Development and Development related Progress of Bangladesh

Learning Objectives

- What is Development
- Differences between growth vs development
- Measurement Procedures of Development
- Bangladesh's position regarding Development indicators
- Development theories: Rostow's 5 stages of Development
- Millennium Development goals(MDG's) and Bangladesh's achievement
- Sustainable Development goals

Definition of Development

- Development is a process to increase ability of people and other organizations to manage sustainable environment, good condition living and what are we needed.
- It is not purely an economic phenomenon rather a multi-dimensional process involving reorganization and reorientation of economic and social system transforming both for better.

Economic growth and development

- “Economic growth” and “Economic development” is very closely related to each other as one of the most signifying indicators of development is rising per capita income which indicates economic growth.
- Despite this existing highly co-relation between economic growth and development ,growth is not the sole indicator of economic development.

Growth vs Development

Growth	Development
Growth focuses on quantitative improvement ex- increase in a country's per capita income.	Development focuses on both qualitative and quantitative improvement ex- amalgamation of improvement in per capita income, health index, education index.
Growth is an external process.	Development is an internal process.
Growth is structural.	Development is functional.
Growth exists for a particular point in time	Development does not depend on time
Growth influenced by development	Development is not influenced by growth.

Measuring Development

- United Nations Development Program(UNDP) published human development indicators for measuring worldwide well being.
- Three data dimensions for measuring human development indicators are-life expectancy, education & Income.
- Along with these indicators other additional indicators are-inequality adjusted index, gender inequality index, multidimensional poverty index.

How to measure Human Development Index(HDI)

- HDI Index was created by an economist Mahbubul Haq followed by economist Amartya Sen in 1990.
- HDI index is a composite statistics of life expectancy,education & income to rank countries in the context of human development.
- In order to construct HDI index maximum and minimum values called “goalposts” have been chosen for the above three dimensions.

Goalposts for calculating HDI

Dimensions	Maximum Value	Minimum Value
Life expectancy at birth years	83.5	20.0
Mean years of Schooling	13.1	0
Expected years of Schooling	18.0	0
Per Capita Income	10721	100

https://www.economicsdiscussion.net/human-development-index/human-development-index-hdi-an-overview/11782

Life expectancy Calculation

- Performance in each indicator can be measured by using the following general formula:

Dimension Index=Actual value-minimum value/maximum value-minimum value.

- Suppose a country's life expectancy at birth is 75.2 now using the formula,life expectancy will be

Life expectancy=75.2-20/83.5-20=0.870

Calculating the education index

- Performance in each indicator can be measured by using the following general formula:

Dimension Index=Actual value-minimum value/maximum value-minimum value.

- For education index dimension index will be applied to both mean years of schooling and expected years of schooling.
- Mean of those two indices will give the value for education index E.

- Suppose if a country's mean years of schooling is 5.5 then using the goalpost's value in the dimension index formula,

Mean years of schooling index=5.5-0/13.1-0=0.478.

That particular country's expected year of schooling is 10.4, then using the goalpost's value in the dimension index formula,

Expected years of schooling index=10.4-0/18-0=0.576

Combining these two index for finding education index

Eduacation Index= 0.478+0.576/2=0.53

Calculating the Income Index

- This calculation is adjusted by taking logarithm of current income and this per capita income is adjusted for PPP reflecting relative purchasing power of currency mostly expressed in dollars.
- Suppose a country's per capita real GDP is $2,248 internationally adjusted real GNP per capita becomes,

Income index=Ln(2,248)-Ln(100)/Ln(1,07,21)-Ln(100)=0.478

HDI Calculation

- Calculating HDI will be the geometric mean of three dimension indices, so by using all the three indices value HDI will be,

HDI= $\sqrt[3]{(0.478 \times 0.53 \times 0.87)}$

HDI=0.593

HDI value ranges from 0 to 1 and according to it's value country's status can be understood.

Country's status according to HDI Value

Value of HDI	Country's Status
0.8-1.0	Highly developed country
0.7-0.79	Developed Country
0.55-0.70	Developing Country
<0.55	Least Developed Country

https://worldpopulationreview.com/country-rankings/hdi-by-country

Top 5 developed countries with their HDI data

Country	HDI value	Life expectancy at birth(years)	Expected years of schooling(years)	Mean years of schooling(years)	Gross national Income (GNI)per capita(PPP $)
Norway	0.957	82.4	18.1	12.9	66,494
Switzerland	0.955	83.8	16.3	13.4	69,394
Iceland	0.949	83.0	19.1	12.8	54,682
Germany	0.947	81.3	17.0	14.2	55,314
Sweden	0.945	82.8	19.5	12.5	54,508

Source: Human development report,2020

Bottom 5 countries with their HDI data

Country	HDI value	Life expectancy at birth(years)	Expected years of schooling(years)	Mean years of schooling(years)	Gross national Income (GNI)per capita(PPP $)
Niger	0.394	62.4	6.5	2.1	1201
Central African republic	0.397	53.3	7.6	4.3	993
Chad	0.398	54.2	7.3	2.5	1555
South Sudan	0.433	57.9	5.3	4.8	2003
Mali	0.434	59.3	7.5	2.4	2269

Source:Human development Report office 2020

Bangladesh's Position According to HDI

- According to Human development report 2020 HDI value's for Bangladesh is 0.632.
- From the value it can be understood that Bangladesh is in the median human development category.
- Bangladesh's position is 133 out of 189 countries.
- Since last 30 years BD's HDI value approximately increased by 60.4%.

Comparison between HDI index of Bangladesh between 1990 & 2019

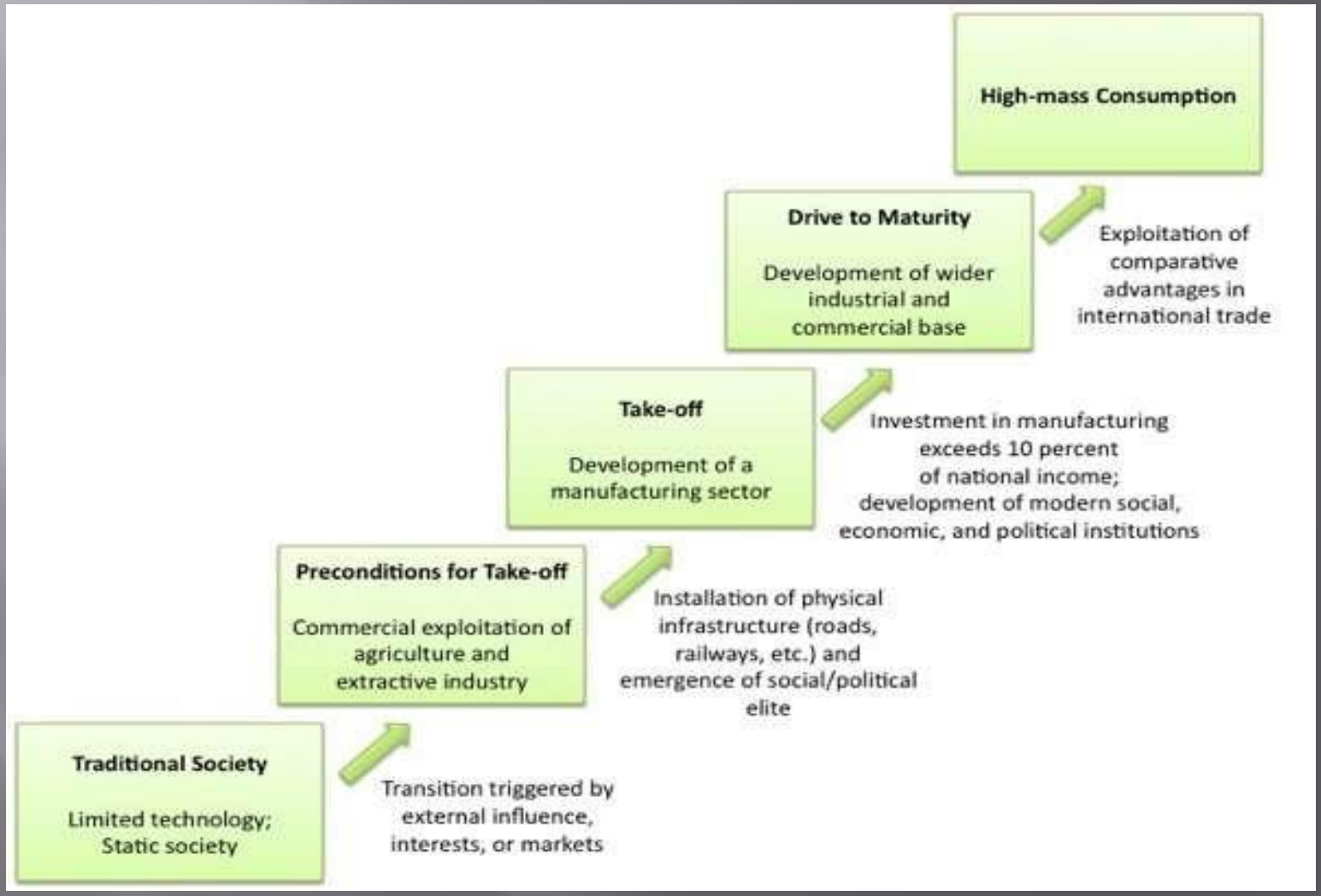
Year	Life expectancy	Expected years of Schooling	Mean Years of Schooling	GNI per capita	HDI
1990	58.2	5.6	2.8	1554	0.394
2019	72.6	11.6	6.2	4976	0.632

Development Theories

- Development is usually seen as crucially determined by structures of governance; governance is interpreted through and shaped by the goal of development.
- Most development theory equates development with national economic growth and sees the state as its primary agent; consequently, one of its central concerns is to understand and explain the role of the state in development and the nature of government-market relations.

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- Major perspectives on development that have emerged since World War II, as represented by theories of modernization and growth, dependency and world systems theories, the resurgence of neoclassical theory, and an array of newer critical perspectives.
- The most influential development theory is given by American economic historian Walt W.Rostow in his book titled “The stages of Economic growth”

Rostow's stages of economic growth



Bangladesh's position according to Rostow's stages of economic growth

- Before 1990's Bangladesh was in the stage of "traditional society" as high percentage of people are involved in agriculture and lack of investment in industrial sector.
- After 1990's Bangladesh was in "transitional" stage due to the influence of well educated leaders. Investment is made in industrial sector and technological advancement and also the development of trade support infrastructure.
- At present Bangladesh is in the "take-off" stage due to rapid growth generation by increasing investment in industrial sector and improved productivity of workers due to technological orientation and digitalization. Workers are now preferring to engage more in manufacturing sectors.
- Bangladesh is on its way to reach the "drive to maturity" stage by graduating from the LDC status within 2027 by proper investment strategies and improved productivity by engaging high skilled employees. Although to reach in the "High mass Consumption" stage Bangladesh need to achieve a lot of progress in several sectors.

Millennium Development Goals(MDG)

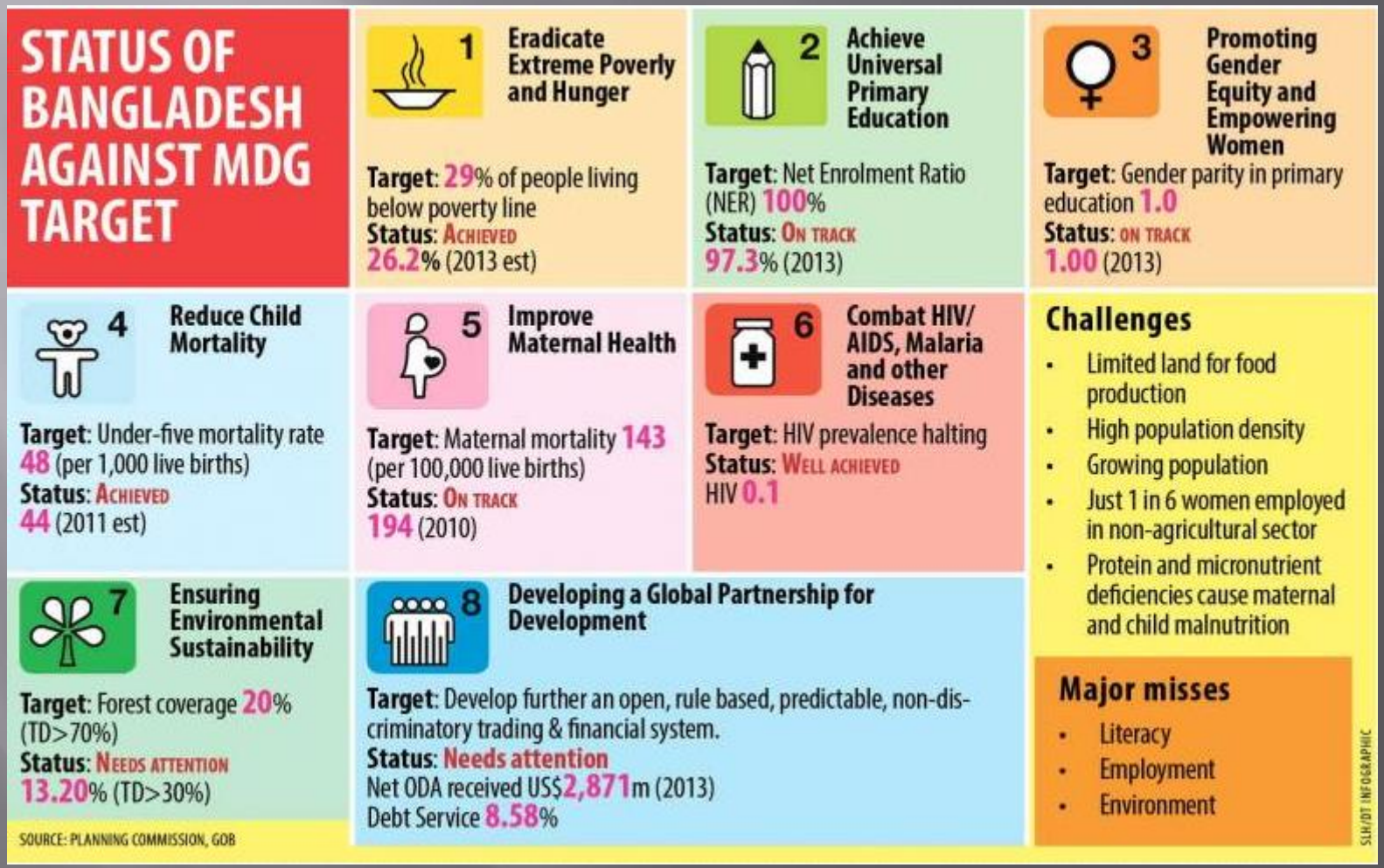
- In order to combat poverty, hunger, diseases, illiteracy, environmental degradation and discrimination against women, global partnership United nation's Millennium declaration is signed in September 2000.
- Millennium Development Goals are 8 goals that UN member states have agreed to try to achieve by the year 2015.
- The Millennium Development Goals have produced the most successful anti-poverty movement in history and serve as the jumping off point for the new sustainable development agenda.

- With targeted interventions, sound strategy, adequate resources & political stability, poor countries can make progress.
- Bangladesh has already attained the millennium development goals relating to elimination of gender disparities in schooling opportunities.
- Bangladesh successfully attained all the millennium development goals within 2015 and by attaining these goals Bangladesh has able to get rid from LDC status.

8 Millennium Development Goals



Status of Bangladesh regarding MDG



Bangladesh's success in MDG

- Six countries including Bangladesh received the UN Millennium Development Goal(MDG) Awards for their significant achievements towards attaining the goal.
- Bangladesh received the UN award for its remarkable achievements in attaining the Millennium Development Goals(MDGs)particularly in reducing child mortality.
- Prime minister Sheikh Hasina received the MDG award at 19th September 2010.

List of countries receiving UN MDG Awards in 2010

Countries	Progress made for MDGS
Bangladesh	MDG 4
Nepal	MDG 5
Cambodia	MDG 6
Sierraleone	MDG 6
LIberia	MDG 3
Rwanda	MDG 4 & 5

Sustainable Development Goals(SDG)

- SDG were first introduced at the United Nations Conference on Sustainable Development in Rio de Janerio in 2012.
- The objective of SDG was to produce a set of universal goals to combat the urgent environmental, political and economic challenges facing the world.
- Unlike MDG's the SDG's explicitly call on all business to apply their creativity and innovation to solve sustainable development challenges.

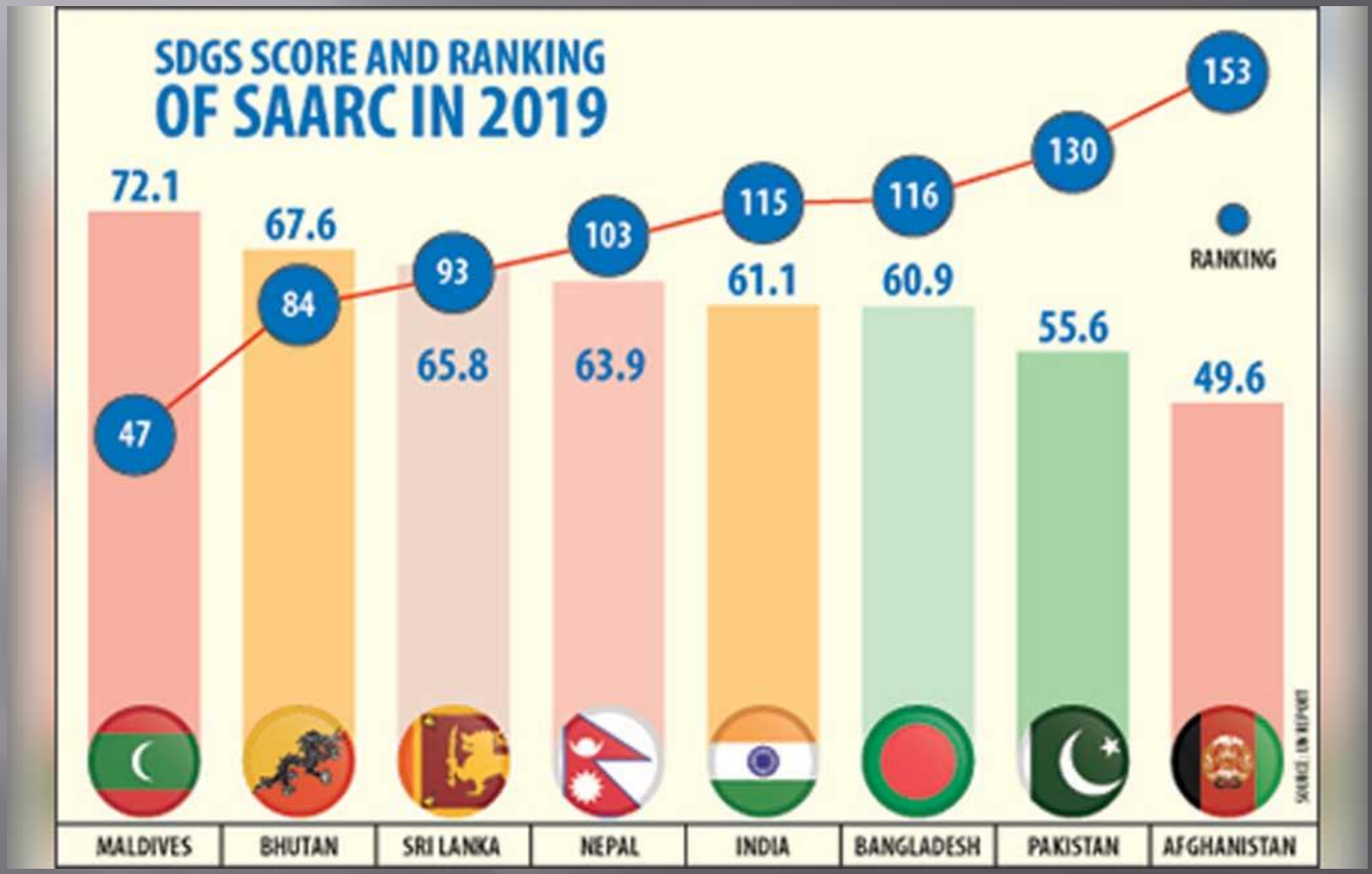
Importance of SDG's

- The beauty of the goals is that it helps to make positive impact on the world.
- The Paris Agreement helped to open up US$23 trillion in business opportunities for emerging markets for climate-smart investments.
- The sustainable development goals also known as the global goals considered as a universal call to action to end poverty, protect the planet and ensure that by 2030 all people enjoy peace and prosperity.

All Sustainable Development Goals



South Asian Country's SDG Ranking



Bangladesh's perspective according to SDG

Bangladesh in the SDG Gender Index 2019

Rank	Country	Score
110 (out of 129)	Bangladesh	49.2 (0-100)



Bangladesh is placed second last in Asia and the Pacific, just before Pakistan



Bangladesh is one of the bottom 20 performers



Lowest SDG Gender Index Rank: 124 (SDG 13: Climate)



Highest SDG Gender Index Rank: 69 (SDG 10: Inequalities)



Highest Goal Score: 80.1 (SDG 2: Hunger and Nutrition)



Lowest Goal Score: 21.8 (SDG 13: Climate)

Source: 2019 Equal Measures 2030 SDG Gender Index

Share-Net Bangladesh