Human Development Disparity and North- West Region in Bangladesh

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Abstract: *Human development is a well-being concept within a field of international development. It refers to human condition with its core being the capability approach. It involves not only expanding capabilities to live healthy, productive and safe lives. It also ensures the choices to future generations. Traditionally development efforts of Bangladesh government aimed at achieving equitable economic growth. The present study examines, among others, relationship between economic growth, development disparity, income inequality and poverty in Bangladesh and suggests to achieve sustainable development. Disparity between North- West zone and other parts of Bangladesh has increased over-time as a result of uneven human development and access to opportunities that inhibits growth. Among all the divisions the poverty rate is highest (46.2 percent) in Rangpur division. Using the upper poverty line, at the national level recorded the Poverty Gap (PG) at 6.5 percent in 2010. The same was 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, at the national level has recorded the lowest SPG which was 1.3 percent in 2010. The same was highest for Rangpur division 3.5 percent. 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%). Policy initiative to address regional disparity a separate fund in the framework of the annual development program for supporting the development of the Rangpur division is suggsted.*

1. Introduction

Human development is a well-being concept within a field of international development. It involves studies of the human condition with its core being the capability approach. The inequality adjusted Human Development Index is used as a way

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of measuring actual progress in human development by the United Nations. It is an alternative approach to a single focus on economic growth, and focused more on social justice, as a way of understanding progress.

United Nations Development Programme has been defining human development as "the process of enlarging people's choices", said choices being allowing them to "lead a long and healthy life, to be educated, to enjoy a decent standard of living", as well as" political freedom, other guaranteed human rights and various ingredients of self-respect. "https:en.wikipedia./org/wiki/Human development %28huminity%29- cite note- Programme1997-1

Human development is about equal life chances for all. It involves not only expanding capabilities to broaden people's present choices— to live healthy, productive and safe lives—but also ensuring that these choices do not compromise or restrict those available to future generations. The focus on people has implications for measuring progress and formulating policies. It calls for a broader frame of analysis and a re-examination of the policy tools available. Measurement and policy are inextricably linked since "what we measure affects what we do; and if our measurements are flawed, decisions may be distorted". Since 1990 the Human Development Index (HDI) has been an important measure of progress—a composite index of life expectancy, years of schooling and income. Human Development Report 2014 presents HDI values for 187 countries. The global HDI is now 0.702, and most developingcountries are continuing to advance, though the pace of progress remains highly uneven. One of the main drags on development is deepand chronic inequality, which restricts choicesand erodes the social fabric. Large disparitiesin income, wealth, education, health and otherdimensions of human development persistacross the world, heightening the vulnerabilityof marginalized groups and underminingtheir ability to recover from shocks. Peopleclustered at the bottom of the socioeconomicdistribution are not there randomly. They lacka sufficient range of capabilities to enable themto live a fulfilling life, and they typically are themost vulnerable to health risks, environmentalcalamities and economic shocks.

Bangladesh with the population of 150 million and the landarea of 148 thousand square km, extending 820 km north to south and 600 kmeast to west. It is bordered mostly by India, and the southern part of Bangladeshfaces the Bay of Bengal. In 2010, the country is divided into 7 administrativedivisions, and these divisions are further divided into 64 districts. In terms ofsocioeconomic conditions and physical and human geography, there are largedifferences between regions. In order toformulate better policies to promote sustainable and equitable development, it isimperative to examine inequality and poverty in a spatial context. North-West Bangladesh is the northernmost area of the country, known as greater Rangpur-Dinajpur in Rangpur Division. Its current working area covers 37 Upazilas (sub-districts) of 8 districts namely Dinajpur, Thakurgaon, Panchagarh, Nilphamari, Kurigram,

Gaibandha, Lalmonirhat and Rangpur in the greater Rangpur-Dinajpur region in the northwest part of Bangladesh. Presently this 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 economy and 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 6th Five Year Plan (2011-2015), in 7th chapter "*Managing Regional Disparities for Shared Growth and Sustained Poverty Reduction*" 'state that, the Government is very much concerned about regional disparities and is committed to take all necessary steps to reduce disparities and 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. Here also state that as a reflection of its concern and strong commitment, the Government has decided to put special focus on this subject in the Sixth Plan.

Though there has been a declining poverty trend 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 others zone in Bangladesh.

Therefore, the present study has analyzed development disparity for north- west zone in Bangladesh and focused various issues. Analyze the nature, extent and trends in growth, poverty and income inequality in Bangladesh. Document and examine relationship between economic growth, development disparity, income

inequality and poverty in Bangladesh provide some policy suggestions to foster growth, reduces development disparity and income inequality and poverty in Bangladesh.

This paper is divided into six sections, Section 1 introduction, Section 2discussed literature review. Section 3 describes objectives of the study, section 4 discussed methodology. Aspects of poverty are discussed in section 5. Section 6 discussed about conclusion and policy recommendation.

2. Literature Review

There are few studies which have focused the issue of human development disparity from both macro and micro perspective has done a comprehensive work on regional inequality.

A recently published report by Bangladesh Institute of Development Studies (BIDS), (Sen, Ahmed, Ali, & Yunus, 2014) looked into the factors behind the recent decline of the regional inequality know as East-West divide. This paper tried to capture the persistent regional disparity and the trend of it, and if there is a decline, how quantitatively and econometrically can those be measured. There are number of reasons came out in the paper for the decline of the inequality gap between the east and west region of Bangladesh.

The Background Study Paper for Preparation of the Seventh Five-Year Plan (Khondker & Mahzab, 2015) on Lagging Districts Development Bangladesh, the culture and history that it exhibits, gives a picture of a homogenous nation in many aspects. However, when we look deep into the development of the country, historically it can be seen that there is a disparity within the country when it comes to socio-economic prosperity. Regional disparity within Bangladesh has now been a well established fact in the economic discourse. Specially the term "East-West divide", which has been coined in the early years of this century, points out the gap of progress between the eastern districts to that of western districts of Bangladesh. The river Jamuna is thought to divide the country's two distinctive districts, where the 'East' is thought to be the more progressive region, which includes the Dhaka, Chittagong and Sylhet divisions. On the other hand, the less progressive "West" constitutes the Rajshahi, Rangpur, Khulna and Barisal divisions.

The background paper (Khondker &Wadud 2010) on urbanization management and emerging regional disparity in Bangladesh for the sixth five year plan also revealed a number of important aspects of regional heterogeneity of development. The paper mainly looked regional disparity by digging deep into the development pattern of the seven major divisions in a number of economic and non-economic indicators.

Zohir (2011) states that the issue of regional differences was overshadowed by geographical targeting of the poor and 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, prevalence of poverty in the northwest of Bangladesh has long been recognized. 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.

CPD (2008) conclude that there are centre- periphery aspect 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.

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 inequal-ity 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 institu-tional 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 significance disparity exists in literacy rate between rural and urban areas, between females and males and among different administra-tive divisions of the country. Similarly, geographical disparity exists in access to and participation in primary education.

Chowdhury and Osmani (2010) show that comparison of per capita public spend-ing 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.

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.

Zaman, Narayan and Kotikula (2012) narrowing the economic gap between the growing and lagging regions of the country would require interventions to improve endowments and returns to the endowments in the lagging parts of the country. To raise returns to endowments, improving the investment climate for non-farm enterprises in lagging regions would be crucial. This would require improving infrastructure including roads and electricity, improving links to markets, and more broadly, improving the links between the isolated parts of the country (primarily in the west and south-west) to the urban growth centers that are mainly in the east.

In September 2000, the United Nations came up with the eight Millennium Development Goals. The eight millennium development goals are to: eradicate extreme poverty and hunger, achieve universal primary education, promote gender equality and empower women, reduce child mortality, improve maternal health, combat HIV/AIDS and other diseases, ensure environmental sustainability, develop a global partnership for development. The United Nations made a commitment to accomplish these goals by 2015 and thus make an attempt to promote human development.The Sustainable Development Goals (SDGs) are a new, universal set of goals, targets and indicators that UN member states will be expected to use to frame their agendas and political policies over the next 15 years. The SDGs follow, and expand on, the Millennium Development Goals (MDGs).

The Sustainable Development Goals (SDGs), also called Global Goals, and Agenda 2030 are an inter-governmentally agreed set of targets relating to international development. They will follow on from the Millennium Development Goals

once those expire at the end of 2015. The SDGs were first formally discussed at the United Nations Conference on Sustainable Development held in Rio de Janeiro in June 2012 (Rio+20).On 19 July 2014, the UN General Assembly's Open Working Group on Sustainable Development Goals (OWG) forwarded a proposal for the SDGs to the Assembly. The proposal contained 17 goals with 169 targets covering a broad range of sustainable development issue. These included ending poverty and hunger, improving health and education, making cities more sustainable combating climate change, and protecting oceans and forests.The Intergovernmental Negotiations on the Post 2015 Development Agenda (IGN) began in January 2015 and ended in August 2015. Following the negotiations, a final document was adopted at the UN Sustainable Development Summit September 25–27, 2015 in New York, USA. The expected deadline for the SDGS is 2030.The title of the agenda is Transforming our world: the 2030 Agenda for Sustainable Developments.The 17 Sustainable Development Goals are to: 1. End poverty in all its forms everywhere, 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture, 3. Ensure healthy lives and promote well-being for all at all ages, 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all, 5. Achieve gender equality and empower all women and girls, 6. Ensure availability and sustainable management of water and sanitation for all, 7. Ensure access to affordable, reliable, sustainable and modern energy for al, 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all, 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation, 10.Reduce inequality within and among countries, 11. Make cities and human settlements inclusive, safe, resilient and sustainable, 12. Ensure sustainable consumption and production patterns, 13. Take urgent action to combat climate change and its impacts, 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development, 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss, 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels, 17. Strengthen the means of implementation and revitalize the global partnership for sustainable development

3. Objective and Methodology

Thus the objective of this paper is to analyze the nature, extent and trends in humandevelopment disparity especially north- west region in Bangladesh and to some policy suggestions reducing disparities in Bangladesh.

The study was conducted 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 internal journals were also reviewed for conducting this research. Finally, bi-variate analysis is conducted to determine association of different variables with poverty and inequality.

In this study, analysis has been carried out the basis of available secondary literature and data. Important sources include secondary data in form of official statistical information collected from the Bangladesh Bank, Bureau of Manpower, Employment and Training (BMET), International Migration Report of IOM, World Bank Report, IMF Report, ADB Report, Journals etc.

4. Aspects of Regional Disparity and Factors Affecting Regional Disparity

4.1 Poverty Situation

Typical measures of poverty are based onincome or consumption, which register importantdimensions of deprivation but provideonly a partial picture. People can be deprivedof many things beyond income. They mayhave poor health and nutrition, low educationand skills, inadequate livelihoods and poorhousehold conditions, and they may be sociallyexcluded.Some of these broader aspects of poverty arecaptured in the concept of multidimensionalpoverty. In 104 developing countries 1.2 billionpeople had an income of $1.25 or lessa day. But the multidimensional povertyheadcount for 91 developing countries was anestimated 1.5 billion people—as measured bythe Multidimensional Poverty Index (MPI).

The proportion of multidimensionally poorpeople is usually higher than the proportionliving on less than $1.25 a day. In Cambodia47 percent of the population were in multidimensionalpoverty in 2010, but only 19 percentlived on less than $1.25 a day.

In a recent report by Bangladesh Bureau of Statistics (BBS) and the World Food Programme (WFP) and the World Bank, the district level poverty mapping has been updated for 2010- the latest available year of the household budget survey. The following table identifies the fifteen districts with highest rates of head count poverty measured in terms of the upper poverty line. This has been done by using small area estimation technique. The poverty mapping has been calculated using the income-consumption data of Household Income Expenditure Survey (HIES) 2010 and population data of Census 2011. According to the estimate half of the districts have poverty rates greater than the national average of 31.4% suggesting a high degree of disparity among districts in terms of poverty measures (i.e. as many as 32 districts out 64 districts have higher poverty rate than that of the national poverty rate).

Table 1. a: Head Count Poverty Rate by Districts (%) District	Poverty rate % (Upper poverty line)	Rank
Kurigram	63.7	1
Barisal	54.8	2
Shariatpur	52.6	3
Jamalpur	51.1	4
Chandpur	51.0	5
Mymensingh	50.5	6
Sherpur	48.4	7
Gaibandha	48.0	8
Satkhira	46.3	9
Rangpur	46.2	10
Magura	45.4	11
Pirojpur	44.1	12
Bagerhat	42.8	13
Gopalgonj	42.7	14
Rajbari	41.9	15

Source: 2013 Bangladesh Poverty Assessment, World Bank

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.

Although higher poverty incidence has been found in the districts of Rajshahi and Rangpur divisions, there are also districts from the east region which has poverty rate higher than the national level. An important observations is that the three CHT districts - with high degree deprivations in other indicators - did not make the above list with relatively moderate of poverty rates. Further investigation with other data sources may suggest that poverty rate could have been higher than what is reported in the WFP/WB report.

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

	Poverty Map	2010	2005	2000	1995-96
National	30.7	31.5	40.0	48.9	53.1
Barisal	39.4	39.4	52.0	53.1	59.9
Chittagong	26.2	26.2	34.0	45.7	44.9
Dhaka	30.5	30.5	32.0	46.7	52.0
Khulna	32.1	32.1	45.7	45.1	51.7
Rajshahi	29.7	29.8	51.2	56.7	62.2
Rangpur	42.3	46.2	-	-	-
Sylhet	28.1	28.1	33.8	42.4	-

Source: BBS, HIES Reports (1995- 96, 2000, 2005 and 2010), 2013 Bangladesh Poverty Assessment, World Bank

From Table-1. b, the estimate of HCR of poverty by divisions using the upper poverty line in 2010 reveal that Rangpur division has the highest incidence of poverty (HCR) at 46.2 percent, followed by Barisal division 38.4 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.
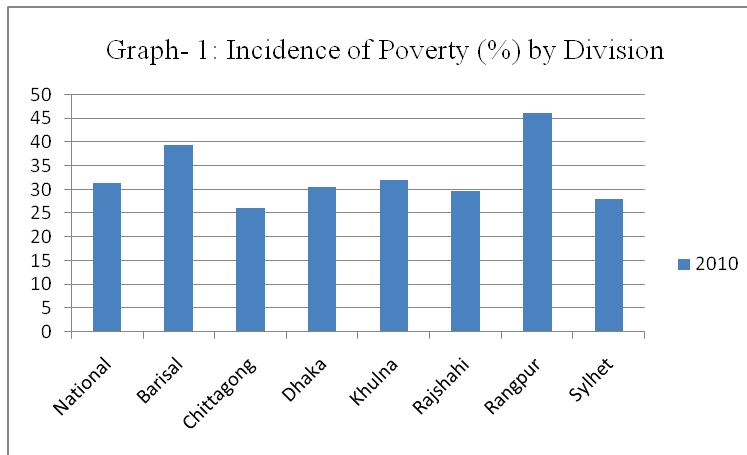
Source: BBS, HIES Reports (2010)

Between 2005 and 2000, 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 general public and hence is popular with policy makers and development practitioners. The limitation of the measure is that it is insensitive to 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 Squired 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 house-holds 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, at the national level recorded the PG at 6.5 percent in 2010. The same was 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, at the national level has recorded the lowest SPG which was 1.3 percent in 2010. The same was 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 Nets Programme (SSNP) is generally targeted to the poor.The division wise distribution of households receiv-ing 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. 11479 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 and 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

Source: BBS. HIES (2010)

Graph-2: Monthly Household Nominal Incomes and Consumption Expenditures by Divisions- 2010
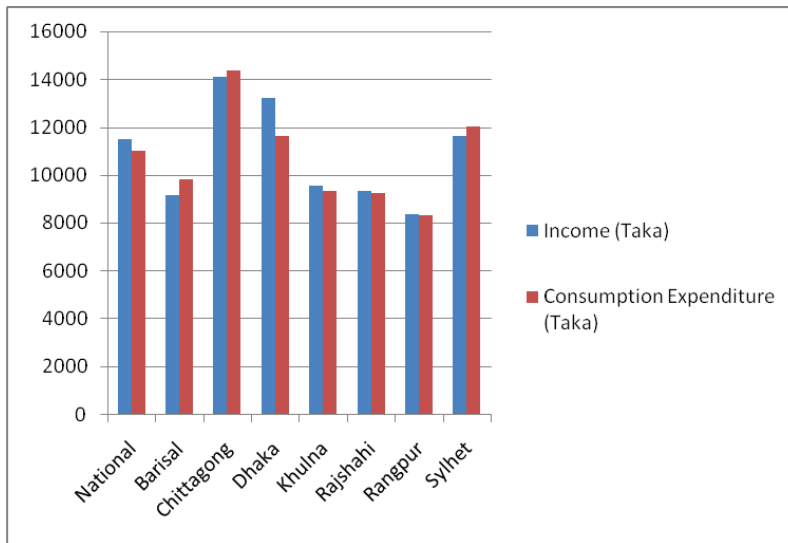
Source: BBS. HIES (2010)

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 and 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 the 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 of the revised budget of the previous fiscal year 2010-11 in Bangladesh. The government has expenditure in social safety net programmes to the tune of about 13.79 percent of the total budget and 2.51 percent of GDP. This is, however, is not adequate, given the magnitude of the problems.

Infrastructure is an important determinant of level of development and intensity of disparity. Physical connectivity, gas, electricity are of crucial importance to stimulate the process of industrialization. The Jamuna Multipurpose Bridge played an important role behind some poverty reduction in the northern 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 expenditures were 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 the development practionars to investigate the issue of regional distribution of public spending. It has been alleged that inequality in the distribution of political power has often lead 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: 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: 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

In the past few years, Bangladesh has achieved substantial amount of progress in education. The literacy rate has increased by 6 percentage points to 57.9 % in 2010 from 2005. The enrollment rate in primary education is 84.75 % and the ratio is higher in favour of girls in both urban and rural areas.

However, there is serious persistence of spatial differences in the achievement of education when it comes to literacy rate. The range in literacy rate among the 64 districts is 35.5 and the standard deviation is almost 8, suggesting high level of disparity among the districts. The following table will shed light on the districts which are under achiever of education in Bangladesh. Other two indicators used to assess district level deprivation in education are number of primary and secondary schools.

Education develops human skill for providing quality services to the community. Education is also termed as a 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-9. 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 17 public and 54 private university is observed in Dhaka division and the lowest only2 public and no private university in Rangpur division (Table- 9).

Table- 9: University byAdministrative Division

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

Source: UGC Website

4.6 Access to Electricity, Telephone, Mobile phone and Computer

Infrastructure is crucial to promote socio-economic progress of a district. Two important infrastructure indicators namely: (i) percentage of paved road to total road; and (ii) percent of households with electricity connection have been used to assess the status of infrastructure across the district of Bangladesh.

Distribution of households with access to electricity, telephone, mobile phone, and computer is presented in Table-10. It is observed that, 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% access to computer. But in Rangpur Division only 30.07% access to electricity, 41.59% access to mobile phone, 1.25%

access to telephone and 0.70% access 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 are wage gap between Rangpur and Dhaka division. Male Wage rate at Dhaka division in August 2012 was Taka 250- 300 per day. At that time in Rangpur division male wage rate 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 economics. Due to the primacy of Dhaka and Chittagong, the availability of electricity has been more pronounced in the eastern districts than in the western and southern districts. Similarly, there are substantial differences in terms of availability of natural gas. Large areas of northern and the southern parts of the country still do not have natural gas coverage.

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 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 highly concentrated in some areas of the country relative to others, the exclude or marginally included regions have gained little from inward foreign remittances of the country. (Table -13). Chittagong and Dhaka divisions dominate the share of expatriate workers; around 78 percent of total expatriate workers belong to these two divisions. In terms of total population Chittagong division has the highest proportion of its population working abroad (7.7%) followed by Sylhet division (4.28%), both surpassing Dhaka division (4.04%). On the other hand, less than 1 %of Rangpur division's and little less than 1.5 % of Khulna division's population are working abroad. Barisal does better, but still lags behind the more prosperous eastern divisions.

Table- 13: -: International Migration (2005-2009)

District	International Migration
Comilla	11%
Chittagong	9%
Tangail	6%
Rangpur	1%

Source: BMET 2009

Empirical evidence shows that there is a significant correlation between district level poverty headcount rate s and share of expatriate workers. Data pertaining to district wise distribution of migrant workers shows that most of districts of Rajshahi divisions have less than one percent of their population working abroad. Though Chittagong division has the highest share of expatriate workers, the three hill districts of these divisions have very small number of expatriate workers. Indeed, a key factor underlying the more favourable poverty outcomes in Sylhet is the large inflow of remittances that have helped finance consumption even though per capita income flows have grown below the national average. Remittance is one of the major driving factors in reducing poverty level. Areas with higher incidence of remittance are less likely to be poor.

Table- 14: 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 tend to be much more concentrated in Dhaka and Sylhet divisions as compared with Rajshahi, Khulna and Rangpur.

Table- 15 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 ad 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 require less loans from banks in relation to available economic opportunities.

Table- 15: 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. Concluding Remarks

Improvement of infrastructural facilities is one of the key interventions that can open the door of economic opportunities in the lagging districts. Following meas-

ures are can be taken: Communication system between the better off districts and lagging districts should be improved in order to increase economic activities in the lagging districts. Supply of electricity should be increased in the lagging districts in priority basis since development of manufacturing sector demands access to electricity supply. Construction of gas transmission line to the laggard districts should be expedited. Both inter district and intra district road communication system should be developed to increase economic mobility within the laggard districts. Storage facilities for agricultural and fisheries should be increased according to the demand of such facilities in laggard districts where economic activities are mostly agricultural in nature. Such facilities should be enhanced in the remote areas so that farmer gets most benefit from such facilities. Intensity of bank branches should be increased in the laggard divisions to increase financial services for general people as well as investors of the districts. Communication system in three hill districts should be developed to create economic opportunities for these areas.

Manufacturing activity has to be promoted in the lagging districts. Since private investment has less of an incentive to locate itself in the lagging districts, this process has to be implemented with the help of government support at least in the initial stage. Industrial policy should incorporate enough flexibility for investment in lagging districts. Industrial zones should be established in lagging districts with all adequate infrastructural facilities so that entrepreneurs can get benefit from economies of scale. Promulgation of special incentive for prospective investors should proceed simultaneous to encourage faster investment in this industrial park. Small and medium enterprises should be encouraged with low cost financing facilities. Rate of interest for bank finances should be lower in the laggard districts which will increase investment, Special fiscal incentive such as tax holidays should be offered for investment in lagging districts.

Even though the share of agriculture in GDP is declining over time, still this is the focus point of the rural economy. Special emphasis has to be given to development of agro-processing, non-farm economic activities in the laggard districts. Following steps can be taken: Rural areas of lagging districts should get special priority in agricultural credit disbursement and agricultural subsidy program. Microfinance institutions should be encourage to operate in poverty prone areas by providing special incentives, e.g. providing fund to MFIs at low rate of interest if they disburse this fund in poor districts.

Policy measures are required to attract microfinance in environmentally vulnerable areas such as cyclone prone coastal areas, land logged and other flood prone areas and Monga prone areas.

Non-farm economic activities should be promoted in the laggard districts through providing training and financing facilities. Partnership building between the

government and MFIs/NGOs can play an important role in this regard.

Local government institutions such as Union Parishads should be strengthened to conduct development activities of the government through these institutions.

The flow of remittance earnings is emerging as a crucial source of resources to improve local economy. We notice that flow of remittance earnings is low towards the lagging districts, which is causing further backwardness of these districts. Following measures need to be taken: Number of migrants working abroad should be increased in lagging districts which receive meager share of foreign remittances. echnical and vocational training institutions should be established in the laggard districts as per the demand of other countries. • Special financing scheme should be directed towards prospective migrants form laggard districts.

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 in the western side, more investment has to be provided 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 would 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 would be expedited.

Industrialization would 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 would be made flexible to support investment in Rangpur division.Construction of industrial park and industrial zones would be established.Small and medium enterprise would be encouraged with low cost financing facilities. Rate of interest for bank finances would be lower in the Rangpur division which will increase investment.Special fiscal incentive such as tax holidays would be offered on a selective basis for high priority private investment in the Rangpur divisions industries.

The farmers in the Rangpur division would get priority in terms of agricultural subsidy. The Government will explore the possibility of increasing the provision of agricultural loan at a lower interest rate in the Rangpur division.

Efforts are needed to expand BR- 33and Pariza rice in Rangpur division.Emphasis will be given to support the expansion of storage facilities for the poor and marginal farmers to for preserving their fish and agricultural products in order to get suitable price for their product in the market.

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

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

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

The design of social protection schemes including employment guarantee schemes would consider the location issue very carefully, putting priority to the availability of these schemes in the Rangpur division.

The eradication of poverty and inequality and meeting of basic needs are the primary goals of the government. The present government of Bangladesh is very much hopeful in 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 fulfilling equally every region in the country- this is expectation of all.

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