

# CHALLENGES AND OPPORTUNITIES: GROWTH, POVERTY REDUCTION, AND SOCIAL MOBILITY IN BANGLADESH

## POVERTY REDUCTION IN BANGLADESH



Bangladesh Institute of Development Studies

Dhaka, Dec 7

# MEASURING POVERTY, VULNERABILITY, AND INTERGENERATIONAL MOBILITY

## Source Data (HEIS)

- Design and Data Quality

## Poverty Measurement methodology

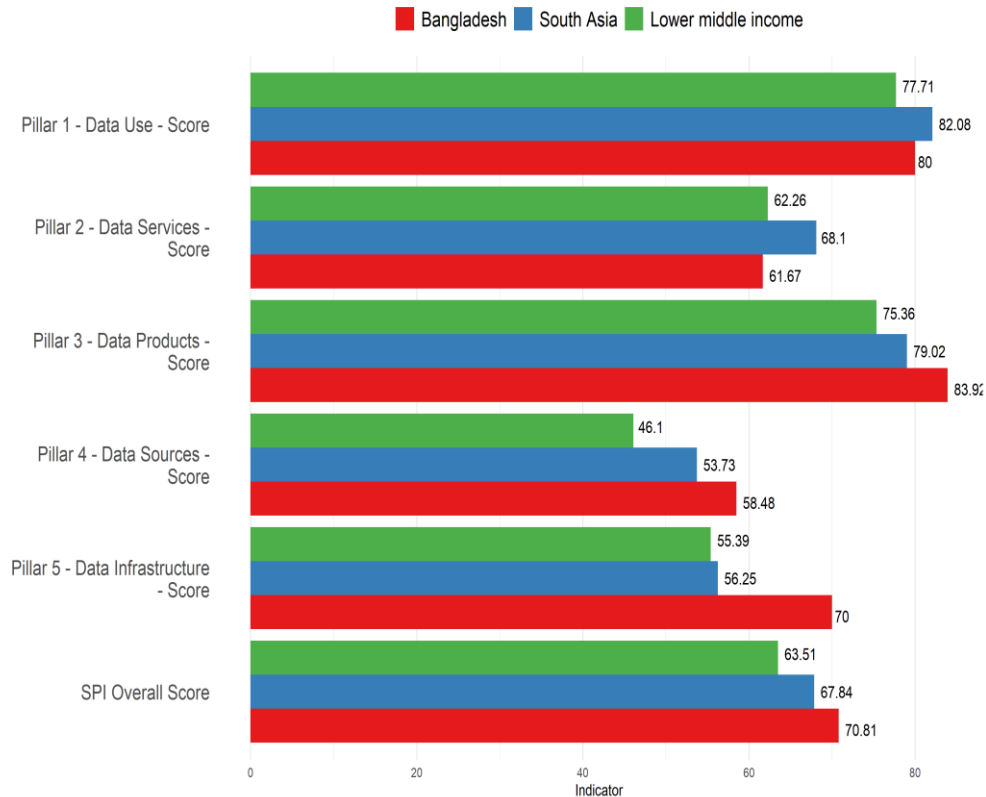
- Poverty trends remain the same regardless of methodology used
- **Looking forward, rationale for revising the measurement methodology and line**

Vulnerability

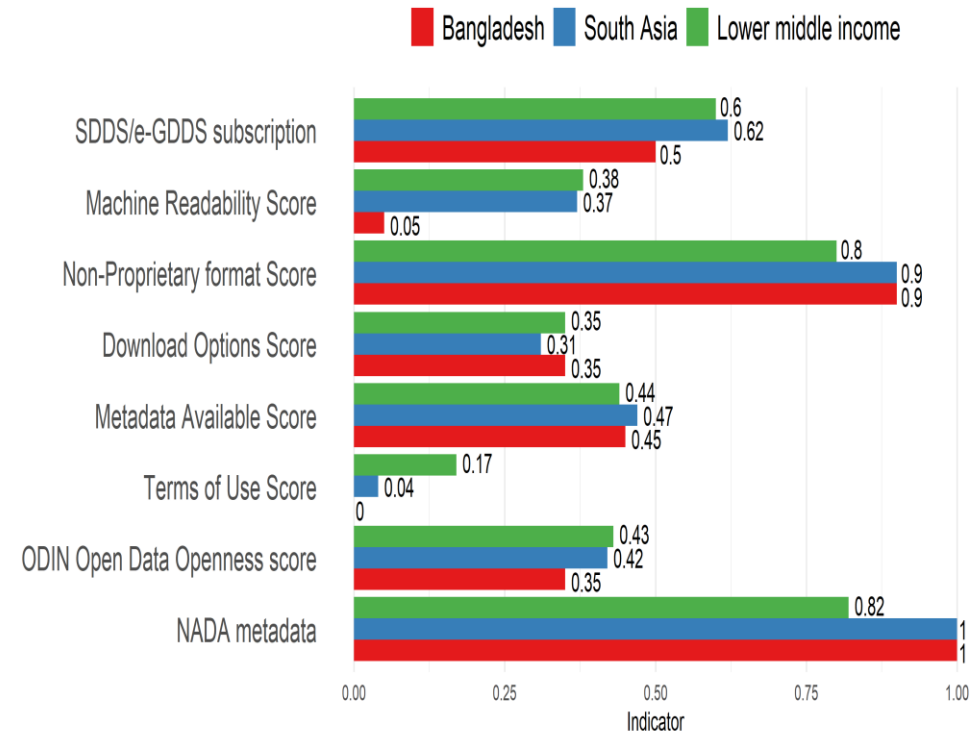
Intergenerational Mobility

# BANGLADESH ON THE WORLD BANK'S GLOBAL STATISTICAL PERFORMANCE INDEX

SPI Overall Scores for Bangladesh in 2023.

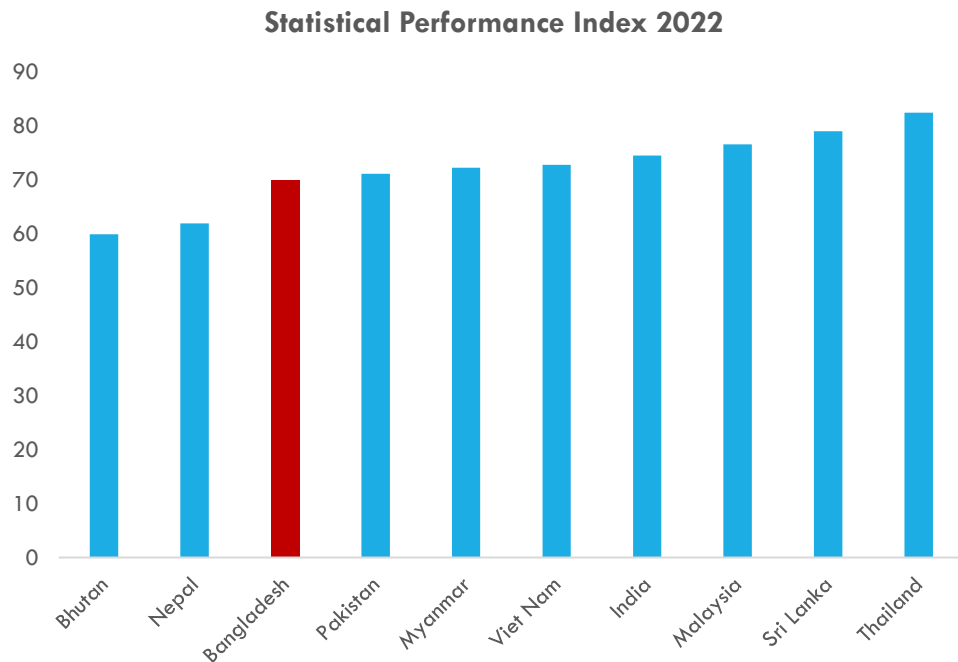


Dimension 2 - Data Services - Indicator Data for Bangladesh in 2023.

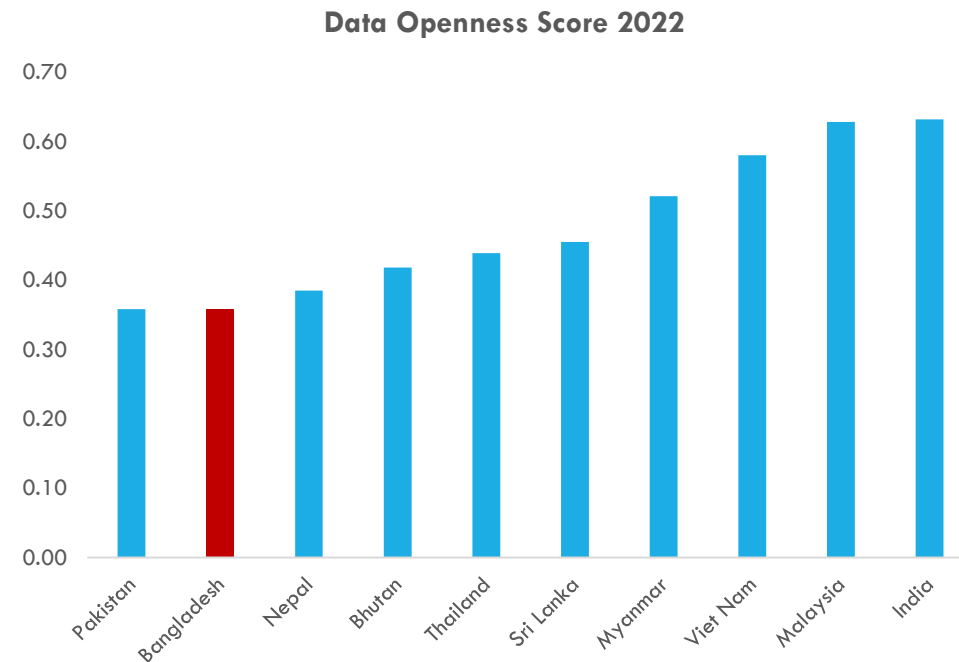


# BANGLADESH ON THE WORLD BANK'S GLOBAL STATISTICAL PERFORMANCE INDEX

Lags regional and global peers on Statistical Performance



And lags further behind on data openness and transparency



# CHALLENGES TO DATA ACCESS AND USE COULD ALSO MOTIVATE CONCERNS ON DATA QUALITY AND RELIABILITY

## Emphasis on data production rather than data access and use

- Data production, sources and infrastructure rank in the 4<sup>th</sup> quintile
  - Although inadequate to need, performs better than average for the region and LMICs
- But data access and transparency are key challenges
  - Measure of data access , timeliness, and use lag even in comparison to countries and regions with similar or worse data production, sources, and infrastructure
- Low trust in data produced by the statistical system

## Concerns about data reliability with an urgent need to assess key underlying factors

- Key factors to be assessed, by data source
  - Methodology
  - Data Quality
    - Administrative data ( line ministries)
    - Census and Survey data (BBS)
  - Accuracy in measurement
    - Documentation of methodology and changes
    - Access to data
  - Data release process
    - Technical Committee (Composition)
    - Other clearance processes

# MEASURING POVERTY: SOURCE DATA

- Bangladesh has consistently implemented HIES every five years since 2000
- Four rounds were conducted with the same source data
  - Survey and sample design
  - Survey instrument and design of key modules ( e.g., consumption expenditures)
  - Data entry and management (i.e., PAPI/CAFE)
  - *The 2016 survey round increased the sample to 46,080 households, to be representative at district level (concerns on data quality)*

# MEASURING POVERTY: KEY CHANGES IN SOURCE DATA IN 2022

- 2022 HIES implemented key changes in survey design
  - Increased number of food (from 149 to 263) and non-food items (from 261 to 441)
  - Market unit prices for food items were collected instead of total expenditures
- Adopted improvements in survey implementation to improve data quality and consistency
  - Reduction in sample size by scaling back survey representation to pre-2016 design
  - Scales used for weighing food items
  - Data collection from PAPI/CAFE to CAPI
  - *More rigorous field and data management systems with multiple trainings over the year*
- ...but these changes affect **comparability of indicators over time**

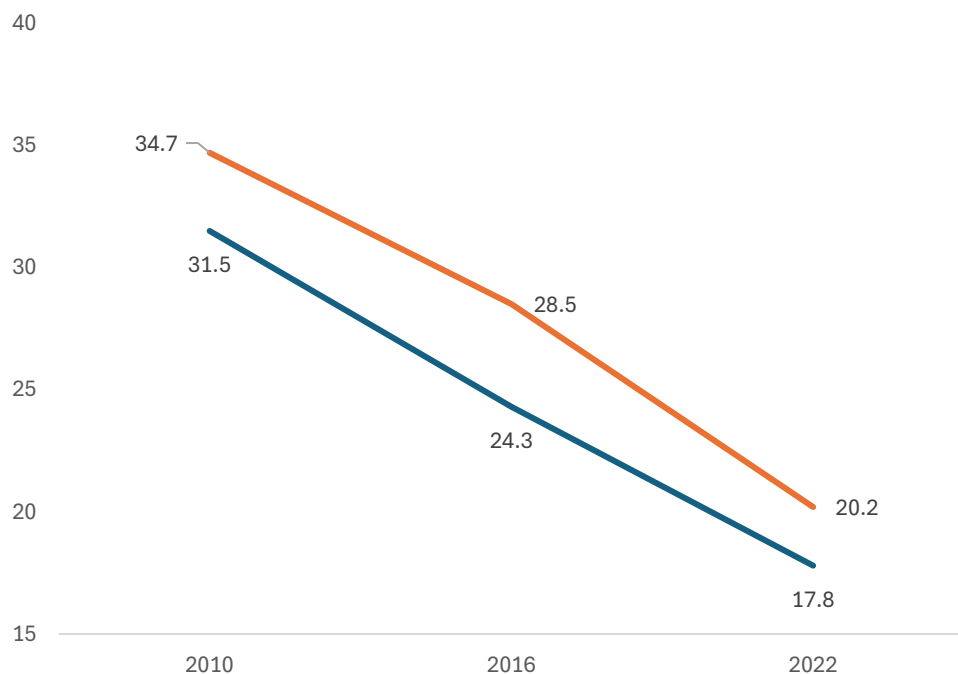
# MEASURING POVERTY: HAS BANGLADESH FACED THIS CHALLENGE BEFORE?

- ❑ Household Expenditure Survey experienced a significant break in its design between 1981/82 and 1983/84
  - ❑ Single interview reporting 7-day recall of food consumption → daily diaries over the last 24 hours spread in 14 days with multiple visits
  - ❑ Doubled the number of food items, particularly for self-consumption
- ❑ Result: Ravallion and Sen (1996) present a series from 1983/84 with comparable survey rounds

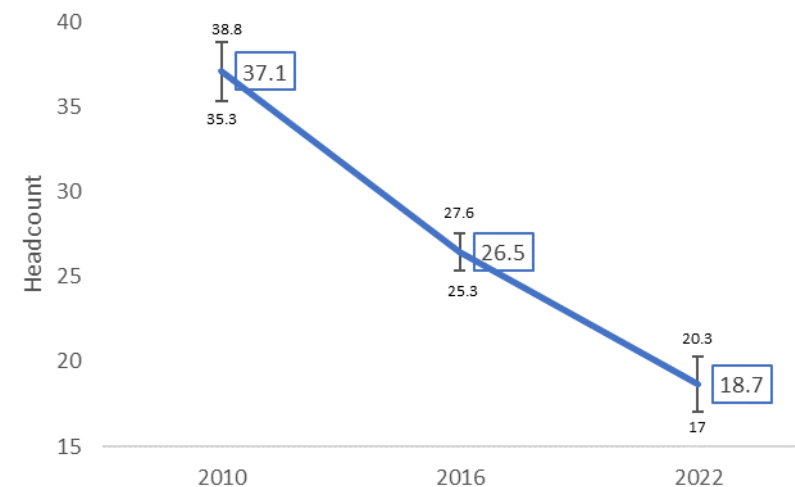


# POVERTY HAS DECLINED OVER THE LAST 12 YEARS, IRRESPECTIVE OF THE METHODOLOGY USED

Poverty reduces when using common items with the 2016 official upper poverty line or re-estimating it in 2022, or...



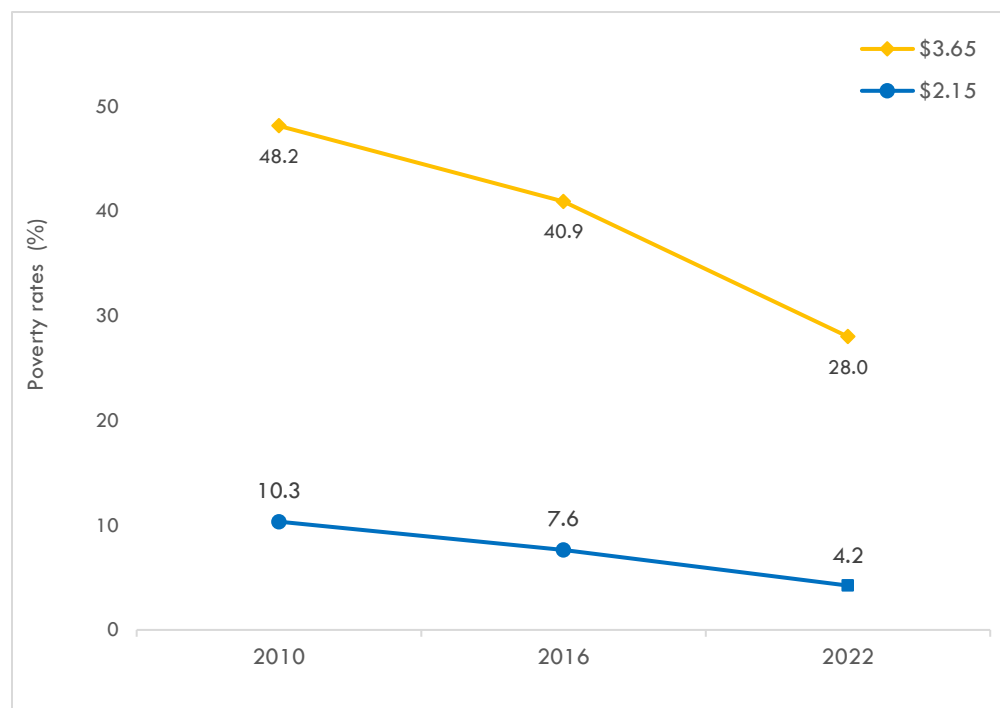
...when recovering comparability with more sophisticated methods



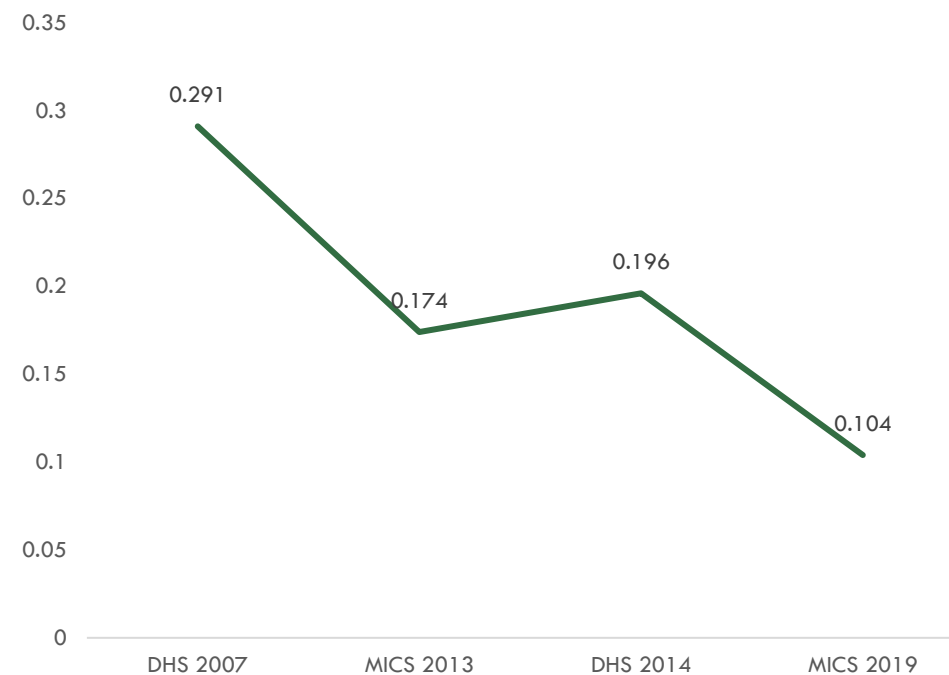
Source: Own elaboration based on HIES 2010, 2016 & 2022.

# POVERTY ALSO DECLINED AT INTERNATIONAL POVERTY LINES.. AND WAS ACCOMPANIED BY REDUCTIONS IN MULTIDIMENSIONAL POVERTY

## International poverty Rates

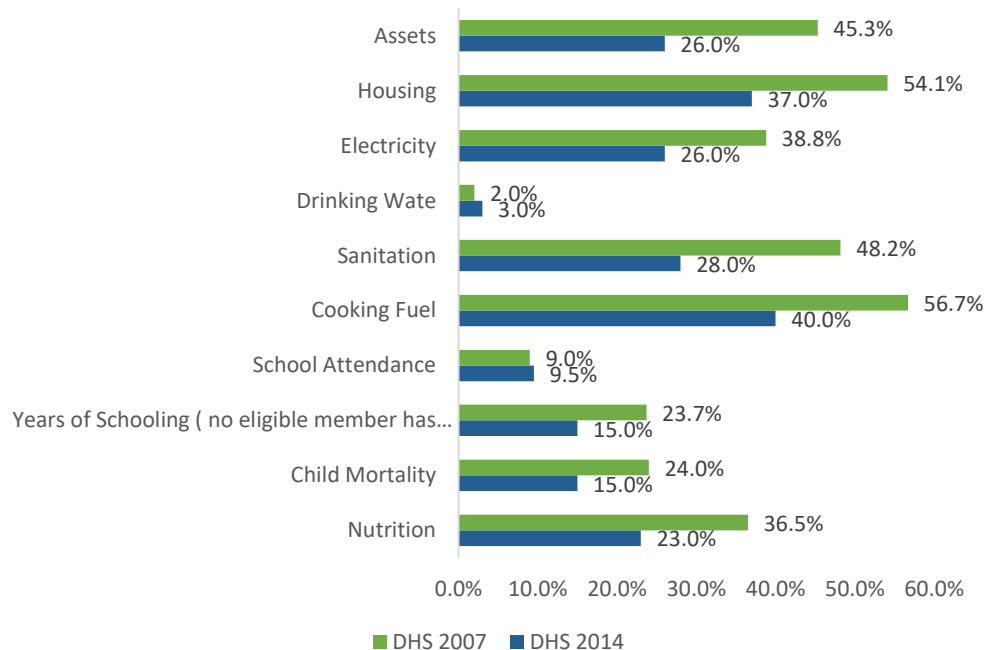


## Multi Dimensional Poverty

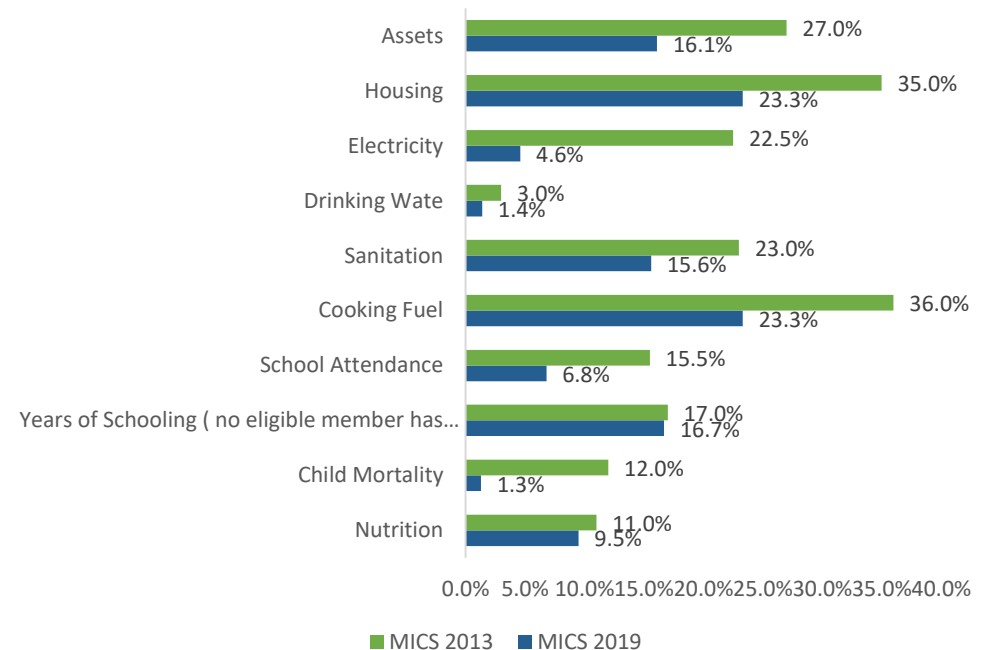


# MULTI DIMENSIONAL POVERTY: IMPROVEMENTS ACROSS A RANGE OF DIFFERENT DATA SOURCES

## Demographic and Health Survey



## Multiple Indicator Cluster Survey



# IS THE CURRENT POVERTY MEASURE ADEQUATE?

## UPDATING THE POVERTY MEASUREMENT METHODOLOGY

- ❑ Methodological Improvements that are not yet reflected in the welfare aggregate and poverty line
  - ❑ Including data on flow of services from durable assets (2016) ; additional food and non-food items (2022)
  - ❑ Accounting for spatial price variation
- ❑ The food poverty line set in the 1970s and should be updated
  - The basic consumption bundle consists of eleven items with a minimal nutritional requirement of 2,122 kcal per person, but...
  - This bundle only captures app 42 percent of the total food expenditure of the bottom 20
  - The food poverty line should be representative of the updated consumption patterns of the bottom of the population
- ❑ Updating the food poverty line will be required to
  - Reflect current consumption behaviors of the reference group
  - Reflect current standards of living, greater dietary diversity, and increasing urbanization

# ARE POVERTY MEASURES ADEQUATE?

## VULNERABILITY AND INEQUALITY

- ❑ Poverty lines are anchored to the cost of accessing a minimum calorie requirements (food poverty line) , and basic non-food needs
  - ❑ Methodological choices determine the level at which food poverty line and the overall poverty line are set
- ❑ Inequality
  - ❑ Stagnant Consumption Gini (0.32) Vs Rising Income Gini ( .46 to .51 overall, with a larger 9 pt increase in urban areas)
  - ❑ Challenges of survey-based methods in measuring top incomes accurately – tax and wealth data needed (Banerjee and Piketty, 2005; Bharti et al 2025)
- ❑ Measuring Vulnerability, especially in the context of recurring shocks
  - ❑ External, arbitrary thresholds: Twice the poverty line in 2016
  - ❑ More empirically informed methods
- ❑ Intergenerational and Social Mobility
  - ❑ Inequality of opportunity ( education, consumption, labor incomes)
  - ❑ Intergenerational education mobility

**THANK YOU**



**WORLD BANK GROUP**