

Development Disparity and North West Region in Bangladesh: Context Sustainable Development

Dr. Md. Morshed Hossain *

Abstract: *Development disparity in the course of economic development is a common observation in all countries throughout the world, developing on developed. Traditionally development efforts of Bangladesh government have aimed at achieving “equitable economic growth.” The concept is an overriding factor in formulating national policy strategies of poverty alleviation. Therefore, the present study has analyzed development disparity in the north-west zone of Bangladesh and focused on various issues. documented and examined the relationship between economic growth, development disparity, income inequality and poverty in Bangladesh and order provide some policy suggestions to foster growth, reduce development disparity, income inequality and poverty in Bangladesh in order to achieve sustainable development of the countrys Disparity between North-West zone and other parts of Bangladesh has increased over time as a result of uneven development, poor connectivity with the urban centers, insufficiency or absence of public infrastructure.*

To achieve the specific targets for reducing regional disparities will require well thought out strategies and policies to ensure that the growth process is inclusive and that the human development and other poverty reduction policies meet the needs of the lagging regions. Policy initiative to address regional disparity should also include the setting up of a separate fund in the framework of the annual development program for supporting the development of the Rangpur division. In addition, emphasis should be given to projects that address regional inequalities in the selection of projects.

1. Introduction

Bangladesh is divided into 7 administrative divisions, and these divisions are further divided into 64 districts. In terms of socioeconomic conditions and physical geography, there are large differences between regions. In order to formulate

* Associate Professor, Department of Economics, Begum Rokeya University, Rangpur.

better policies to promote sustainable and equitable development, it is imperative to examine inequality and poverty in a spatial context.

North-West Bangladesh is the northern-most area of the country, known as greater Rangpur-Dinajpur in Rangpur Division. It covers 37 Upazilas (sub-districts) of 8 districts, namely Dinajpur, Thakurgaon, Panchagarh, Nilphamari, Kurigram, Gaibandha, Lalmonirhat and Rangpur. The greater Rangpur-Dinajpur region includes 307 Unions – the lowest tier of local government and extends into the riverine belt to include the islands and sandbars in the River Brahmaputra. The area is generally very low-lying, and crisscrossed by river systems. The total area is 5,498 sq. with a population of 6.2 million. The northwest Bangladesh is historically more neglected and poor. The soil tends to be sandy and water tables deeper than in other regions. Rangpur division is vulnerable to frequent natural disasters. People face catastrophe like cyclones during summer, floods and river-bank erosion in the rainy season, drought in summer, spring and cold wave in winter. Lacking any significant industrial development agriculture is the mainstay of the region and the main source of employment. The spread of irrigation has reduced the extent of the lean season but remains problematic.

Inequality in the distribution of income has increased. Rising economic inequality (which may be manifested in different ways, e.g., through inequality in the distribution of income, wealth, assets, etc.) is a major challenge that the world faces today. Both developed and developing countries are facing this challenge although the nature and magnitude of the problem varies from country to country.

Traditionally development efforts of Bangladesh government have aimed at achieving “equitable economic growth.” The concept is an overriding factor in formulating national policy strategies of poverty alleviation. In this context, the objectives of poverty alleviation are mostly designed with social development factors, particularly improvement in health and education indicators. One of the most important policy documents of Bangladesh, Sixth Five Year Plan (2011-2015), states in its 7th chapter “*Managing Regional Disparities for Shared Growth and Sustained Poverty Reduction*” that the Government is very much concerned about regional disparities and is committed to take all necessary steps to reduce disparities. The Sixth Five Year Plan provides a strong platform to develop a strategy for lowering regional disparities over the longer term and to provide a policy framework for initiating proper actions.

Though the poverty trend has been declining in the recent past, a major emerging concern has been the growing regional disparity, between North -West and other parts of Bangladesh. Poverty level in North- West zone tended to be significantly higher compared to other zones in Bangladesh.

With this background, the present study has analyzed the disparity in the north-west zone in Bangladesh and focuses various issues such as. Analyze the nature, extent and trends in growth, poverty and income inequality in Bangladesh documents and examines the relationship between economic growth, development disparity, income inequality and poverty, and provides some policy suggestions to foster growth, reduce development disparity and income inequality and poverty in the country.

The paper is divided into five sections, Section 1 introduces the topic Section 2 reviews the related literature. Section 3 describes the methodology. Aspects of regional disparity and the poverty situation are discussed in section 4. Section 5 concludes the paper and makes recommendations for policy.

2. Literature Review

This section makes brief observations on some of the studies undertaken since the HIES 2005, 2010 and Sen (2005), CPD papers, GED and the WB (2008).

Zohir (2011) states that the issue of regional differences was overshadowed by geographical targeting of the poor and the more recent focus on Monga- affected people in the north- west. Thus, pockets of high ecological vulnerability (including river erosion) and higher incidence of poverty were identified- largely following exercises based on Household Income Expenditure Survey (HIES) data, and fine-tuned further with ‘small area’ poverty mapping under the initiative of the World Food Programme (WFP). Much later, commitments for monga eradication were voiced, more concertedly, by the Palli Karma Shahayak Foundation (PKSF). On both counts, the prevalence of extreme poverty in the northwest Bangladesh has long been recognized. Prevalence of extreme poverty in the northwest was also accounted for in the WFP poverty and vulnerability maps, which proved a basis for resource allocations.

Sen (2005) attempted to explain the variations of growth. His analysis included such factors as human capital (literacy rates), gender inequality and initial level of expenditure and asset inequality. Multivariate analysis in Sen (2005) points to the importance of such factors as human capital, agriculture technology, urban dynamism and inequality. Much of Sen’s analysis was constrained by data limitation- in particular district- level GDP estimates by BBS have always been suspect. Sen recognized that more remains to be understood about the “missing factors”; and these relate to the role of infrastructure, access to finance, and the quality of local/ regional governance.

The report from the Planning Commission (GED 2008) makes several observations, of which the following are noteworthy:

- The lagging regions are more dependent on agriculture and less industrialized;
- These regions received relatively less allocation of Social Safety Net Programs (SSNPs) as well as of Annual Development Program (ADP) funds in the past;
- Some regions lag behind others in respect of some critical infrastructure facilities, such as, transport & communication, electricity and gas.

CPD (2008) observes that there are centre- periphery aspects of regional disparity (disparity between Dhaka, the centre and other districts, the peripheries) rather than the east- west divide. This required an emphasis on development of areas where poor people are concentrated rather than looking at the relevant issues at divisional level. This was also particularly because divisions are not homogeneous and there is heterogeneity in terms of poverty and level of development even within each of the districts.

CPD (2008a) believes that public expenditure allocation in Bangladesh has some in-built regional inequality features, which, if not addressed properly, may have adverse consequences for the homogenous development of the country in the long run.

Deb et al (2008) conclude that regional inequality is a growing concern in Bangladesh. Bangladesh during pre- independence period experienced serious regional inequality. They find two results: (i) higher the level of initial income, higher the level of current per capita income, higher the GDP growth, and higher the per capita income in the district; and (ii) the proportion of landless household had a significant negative effect on per capita income level. If the proportion of landless is viewed as an outcome, no new knowledge is derived from the exercise.

Afser Rita (2010) states that weak governance as a result of clientelist practice is often considered as the single most important factor behind the growing inequality and persistent poverty in Bangladesh. Using rights-based approach (RBA), this article examines regional disparity, central-local relations and the scope for peoples' participation under the existing rules and practices. It also sheds light on the cultural aspects of governance constituted of trust, social solidarity and institutional connectivity, using an empirical data set generated from a census of six villages in Bangladesh backed by a triangulation of the qualitative and quantitative research tools.

Sen and Ali (2005) tracks spatial inequality in social progress in Bangladesh as evidence from the district- level data. It uses a multivariate framework to explore the differential pace of social progress at the spatial level. The paper concludes that the extent of spatial inequality in social development has decreased over the second half of the nineties although the overall level of inequality remains consid-

erable. Policy implications are drawn for attacking spatial chronic poverty.

Mujeri (2010) argues that significant disparity exists in the literacy rate between rural and urban areas, between females and males, and among different administrative divisions of the country. Similarly, geographical disparity exists in access to, and participation in, primary education.

Chowdhury and Osmani (2010) show that the comparison of per capita public spending on health expenditure across districts reveals a mixed picture of horizontal equity. The overall distribution happens to be biased against the poorer districts in that the richer districts have traditionally enjoined a higher per capita spending than the poor ones.

The World Bank report (WB 2008), with the sub-title, “Creating Opportunities and Bridging the East- West Divide”, deserves a more critical examination due to its apparent rigor and extensive use of HIES data converging to a strong assertion on “regional disparity”. Several key findings of the WB report are:

- Changing pattern of regional inequality: Regional inequality in income/consumption in Bangladesh had been significant till the early 1990s. It is said to have been induced mainly by large differences between the greater Dhaka region and the rest of the country. It is suggested that most regions in the East moved closer to the greater Dhaka region in terms of incomes and poverty during the period between 2000 and 2005, while the West continued to lag behind.
- Presence and absence of growth poles: The eastern region benefited from integration with growth poles, namely Dhaka and Chittagong; in contrast, the West and Southwest remained isolated without a growth pole.
- Other aspects: In addition, a combination of factors contributed to stagnant incomes in lagging regions- relative lack of remittance income, inadequate public infrastructure like electricity and roads to markets, lack of growth poles within these regions, and deficiencies in assets and endowments among households.
- Wage growth as the key determinant of income growth: Ninety percent of the growth in real income per capita is attributable to wage growth and rest to an increase in the share of working age population in total population. Wages grew robustly in the eastern part of the country but stagnated in the West. While both East and West created employment to much the rise in working age population, the East created many more jobs that are more stable (salaried), better paid and in a robustly growing non- farm sector.
- Intra-divisional factors explain most changes in poverty: Sectoral decomposition of changes in poverty headcount suggests that intra-divisional factors account for almost 90 percent of the poverty change and not the

inter-divisional factors (population shift and interaction effects).

Titumir and Rahman (2011) states that there is no denial that geography, culture and politics have been historically intertwined to result in differences across region. Therefore, a different result is also found in case of the incidence of poverty according to the division.

Gafaru Abdulai (2014) argues that prospects for overcoming spatial inequalities in the clientelist-driven political environments of developing countries depend substantially on the ways in which elites from lagging regions are incorporated into ruling coalitions, and how such forms of incorporation shape their influence over resource allocation decisions and policy agenda more broadly. The paper also departs from much of the existing literature on spatial inequality by emphasizing the need to understand ‘powerlessness’ on the part of lagging regions as stemming not necessarily from their political exclusion from political decision making structures, but also from their incorporation into such structures on terms that potentially underpin their poverty. Based on this argument, the paper proposes a new framework for exploring the deeper and more structural underpinnings of spatial inequality in developing countries.

Globalization is claimed to have greatly reduced inequality between countries. At the same time, there are plenty of empirical studies emphasizing that inequality within countries is increasing. Besides, the relationship between income inequality and growth is still a debated issue, which can be summarized by the Shakespearian-like dilemma “is inequality good or not good for growth?”. There are still no clear theoretical explanations and/or overall accepted empirical evidence about this relationship that allow us to predict what the consequences of increasing or declining income inequality may be.

Williamson (1965) found some supportive evidence for a non-linear relationship between regional inequalities and national development. His conclusions derive from two main empirical artifacts: first, regional disparities are greater in less developed countries and smaller in the more developed ones; second, over time regional disparities increase in the less developed countries and decrease in the more developed. Accordingly, regional income inequalities can be considered as a by-product of the development process of a nation and any attempts at lowering them may eventually hamper this process.

3. Methodology

The study was mainly based on the data of Household Income and Expenditure Survey (HIES) of 2000, 2005 and 2010 conducted by the Bangladesh Bureau of Statistics (BBS). Different statistical reports, relevant research papers, books and

many national and international journals were also consulted for conducting this research. Important secondary sources of data are the Bangladesh Bank, Bureau of Manpower, Employment and Training (BMET), International Migration Report of IOM, and reports of World Bank, IMF and ADB. The study also gathered data on government's ADP allocation over a substantial period of time and distribution of this allocation among the divisions. Finally, bi-variate analysis was conducted to determine association of different variables with poverty and inequality.

4. Aspects of Regional Disparity and Factors Affecting Regional Disparity

4.1 Poverty Situation

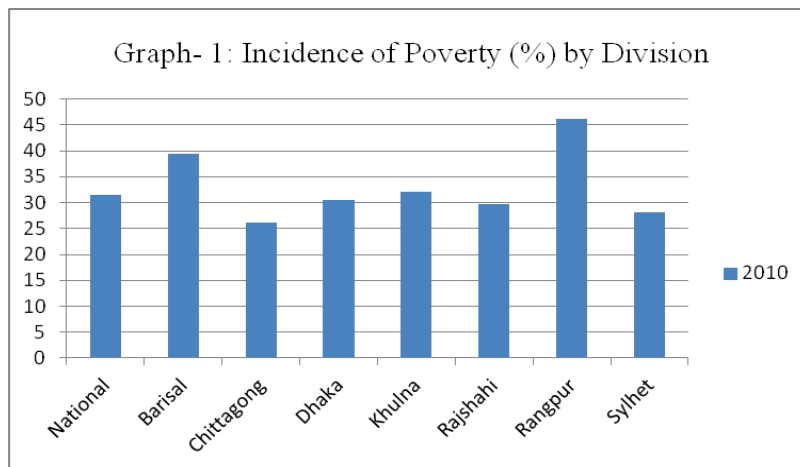
Bangladesh has been successful in achieving significant reduction in poverty since 1990. But the commendable performance in terms of poverty reduction at the national level has not been equally shared among its different components at the sub national level. This is evident that the pace of poverty reduction differed among different divisions.

Table: 1. Incidence of Poverty (Head Count Rate, using upper poverty line) by Divisions, 1995- 96 to 2010

	2010	2005	2000	1995-96
National	31.5	40.0	48.9	53.1
Barisal	39.4	52.0	53.1	59.9
Chittagong	26.2	34.0	45.7	44.9
Dhaka	30.5	32.0	46.7	52.0
Khulna	32.1	45.7	45.1	51.7
Rajshahi	29.8	51.2	56.7	62.2
Rangpur	46.2	-	-	-
Sylhet	28.1	33.8	42.4	-

Source: BBS, HIES Reports (1995- 96, 2000, 2005 and 2010)

From Table-1, the estimate of HCR of poverty by divisions using the upper poverty line in 2010 reveals that Rangpur division has the highest incidence of poverty (HCR) at 46.2 percent, followed by Barisal division 39.4 percent and Khulna division 32.1 percent. On the other hand, Chittagong division has the lowest HCR of incidence of poverty at 26.2 percent followed by Sylhet division at 28.1 percent and Rajshahi division at 29.8 percent. A comparison of the incidence of poverty by Division is shown in Graph 1.



Source: BBS, HIES Reports (2010)

Between 2000 and 2005, the poverty head count rates fell less rapidly for the divisions of Barisal, Khulna and Rajshahi and in some categories, these rates even increased. This is in sharp contrast to the case of other three divisions, namely, Dhaka, Chittagong and Sylhet, which have experienced faster poverty reduction. Among all the divisions the poverty rate is highest (46.2 percent) in Rangpur division. The trend in poverty reduction rates between 2005 and 2010 suggests that regional disparity observed in previous household surveys with respect to head count poverty has narrowed significantly.

A conventional way to measure poverty is to establish a poverty line, defined as the threshold level of income needed to satisfy basic minimum food and non-food requirements and determine the number of households (People) below that line as a percent of the total households (Population). This Head-count Index (HDI) is a measure of the incidence of poverty. This measure is easily understood by the general public and hence is popular with policy makers and development practitioners. The limitation of the measure is that it is insensitive to the change in the level and distribution of income among the poor. The other measures of poverty commonly used to take into account the distribution issue are a) the Poverty Gap Index and b) the Squared Poverty Gap Index. The Poverty Gap Index measures the average (of poor and non-poor households) of the percent of income gap of the poor households from the poverty line, and is used as a measure of intensity of poverty. It measures the percent of total income needed to be transferred from the non-poor to poor households to lift the poor above the poverty line. However, if the society is averse to inequality in the distribution of income among the poor, the poverty measure must be sensitive to income transfers from the moderate to the extreme poor. It means that higher priority must be given to the improvement in the economic conditions of the extreme poor compared to the moderate poor. The

Squared Poverty Gap Index satisfies this condition, and is used as a measure of the severity of poverty.

Poverty situation at the national and regional level is reported in Table- 2. Poverty Gap and Squared Poverty Gap by seven administrative divisions are presented in this Table.

Table-2 : Poverty Gap and Squared Poverty Gap by Divisions

Poverty Line and Division	Poverty Gap in percent (using upper poverty line)	Squared Poverty Gap in percent (using upper poverty line)
National	6.5	2.0
Barisal	9.8	3.4
Chittagong	5.1	1.5
Dhaka	6.2	1.8
Khulna	6.4	2.0
Rajshahi	6.2	1.9
Rangpur	11.0	3.5
Sylhet	4.7	1.3

Source: BBS, HIES (2010)

The Poverty Gap (PG) estimates the depth of poverty of the population. The HCR of poverty gives only the percentage value of poverty incidence, but it does not measure the distance of the poor households from the poverty line. Using the upper poverty line, PG at the national level was recorded at 6.5 percent in 2010. The same was the highest for Rangpur division at 11.0 percent in 2010.

The Squared Poverty Gap (SGP) measures the severity of poverty. Using the upper poverty line, The lowest SPG at the national level was recorded at 1.3 percent in 2010. The same was the highest for Rangpur division 3.5 percent.

4.2 Social Safety Net Receiving Households

Social Safety Net Programmes (SSNPs) are a set of public measures, which a society provides for its members to protect them from various types of economic and social hardships, resulting from a substantial decline in income due to various types of contingencies such as loss of cultivable land, crop failure, land and home-stead loss due to river erosion, unemployment, sickness, invalidity, old age or death of earning household members. Social Safety Net Programme (SSNP) is generally targeted to the poor. The division wise distribution of households receiving benefits from Social Safety Net Programs shows that the highest percentage of households receiving benefits from SSPNs are located in Khulna Division

(37.30%), followed by Barisal division (34.43%) and Rangpur division (33.65%) (Table- 3).

Table -3: Distribution of Households Receiving Social Safety Net Program Benefits by in percent by Divisions, 2010

Division	National	Rural	Urban
National	24.57	30.12	9.42
Barisal	34.43	37.20	20.66
Chittagong	19.99	24.50	7.44
Dhaka	18.87	27.80	5.99
Khulna	37.30	43.27	16.66
Rajshahi	20.66	22.85	10.17
Rangpur	33.65	35.11	23.68
Sylhet	23.51	26.06	10.50

Source: BBS, HIES (2010).

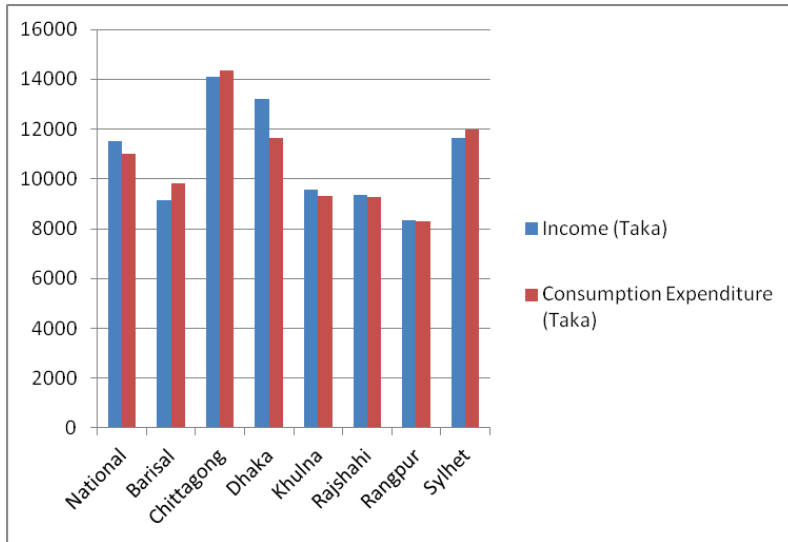
4.3 Income and Expenditure of Households

The highest average monthly household nominal income was recorded at Tk. 14092 for Chittagong Division followed by Dhaka Division at Tk. 13226 and Sylhet Division at 11629 and all of these exceeded the national average of Tk. 11497 in 2010. The four Divisions, which recorded monthly household income below the national average, were Barisal Division at Tk. 9158, Khulna Division at Tk. 9569, Rajshahi Division at Tk. 9342, and Rangpur Division 8359 (Table- 4).

Table- 4: Monthly Household Nominal Incomes and Consumption Expenditures by Divisions- 2010

Division	Income (Taka)	Consumption Expenditure (Taka)
National	11497	11003
Barisal	9158	9826
Chittagong	14092	14360
Dhaka	13226	11643
Khulna	9569	9304
Rajshahi	9342	9254
Rangpur	8359	8298
Sylhet	11629	12003

Graph-2: Monthly Household Nominal Incomes and Consumption Expenditures by Divisions- 2010



Source: BBS. HIES (2010)

The highest average monthly consumption expenditure was recorded in Chittagong Division at Tk. 14360 followed by Sylhet Division at Tk. 12003 and Dhaka division at Tk. 11643 and their income exceeded the national average of monthly household consumption expenditure at tk. 11003 in 2010. On the other hand, the average monthly household expenditure of Barisal Division, Khulna Division, Rajshahi division and Rangpur Division fell well below the national average and were estimated at Tk. 9826, Tk. 9304 Tk. 9254 and 8298 respectively.

4.4 Public Expenditure and Regional Inequality

The public expenditure in capabilities has always been less than the required level. The public expenditure in education, health and housing has a bearing on poverty. Though Tk. 86,891 crore (53.12 percent of total budget) is proposed as poverty reducing expenditure in the fiscal year 2011-12, as a percentage it was 3.55 percent less than in the revised budget of the previous fiscal year 2010-11. The government expenditure in social safety net programmes was to the tune of about 13.79 percent of the total budget and 2.51 percent of GDP. This is, however, not adequate, given the magnitude of the problems.

Infrastructure is an important determinant of the level of development and intensity of disparity. Physical connectivity, gas and electricity are of crucial importance to stimulating the process of industrialization. The Jamuna Multipurpose Bridge played an important role behind some poverty reduction in the northern

Source: BBS. HIES (2010)

Bangladesh, but its worth will perhaps take more time to materialize fully. Agriculture-dominated regions tended to develop at a slower pace compared to regions where growth was engineered by industrial and service sectors.

Public investment has a critical role in development. Estimates show that per capita public expenditure was higher in Dhaka, Chittagong and Sylhet compared to the four other divisions (Rajshahi, Barisal, Khulna and Rangpur).

It is commonly acknowledged that public expenditure can play a significant role in reducing poverty. If spent unequally public expenditure can exacerbate the existing imbalance in growth and poverty reduction. Therefore, it is a reasonable concern among development practitioners to investigate the issue of regional distribution of public spending. It has been alleged that inequality in the distribution of political power has often led to some extent to a disproportionate public spending, which in turn may hinder prospects of poverty reduction.

Table- 5: Per Capita Government Expenditure 2009-10 (up to March)

District	Development Expenditure (Taka in thousands)	Revenue Expenditure (Taka in thousands)
Barisal	1.102	3.991
Chittagong	1.421	3.912
Dhaka	1.377	12.370
Khulna	1.481	5.459
Rajshahi	1.942	2.894
Rangpur	0.865	3.991
Sylhet	1.325	5.049

Source: Ministry of Finance, Bangladesh

A considerable regional disparity exists in ADP allocation in the Rural Development and Institutions (RDI) sector in Bangladesh. Table- 5 lists the ranking of different districts according to amount of ADP received in this sector in a descending order. Based on the district- wise disaggregation among the greater districts, Patuakhali enjoyed the largest amount of ADP Road Per Capita (Adproadpc) (Tk. 2259.47) from year 1995/96 through 2007/08 (Table 6).

Table- 6: Ranking of Districts in Terms of Rural Development and Institutions ADP

(1995-96 to 2007-08)

District	Adproadpc (Taka per capita)
Patuakhali	2259.47
Jamalpur	1518.81
Noakhali	1056.97
Tangail	951.43
Barisal	658.61
Rangpur (15 th)	445.46

Source: CPD Occasional Paper Series- 71, 2008

The ADP allocations exhibit widespread fluctuations with regard to distribution among the greater districts. Jamalpur is the highest total per capita road ADP allocation recipient over the reference period, while Rangpur is the 15th position (Table 7).

Table- 7: Ranking of Districts in Terms of Road ADP (1995/96- 2007/08)

District	Adproadpc (Taka per capita)
Jamalpur	3020.50
Khulna	2218.74
Dhaka	1473.42
Faridpur	498.27
Rangpur (15 th)	492.67

Source: CPD Occasional Paper Series- 71, 2008

4. 5 Education

Education develops human skill for providing quality services to the community. Education is also termed as human capital and it makes people fit for professional jobs. Education is recognized as one of the basic human needs. It has direct bearing to overall welfare of individuals as well as households and society.

Although a significant change in terms of primary education is found across income groups, considerable disparity linked with economic background is observed in secondary education enrollment. Poor people are mostly absent at the tertiary education level. In Bangladesh children in the rural areas are lagging behind significantly in terms of getting quality education.

Table- 8: Literacy Rate (7 years and over) by Gender and Administrative Division (Percent)

Division	National	Male	Female
National	57.91	61.12	54.80
Barisal	57.90	60.62	55.29
Chittagong	60.54	63.40	57.90
Dhaka	57.73	60.01	55.54
Khulna	59.28	63.84	54.61
Rajshahi	57.37	60.45	52.04
Rangpur	54.68	59.88	49.36
Sylhet	55.22	58.98	51.67

Source: BBS, HIES (2010)

The divisional level literacy rates have been provided in Table-8. At the aggregate level, the highest literacy rate 60.54 percent is observed in Chittagong division and the lowest of 54.68 percent in Rangpur division.

At the tertiary level education, the highest number of 17 public and 54 private university is observed in Dhaka division and the lowest number only 2 public and no private university in Rangpur division (Table- 9).

Table- 9: University by Administrative Division

Division	Public University	Private University
Barisal	02	01
Chittagong	05	10
Dhaka	17	54
Khulna	04	02
Rajshahi	03	05
Rangpur	02	00
Sylhet	02	04

Source: UGC Website

4.6 Access to Electricity, Telephone, Mobile phone and Computer

Distribution of households with access to electricity, telephone, mobile phone, and computer is presented in Table-10. In 2010, 55.26% households reported to have access to electricity at the national level, 63.4% access to mobile phone, 2.07% access to telephone and 3.01% had access to computer. But in Rangpur Division

only 30.07% access to electricity, 41.59% had access to mobile phone, 1.25% to telephone, and 0.70% to computer.

Table-10: Percentage of Households Having Electricity and Other Facilities by Administrative Divisions

Division	Electricity	Mobile phone	Telephone	Computer
National	55.26	63.74	2.07	3.01
Barisal	40.12	59.56	1.14	1.41
Chittagong	60.34	70.84	3.02	3.62
Dhaka	67.34	71.71	2.38	4.70
Khulna	54.13	61.09	1.65	1.84
Rajshahi	51.88	59.85	1.33	1.33
Rangpur	30.07	41.59	1.25	0.70
Sylhet	47.22	60.63	2.76	4.51

Source: BBS, HIES (2010)

4.7 Wage gap

There is wage gap between Rangpur and Dhaka division. Male Wage rate in Dhaka division in August 2012 was Taka 250- 300 per day while in Rangpur division it was Taka 211.20 per day (Table- 11).

Table - 11:- Wage Gap

Wage Rate	Rangpur Division August 2012 (Per day/ Taka)	Dhaka Division August 2012 (Per day/ Taka)
Wage Rate (Male)	211.20	250-300
Wage Rate (Female)	150.00	200-250
Wage Rate(Child)	107.00	100-150

Source: NBI, RDRS, Bangladesh 2012

4.8 Access to Energy/ Gas Connectivity

Availability of energy plays a critically important role in helping develop regional economies. Due to the primacy of Dhaka and Chittagong, the availability of electricity has been more pronounced in the eastern districts than in western and southern districts. Similarly, there are substantial differences in terms of availability of natural gas. Large areas of northern and southern parts of the country still do not have natural gas coverage (Table 12).

Table-12: Grouping of Division by Gas Connectivity

Division	Gas Connectivity
Dhaka	1968
Sylhet	1977
Rajshahi	1999
Khulna	-
Chittagong	1976
Barisal	-
Rangpur	-

Source: Zohir (2011)

4.9 Access to International Migration and Foreign Remittances

Inflow of foreign remittances is the single most important informal safety net program in Bangladesh. It has been a major factor in helping Bangladesh to reduce poverty since the 1990s. According to the Ministry of Expatriates Welfare and Overseas Employment, 5.575 million Bangladeshi workers were working abroad as of June 2009, and every year around 0.5 million people are migrating with overseas employment. Remittance is now contributing 11.15% to the GDP, which is 6 times higher than the ODA and 13 times higher than the FDI. Such growth of workers' remittances contributed to the well-being of remittance receiving households. Since households having expatriate workers are highly concentrated in certain areas of the country relative to others, the excluded or marginally included regions have gained little from inward foreign remittances of the country. Chittagong and Dhaka divisions dominate the share of expatriate remittances (Table 13).

Table- 13: Percentage of Remittance Share by Division

Division	Percentage of Total Remittances
Dhaka	35.47
Sylhet	7.08
Rajshahi	7.16
Khulna	5.64
Chittagong	39.82
Barisal	4.07
Rangpur	0.76

Source: BBS, HIES (2010)

4.10 Financial Infrastructure

Financial institutions (e.g. banks, MFIs) can play an important role in reducing poverty and regional inequality. High density of branches is indicative of vibrant economic activities. In general, the spread of banking activities tends to be much more concentrated in Dhaka and Sylhet divisions as compared with Rajshahi, Khulna and Rangpur.

Table- 14 shows per capita deposits and advances as on June 2010. The table shows that there are large differences among the divisions in terms of both per capita advances and deposits. Advances and deposits in all the other divisions are very low relative to Dhaka and Chittagong indicating the low level of depth of financial intermediation in the lagging districts. Sylhet division exhibits high per capita deposits but low per capita advances. This is explained by the fact that Sylhet receives huge amount of remittances from abroad and possibly requires less loans from banks in relation to available economic opportunities.

Table- 14: Per Capita Deposits and Advances by Division, 2009 and 2010

	30th June 2010		30th June 2009	
	Per Capita Deposits	Per Capita advance	Per Capita deposits	Per Capita Advance
National	23483	17854	19622	14681
Barisal	5807	2831	5037	2464
Chittagong	23036	18240	19274	14714
Dhaka	48286	38170	39891	31502
Khulna	8239	6618	7112	5621
Rajshahi	6863	4985	4800	3531
Rangpur	3803	3641	-	-
Sylhet	17187	4461	15605	3703

Source: Scheduled Bank Statistics, Bangladesh Bank, Various Issues

5. Suggested Policy Recommendation and Conclusion

According to the Sixth Five Year Plan, achievement of the specific targets for reducing regional disparities will require well thought out strategies and policies to ensure that the growth process is inclusive and that the human development and other poverty reduction policies are sensitive to the needs of the lagging regions. Policy initiative to address regional disparity should be taken to establish a separate fund in the framework of the annual development program for supporting the development of the Rangpur division. In addition, emphasis should be given to projects that address regional inequalities in the selection of projects.

To stimulate investment facilities and employment opportunities in the Rangpur division special incentives will not be enough. Along with these support in the form of adequate infrastructure, access to utilities, services and other forms of support will be required to be provided to the Rangpur division. A comprehensive plan for exploitation of natural resources such as coal resources of the Rangpur division is needed.

To minimize the yield gap more investment has to be made in the lagging region for improved technology. Further investment in agriculture research, dissemination of agricultural technology such as use of power pump and power tillers and locally available high yielding varieties of crops should be encouraged.

Access to quality education and creation of employment opportunities are needed to reduce regional inequality. Women empowerment and creation girl's education are important factors to be considered in this connection. Human resources development strategies such as development of tertiary level educational institutions and private universities need to be encouraged in the Rangpur division.

Initiatives to send more people from Rangpur division for overseas employment should have positive impact to reduce regional inequality. Special skill development programmes and credit support programmes should be developed towards this. Remittances should be encouraged to be used to stimulate productive ventures.

Higher rate of public expenditure and extended coverage of social safety net programmes in the Rangpur division should be the norm. Ownership of productive assets by low income and land-less households will need to be supported and opportunities will need to be created for them to take part in income generating activities. Micro-credit facilities should be expanded to the share croppers in the Rangpur division. Construction of gas transmission line to the Rangpur division should be expedited.

Industrialization should be promoted in the Rangpur division to create jobs. Since private investment has less of an incentive to locate itself in these regions, this process needs to be implemented with the help of government support at least in the initial stages. Industrial policy should be made flexible to support investment in Rangpur division. Construction of industrial park and industrial zones should be established. Small and medium enterprise should be encouraged with low cost financing facilities. Rate of interest for bank finances should be lower in the Rangpur division which will increase investment. Special fiscal incentive such as tax holidays should be offered on a selective basis for high priority private investment in the Rangpur divisions industries.

The farmers in the Rangpur division should get priority in terms of agricultural subsidy. Government should take responsibility for increasing the provision of agricultural loan at a lower interest rate in the Rangpur division.

Efforts will need to be made to expand BR- 33 and Pariza rice in Rangpur division. Emphasis shall have to be given to supporting the expansion of storage facilities for the poor and marginal farmers for preserving their fish and agricultural produce in order to get suitable price for their product in the market.

Logistic support and technical advice will need to be provided to potential migrant workers through establishment of foreign employment exchanges in the lagging districts in cooperation with private sector.

Priority will need to be given to the lagging Rangpur division for setting up in the location of school and health facilities. Additionally, policies will need to be taken to ensure the availability of teachers and medical personnel in the remote area.

Special emphasis will have to be placed on girl's education in Rangpur division. This will help increase female labour participation as well as improve family welfare.

In designing social protection schemes, including employment guarantee schemes, the location issue should be considered very carefully, putting priority to the availability of these schemes in the Rangpur division.

The eradication of poverty and inequality and meeting the basic needs are the primary goals of the government. The present government of Bangladesh is very much hopeful of achieving the target of Sustainable Development Goals (SDGs) as well as the targets of Vision-2021 related to poverty and inequality. This target may be fulfilled in every region of the country- this is the expectation of all.

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