

Managing Reduced Inequalities: Higher Education Perspective in Bangladesh



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BACKGROUND

The SDG 10 is about reduced inequality and the full title of it is: "Reduce inequality within and among countries". It is true that ending all forms of discrimination against women and girls is not only a basic human right, but it also crucial to accelerating sustainable development. It has been proven time and again, that empowering women and girls has a multiplier effect, and helps drive up economic growth and development across the board. The SDGs aim to build on these achievements to ensure that there is an end to discrimination against women and girls everywhere. However, there are still huge inequalities in the labor market in some regions, with women systematically denied equal access to jobs. Sexual violence and exploitation, the unequal division of unpaid care and domestic work, and discrimination in public office, all remain huge barriers. Affording women equal rights to economic resources such as land and property are vital targets to realizing this goal. So is ensuring universal access to sexual and reproductive health. Today there are more women in public office than ever before, but encouraging women leaders will help strengthen policies and legislation for greater gender equality. Gender equality is a way to bring about such a change and establish a conscious, loving, kind and compassionate world.

In Bangladesh, the progresses of on SGD 10 are as following:

- The proportion of women aged 20-24 years who were married or in a union before age 15 years stood at 10.70 per cent and before age 18 years 47 per cent which registered some decline over time
- About a quarter of women's daily time is spent on such work. The proportion of female members in the Parliament has been slowly increasing over time reaching 20.57 per cent in 2017.
- Bangladesh ranks 48 in global ranking of countries with a score of 0.721 indicating significantly better performance in promoting women empowerment compared to her South Asian neighbors.
- Gender Parity Index in tertiary education to be raised from current 0.70 to 1.0.
- The ratio of literate female to male for age group 20-24 to be raised to 100% from the current 86%.
- Increase the share of female officers (Grade-9 and above) in the public sector to 25% by 2020.
- Spending on Social Protection as a share of GDP to be increased to 2.3% of GDP.
- Reduce Income Inequality from 0.458 to downward
- According to recent available data (HIES 2016) income inequality has increased while consumption inequality has remained relatively stable.

BANGLADESH GOVERNMENT INITIATIVES:

The Father of the Nation Bangabandhu Sheikh Mujibar Rahman started the process of uplifting the women status by establishing equal rights of woman with man in all spheres of the state and of public life as constitutional obligation under Article-28. The Government of Honorable Prime Minister Sheikh Hasina has undertaken various steps to ensure women and children development in Bangladesh. Through her Vision 2021 and 2041 a momentum has been created for taking forward Bangladesh to a middle and high income level respectively. The 7th Five Year Plan (2016-2020) of the Bangladesh government, considers women's engagement in political and economic activities as a cross-cutting issue and one of the main drivers of transformation. Present government is committed to attaining the SDG of gender equality and empowering women as well as implementing the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) and the Beijing Platform for Action. Bangladesh has already substantially achieved the MDG3 as it has achieved gender parity in primary and secondary education at the national level, among other successes of the MDGs.

Regarding the SGD 10, the Government has been following a pro-poor development strategy which combines promotion of economic growth and reduction of poverty and inequality. The policies that aimed to reduce inequality include employment generation and enhancing labor productivity and wages, development of human capital- education and training, health and nutrition, with greater access to poor, development of lagging regions, increased spending on social protection and improving its effectiveness, expansion of micro-credits and loans to SMEs, emphasis on agriculture and rural development, undertaking tax reforms focusing on progressive personal income taxation. It may be pointed out that the proportion of government expenditure on social protection has increased to 15.25 per cent in FY2017 from a paltry 2.54 per cent in FY 2011. In the following two years the proportion declined and reached 13.92 per cent in FY2019 despite large increases in absolute level of social protection expenditure (32.7 per cent in FY2018 and 19.3 per cent in FY2019).

ACHIEVEMENTS ON THE SDGS 10 IN BANGLADESH CONTEXT:

The Government of Bangladesh has been standing in good stead for its outstanding progress in the areas of reduced inequalities (SDG 10) along with other SDGs. Buoyed by the successes of the MDGs, Bangladesh became one of the forerunners in embracing the SDGs and Bangladesh takes pride as one of the early starters by completing all groundworks for implementing the SDGs. Significant progress was achieved during the 2000-2015 period in achieving gender equality worldwide. Girls' enrolment into schools expanded significantly and many countries achieved gender parity in primary as well as secondary education. Women participation in the labor force outside agriculture increased noticeably. Despite such progress gender inequality persists in various forms depriving women and girls of their basic rights and opportunities. Achieving gender

equality and ensuring women's and girl's empowerment are essential to accelerate economic growth and promote social development.

For over a decade Bangladesh grew at an average annual rate of 6.2 per cent. The growth rate increased to 7.11 per cent in 2015-16 and increased further to 7.28 per cent in 2016- 17. Growth rate for 2017-18 has been estimated at 7.86 per cent, the highest ever rate in the country's history. Based on IMF, World Economic Outlook data base Bangladesh has been found to be one of the top 20 high growth performing countries in the world during the last 10 years (2008-2017). However, sustained growth has not been associated with declining income inequality. On the contrary inequality shows an increasing trend with periodic fluctuations. Gini coefficient, a common measure of the degree of inequality in the distribution of income (or consumption) increased from 0.338 in 1991-92 to 0.467 in 2005 which was followed by a marginal decline to 0.458 in 2010. During the period 2000-2010 income Gini was stable around 0.45. The stability of Gini in the first decade of the new millennium implies that the pro-poor and inclusive growth policies of the Government yielded positive results in restraining rise in income inequality. The latest HIES (2016) shows that Gini is back to its long run trend with a value of 0.483 in 2016 indicating an increase in income inequality in the last six years.

Till now, the notable achievements on the SDGs 10 in Bangladesh are as follow.

1. Recruitment cost borne by employee as a percentage of yearly income earned in the country of destination: At present, around 10 million Bangladeshis are working in 161 countries around the globe and sending remittance which contributes to economic growth and poverty reduction. A larger proportion of temporary workers could have migrated and sent remittance but for the high recruitment cost. The cost is too high for the workers from poor families. In this context, the Government decided to reduce the cost of recruitment as proportion of annual income of migrant workers based on the migration cost and income in 17 countries in 2016 which have been used as baselines. Against these baselines milestones have been set for 2020 for each country. Data available from Ministry of Expatriates' Welfare and Overseas Employment (MoEWOE) show that recruitment cost borne by employee as a percentage of yearly income earned in the country of destination has not yet changed from their baseline values in 2018. It may be noted that recruitment cost/yearly income ratio varies from 10 per cent in Qatar to 67 per cent in Egypt in the baseline year.
2. Proportion of tariff lines applied to imports from least developed countries with zero tariffs: The proportion of tariff lines applied to imports from least developed countries with zero tariffs remains the same as Doha round negotiation of WTO.
3. Total resource flows for development by type of flow (e.g. official development assistance, foreign direct investment and other flows): Official development assistance has an increasing trend which has continued in the SDG period. Foreign direct investment shows an increasing trend with annual fluctuation. It crossed the 2 billion mark in 2016 and continued to increase reaching US\$ 2454.8 million in 2017.

WAY FORWARD:

The Government is cognizant of the upward trend of inequality in the country and its implications for growth and poverty reduction. High and growing inequality could harm the overall growth of the country and the efforts to reduce poverty. Government policies foster inclusive growth to simultaneously address the challenge of poverty reduction as well as reduction of inequality. More focused policies are required to have larger impact on inequality. The 7th Five Year Plan (2016-20) has identified some such policies.

Human capital:

An important way to reduce inequality is to ensure access of all people especially the poor and the disadvantaged to quality education and health services. This helps the poor to break the cycle of poverty by getting better jobs and also helps increase the rate of growth as well as improve income distribution. To achieve this the share of public expenditure on education and health has to be raised to at least 3.5 and 2 per cent of GDP respectively.

Rural infrastructure and agricultural development:

Public spending on rural infrastructure- rural roads, rural electricity, irrigation, flood control and salinity control has to be increased. There is also need for cultivation of high yielding, climate change tolerant rice varieties and diversification of agriculture to high value crops. This will help increase growth rate, average labour productivity, rural wages and facilitate transfer of labour from the rural to the urban sector.

Micro-credit and SME loans:

Micro-credit helps accumulate assets by the poor and get out of poverty. Similarly, SME loans help accumulate assets of micro and small entrepreneurs and create jobs for less skilled workers.

Social protection:

The Government has been expanding coverage of social protection which now claims 1.6 per cent of GDP excluding government service pensions. The programmes, however, raise concern about their quality and targeting. Targeting these benefits and services to the poorest people, and improving the timing of safety net responses to mitigate the effects of various natural disasters and global shocks, will ensure that growth remains inclusive. National Social Security Strategy (NSSS) was approved by the Cabinet on 1st June 2015 and an action plan has been formulated and adopted to implement the strategy. The objective of the action plan is to formulate a detailed inventory of activities to be executed by line ministries over the next five years (up to 2021). The action plan provides indicators that will be used to track the implementation progress of the action plan.

Quality skills development:

As mentioned earlier there are concerns about skills mismatch and quality of skills acquired by workers. The skills development programme should address these problems to meet the demand of a growing economy in a globalized world. Linking labour to productive employment in both domestic and global labor markets will help both poverty reduction and increase the flow of remittances. The private sector should also invest in the skills of employees and provide on the job training to meet the need for higher skilled workers and increasing wages for workers.

Temporary migration of workers:

Migration of workers and its appropriate role in promoting pro poor growth needs to be emphasized. In this context migration will be mainstreamed with national development process. Skill development program will be strengthened by upgrading skills, international certification and mutual skill recognition by Country of Origins (COOs) and Country of Destinations (CODs) Safe and decent work for female migrant workers will be ensured. An efficient, inclusive, governance framework for labour migration will be put in place. Migration related legal frameworks will be updated and enforced. Awareness will be created among the aspirants workers so that they are not exploited through their expatriate friends and family members.

Progressive taxation:

A progressive tax system is crucial to fight inequality both through raising sufficient revenue to invest in essential public services which benefit the poor and the less wealthy in the society and by directly reducing income and wealth inequality. There is some progressivity in the present income tax system but tax avoidance and evasion reduce the tax base. The tax system should be able to combat tax avoidance and evasion and ensure that everyone pays one's fair share of tax.

Better governance and institutions:

The rule of law has to be established to combat transfer of income and wealth through rent seeking behavior as demonstrated in discretionary access to (public) bank loans, non-repayment of these loans, corruption in public procurement and public spending spheres, illegal land grabbing including public land and in the delivery public services. Improved governance and better institutions that work should improve the distribution of income.

ACHIEVEMENTS IN INTERNATIONAL PERSPECTIVES ON THE SDG 10:

The Government's efforts to address gender differences pertain to participation in global initiatives, providing policy and legal framework, improving women's human capabilities, increasing their economic benefits, creating enabling environment for women's advancement and implementing Gender Responsive Budget. Some of the key challenges to achieving gender equality in the country are: eradication of violence against women, prevention of child marriage and addressing gender digital divide. In this connection it may be interesting to present the position

of Bangladesh in comparison with other South Asian countries in terms of women empowerment. Bangladesh ranks 48 in global ranking of countries with a score of 0.721 indicating significantly better performance in promoting women empowerment compared to her South Asian neighbors. The Government has been following a pro-poor development strategy which combines promotion of economic growth and reduction of poverty and inequality. The policies that aimed to reduce inequality include employment generation and enhancing labor productivity and wages, development of human capital- education and training, health and nutrition, with greater access to poor, development of lagging regions, increased spending on social protection and improving its effectiveness, expansion of micro-credits and loans to SMEs, emphasis on agriculture and rural development, undertaking tax reforms focusing on progressive personal income taxation. It may be pointed out that the proportion of government expenditure on social protection has increased to 15.25 per cent in FY2017 from a paltry 2.54 per cent in FY 2011. In the following two years the proportion declined and reached 13.92 per cent in FY2019 despite large increases in absolute level of social protection expenditure (32.7 per cent in FY2018 and 19.3 per cent in FY2019).

However, the following awards have been received by the Bangladesh government for the contribution on SGD 10.

- Bangladesh is one of the top ten nations to have reduced gender inequality by political empowerment of women and toppled all other SAARC countries.
- According to MasterCard's Index of Women's Advancement 2015, Bangladesh has made significant progress in women's employment.
- Since 2009, the country (Bangladesh) has gained more than 80 points in overall employment, making particular improvements in such aspects as regular employment, female participation in workforce, tertiary education enrolment and women in leadership.

THE SDG BANGLADESH PROGRESS REPORT 2020:

A recent government SDG progress report showed that although some goals are on track to be achieved by 2030, the progress in making a dent in inequalities is far from satisfactory. The General Economics Division (GED) has recently published the SDG Bangladesh Progress Report 2020. Analysts say the rich have gained most from Bangladesh's development for the past few decades and this has triggered inequality in the country. The report said, "Although Bangladesh is richer than ever before today, about 40 million people still live in poverty." It added that the inequalities in education, health and other basic services are related to income and wealth. For example, the percentage of under-5 child malnutrition rate among the poorest quintile is 45 while among the richest is 17.4. The infant mortality rate among the poorest quintile is 43 per cent, under-5 child mortality rate 53, total fertility rate 2.8, percent of teenage mothers 41.1, women receiving antenatal care from medically trained providers 35.6 per cent while that among the richest are 24, 30, 2.0, 22.9, and 90 respectively. Besides, the percentage of women delivered in a health facility

among the poorest quintile is only 14.9, educational attainment of the male household population (more than secondary) 2.0, and educational attainment of the female household population (more than secondary) is 1.1 while that among the richest population are 70.2, 31, and 21.2. From the financial soundness indicators perspective, the SDG progress report showed a poor achievement too in Bangladesh. Among the indicators, it showed that the non-performing loan to total gross loan rose to 9.89 in 2018 from that of the 8.40 in the base year 2015. Economist Dr. Ahsan H Mansur told the FE that the state of Bangladesh's inequality was so bad that the SDG 10 achievement by 2030 is difficult. Bangladesh's productivity has decreased, the source of income becomes uneven, un-earned cash flow has risen, budgetary investment to total social protection minus public servant pension has fallen, and faulty tax policy kept the rich people out of taxes. Under this circumstance, reduced inequality is not possible here. The present government's policies and actions are helping the rich people become the richest and the poor people to fall into the perpetual poverty trap. Since Bangladesh's progress was not so good in this category, it needs to take some special measures in the upcoming 8th five-year plan (FYP) for reducing the inequality. In achieving SDGs, financing in developing countries is a big challenge. There are also a lot of challenges in the development process which needs assistance from the development partners. Bangladesh's SDG financing strategy requires additional US\$928.48 billion which is around 19.75 per cent of the accumulated gross domestic product (GDP) of the country. For SDGs 1-4, 14, 16 and 17, public sector has a major responsibility. On the other hand, for SDG-5, 7, 8, 9, 12 Public-Private Partnership can play an effective role. Furthermore, external sources can play important role in achieving the remaining goals.

CONCLUSION:

The Government has been following a pro-poor development strategy which combines promotion of economic growth and reduction of poverty and inequality. While the policies have been largely effective in enhancing growth and reducing poverty they have not succeeded in reversing the worsening income distribution. According to recent available data (HIES 2016) income inequality has increased while consumption inequality has remained relatively stable. There have been some developments with regard to reducing inter-country income inequality. Bangladesh has approved Expatriates' Welfare and Overseas Employment Policy 2016 in January, 2016 with a view to ensuring and encouraging safe migration and protection of migrants and their families. The proportion of tariff lines applied to imports from least developed countries with zero tariffs remains the same as the Doha Round of WTO negotiations—formally, the Doha Development Agenda launched in 2001. Official development assistance has an increasing trend which has continued in the SDGs period. Foreign direct investment shows an increasing trend with annual fluctuation reaching US\$ 2454.8 million in 2017. The increasing inequality which has implications for poverty reduction and relative deprivation poses a challenge confronting Bangladesh. Partly it is a problem of the inability to bring all types of income under progressive taxation and partly a problem of not being able to appreciably increase the share of expenditure on education, health, rural

development, and social protection in total government expenditure. More focused policies and programmes which have larger impact on reducing inequality have been identified. These include better governance and institutions to combat transfer of income and wealth through rent seeking behavior, corruption in public procurement and spending, illegal land grabbing, and delivery of public services.

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