. More than half of our population is still to be liberated from the scourge of poverty. Only India has proportionately more people in poverty. Interestingly, the poorest country of the region in terms of GDP per capita, Nepal, performed much better than India and Bangladesh with this new and more inclusive measure of poverty (The World Bank, 2014; The World Bank, 2015; WHO, 2015).

The Human Development Index (HDI) 2014 does not paint a bright picture of Bangladesh. With a score of 0.570, it ranks 142nd among 188 countries, just ahead of Nepal (145) and Pakistan (147), but behind every other country. Actually, all SAARC countries except Sri Lanka, which ranks 73rd, have poor rankings (The World Bank, 2014; The World Bank, 2015; WHO, 2015).

Gross domestic product (GDP) per capita is arguably the single most important development indicator of a country. In terms of this indicator, Bangladesh does rather poorly. Not only is the GDP per capita very low in absolute terms, but all countries except Nepal have significantly larger GDP per capita. This distinguishes Bangladesh and Nepal as the poorest countries in the region. In terms of growth rate, the GDP of Bangladesh exhibits remarkable stability relative to the GDP of the neighboring countries. During the last ten years, the GDP growth rate of Bangladesh ranged between 6.0 and 7.0 percent, with an average of 6.2 percent. On the other hand, although Sri Lanka, India, the Maldives, and Bhutan achieved higher GDP growth rates, they faced much greater

volatility during this period (The World Bank, 2014; The World Bank, 2015). However, one should not read too much in GDP growth volatility. A long-term employed laborer has a highly stable income, but that does not make him in any sense better off than his employer, whose income is likely to be quite volatile.

It should not have escaped a discerning mind that countries with better development indicators in the table are usually the ones with higher per capita income. Their higher income affords them a greater surplus that can be spent on improving the development indicators. Equally, a greater emphasis on development indicators helps to raise per capita income. It is for this reason that economists usually emphasize per capita income as an indicator of the well-being of a nation. There will be some exceptions, but in most cases, this conclusion will hold true. The Maldives and Sri Lanka are the two countries of SAARC with the highest per capita income, and they also have the best values for the development indicators. Bangladesh has a low per capita income, and its attainments in terms of most of the development indicators are also at the lower end (The World Bank, 2014; The World Bank, 2015; WHO, 2015).

The focus on SAARC countries hides an uncomfortable fact that except for sub-Saharan Africa, the SAARC region is economically the poorest in the world. Despite all the progress made by Bangladesh, there are very few countries that have a lower per capita income. According to World Bank data, the only countries with a lower per capita income than Bangladesh outside of sub-Saharan Africa are Afghanistan, Cambodia, Haiti, and Nepal. In the recent (2015) meeting of the United Nations Committee for Development Policy, Nepal and Bhutan (along with Sao Tome and Principe, Solomon Islands, and Timor-Leste) were found to have met the minimum requirements for graduation from the ranks of the least developed countries, but Bangladesh was not. Nor is it likely to graduate by 2021. Any discussion on the economic development of Bangladesh should not lose sight of the long and difficult road it must travel, notwithstanding such hyperboles as "Bangladesh has turned into a regional star in social achievements".

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