

Poverty reduction in Ethiopia Bangladesh, Indonesia, Burkina Faso and Malawi

Poverty case studies

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How to help Malawi vs. Bangladesh?

- Malawi, Aid then trade, needs green revolution (fertilizer subsidies).
- Bangladesh (BGD): had Aid, now trade... food aid in 1973: trade sanctions, World Food Program.
- BGD got special access to MFA quota (expired last year, except for China).
- Ethiopia is making [creative use of CCT funds](#) in the Tegray region Mulu Haila is the farmer's daughter...
- See NY Times article on fertilizer subsidies in Malawi, and more recent Guardian article on [UK suspending aid to Malawi](#)

Tigray region of Ethiopia, landlocked, bad neighbors but new neighbor in Djibouti...and old enemy in Eritrea, an independent nation since 1993...



Mali, landlock with bad neighbors, but so is Niger, and despite [a coup in 2010 Niger](#) is doing much better... (photo from the New York Times Mali coverage and see Ali Zafar and Valerie Nussenblatt on [“the costs of being landlocked”](#) in Burkina Faso...)



Malawi landlocked, but Mozambique is better neighbor now, shares many same problems...



Malawi's President has French private jet, UK DFID suspends some aid due to governance issues...

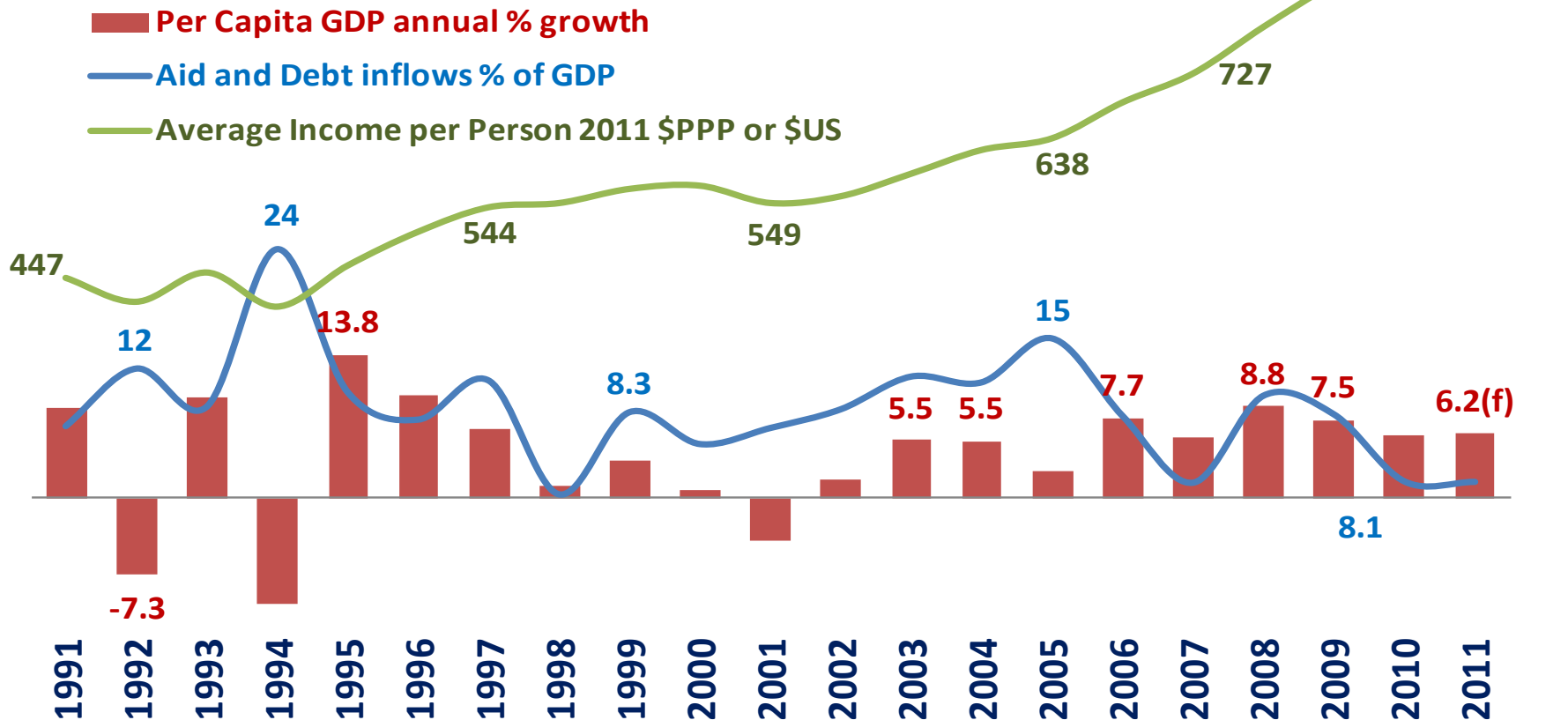
- Britain suspends aid to Malawi Thursday 14 July 2011 UK [Guardian Global](#) development section sponsored by Bill and Melinda Gates....
- The UK government will withhold £19m of aid to Malawi because of failures in economic management [Mark Tran guardian.co.uk](#), Thursday 14 July 2011
- Malawi's President, Bingu wa Mutharika. Britain has suspended part of its aid budget to his government. Photograph: Tony Karumba/AFP/Getty Images



Malawi and Africa doing better recently, why is Africa doing so well?

Malawi Growth and aid inflows 1991-2011

(what 2008-09 global economic crisis?)



Source: IMF World Economic Outlook, October 2010 www.imf.org

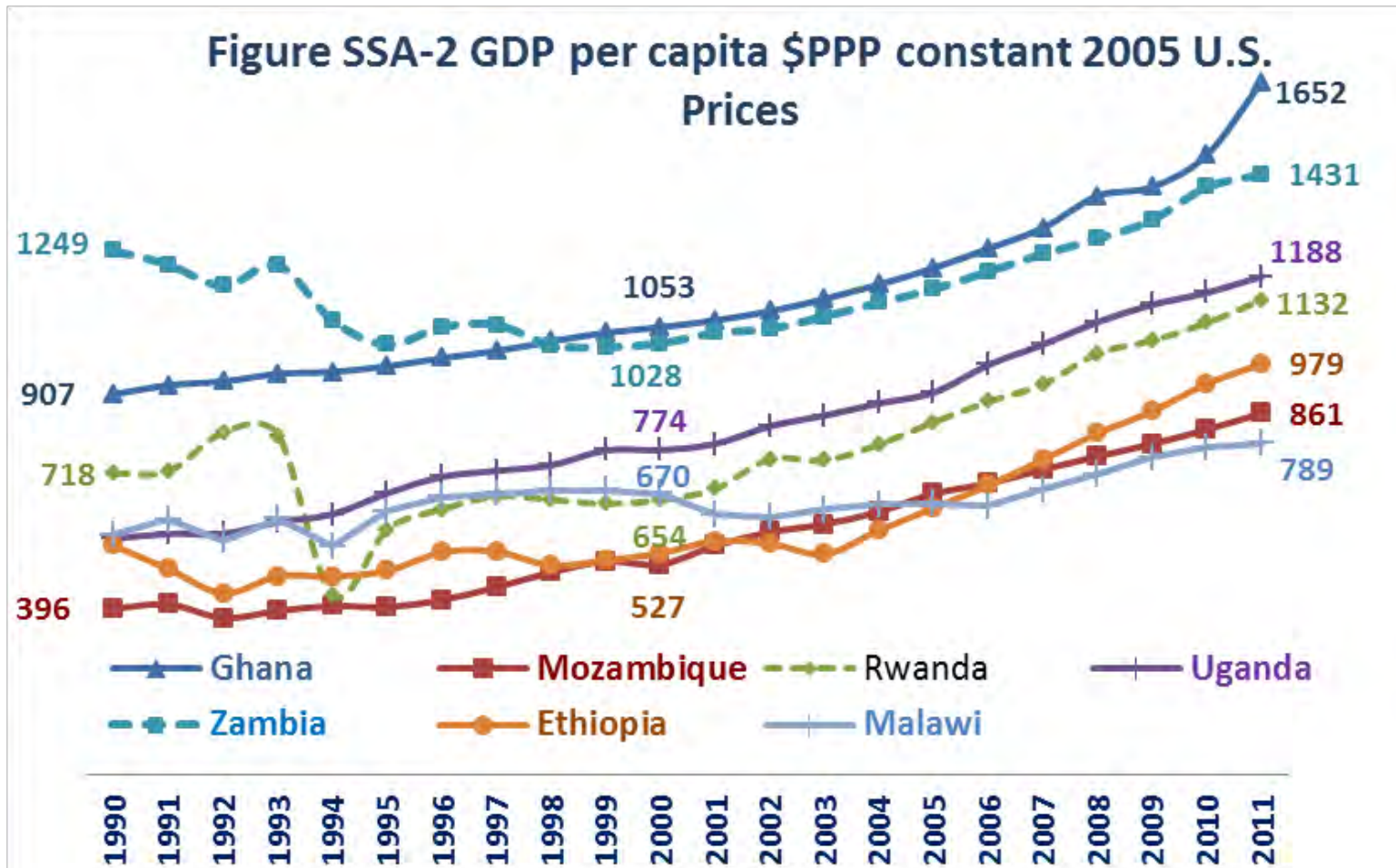
Malawi and Africa doing better recently, why is Africa doing so well?

Figure SSA-5 Average per capita Growth Rate Selected SSA countries 2006 to 2011



Source: World Bank, WDI online data base, January 2012 databank.worldbank.org/ddp/home.do?Step=1&id=4

Malawi and Africa doing better recently, why is Africa doing so well?



Source: World Bank, WDI online data base, January 2012
databank.worldbank.org/ddp/home.do?Step=1&id=4

Ethiopia, why is it growing faster, despite governance concerns see 2010 [World Bank](#) and IMF reports look for HIPC PRSP, lots of Aid projects... [getting greener, fair trade shoe exports](#) BBC, 2012 “Ethiopia’s Bethlehem Tilahun Alemu started a company eight years ago which has become the world’s first fair trade green certified footwear firm.”

2000-05	2006-2011	2000-11	ISO	
5.3	8.0	6.7	AGO	Angola
3.9	7.5	5.7	ETH	Ethiopia
2.3	5.4	3.9	GHA	Ghana
4.6	5.1	4.8	RWA	Rwanda
2.8	4.5	3.7	UGA	Uganda
4.8	4.3	4.5	MOZ	Mozambique
3.1	3.8	3.5	MUS	Mauritius
2.2	3.6	2.9	ZMB	Zambia
-0.8	3.4	1.3	MWI	Malawi



Malawi Fertilizer subsidies photo 3





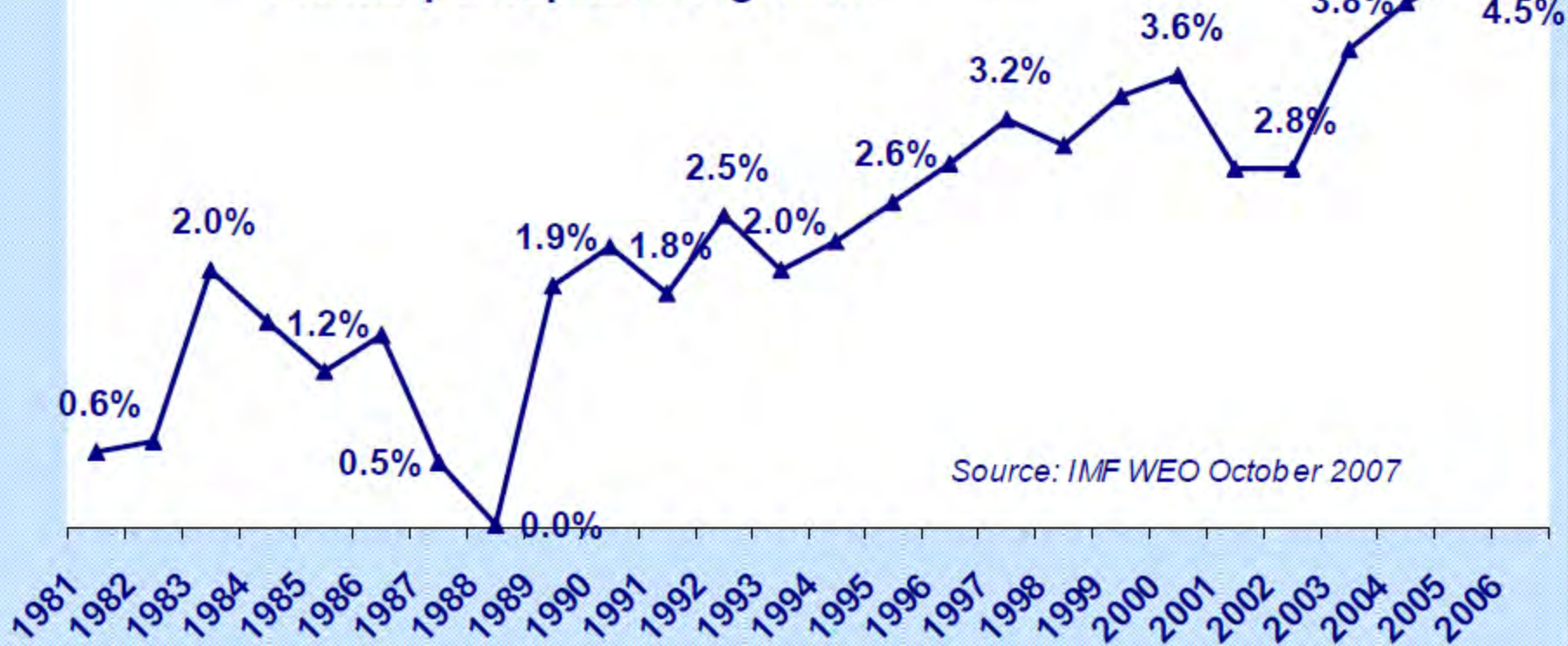


Bangladesh keeps coming up..



Figure 1: Bangladesh growth accelerated after 1990

Annual per capita GDP growth



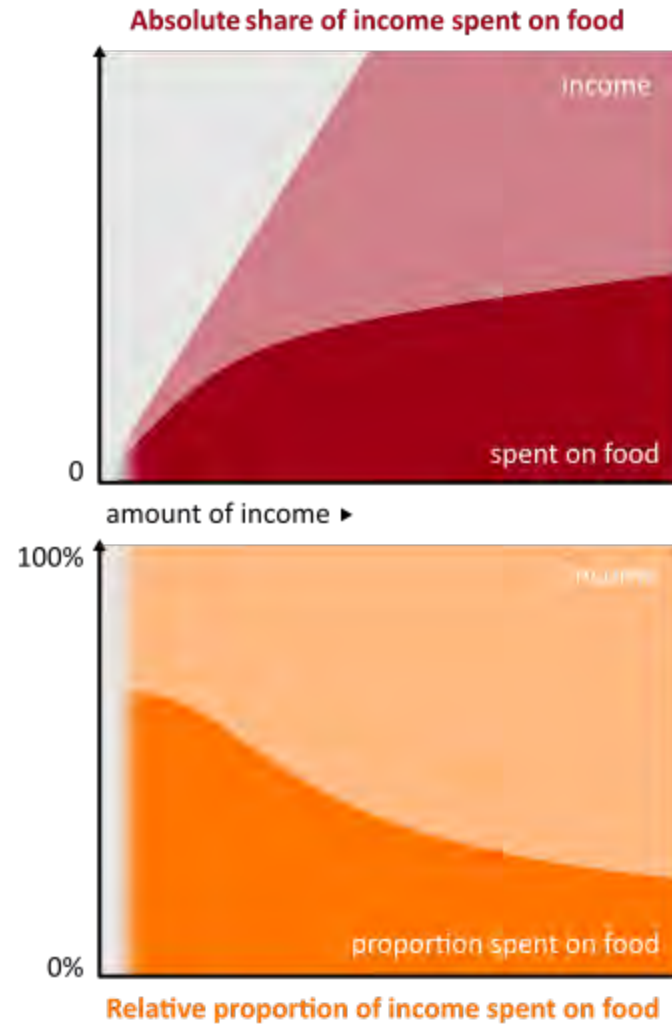
Source: IMF WEO October 2007

Why Poverty fell rapidly in Indonesia:

- **Green Revolution** in the 1970s tripled rice yields raising the incomes of many small farmers
- **Higher farm incomes** led to new spending on goods and services by richer farmers (Engel's law** at work...).
- NIKE and other multinationals set up factories to export shoes and garments from Indonesia
- Villagers sent kids to school (with shoes).

**Engel's law says simply if people's income doubles, they will not double their spending on food, they buy other stuff and as a result agriculture becomes a smaller and smaller part of the economy. Raising farm incomes creates demand for other goods and services and these account for most of employment even in a small village like Begajah in Indonesia.

From wikipedia site on [Engel's law](#)



Poverty Fell sharply and then rose a bit in Indonesia...

Indonesia \$1 per day Poverty Rate (H)

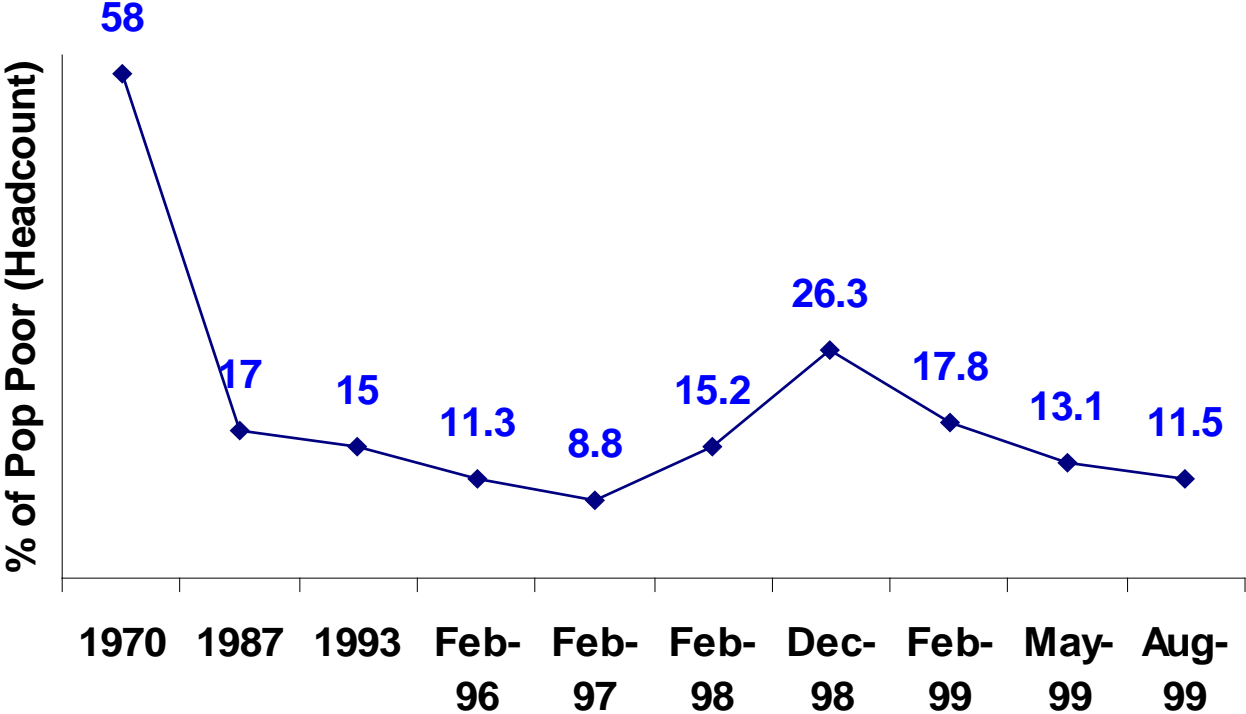
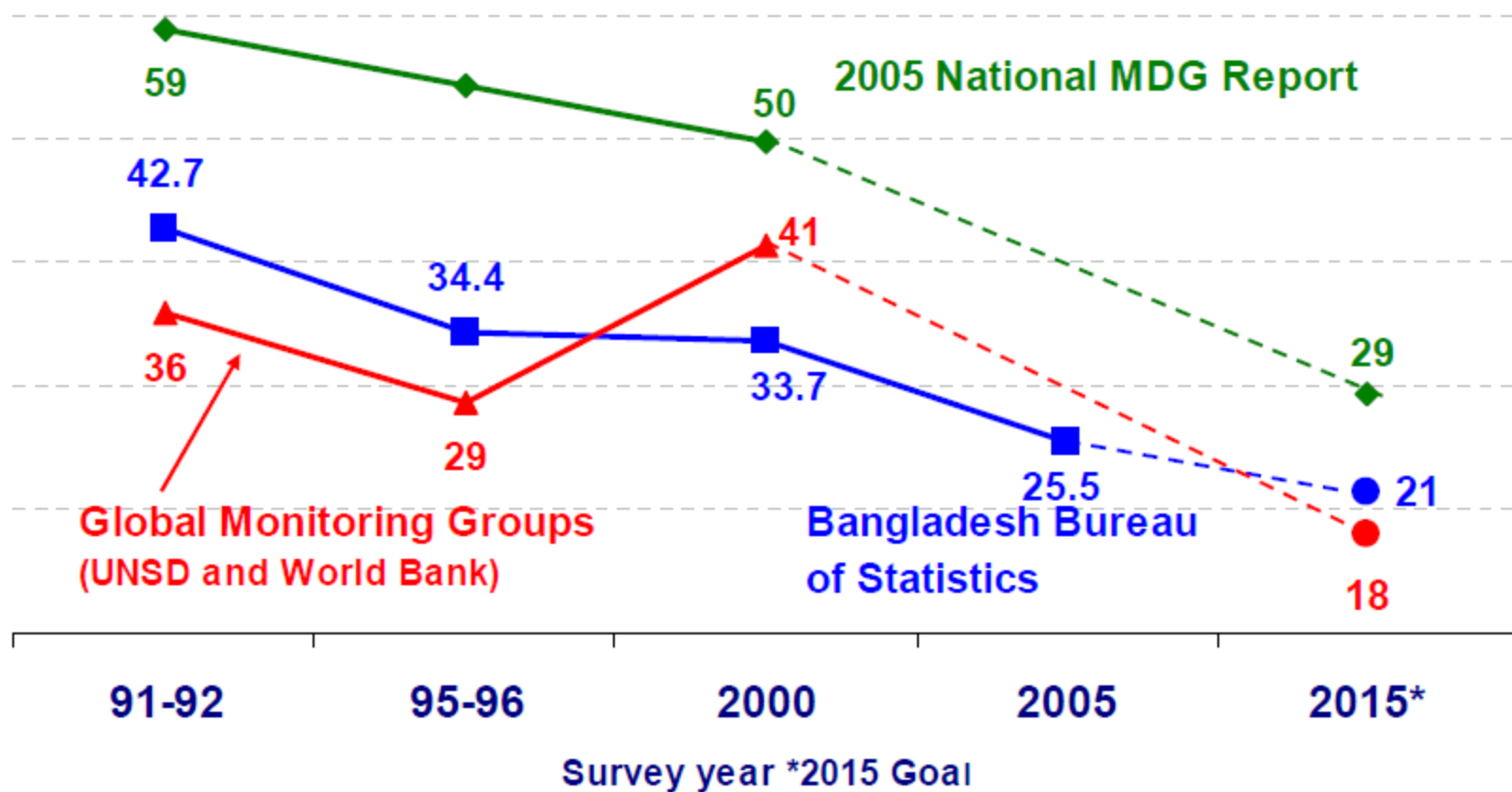


Figure 2: Bangladesh Poverty Trends



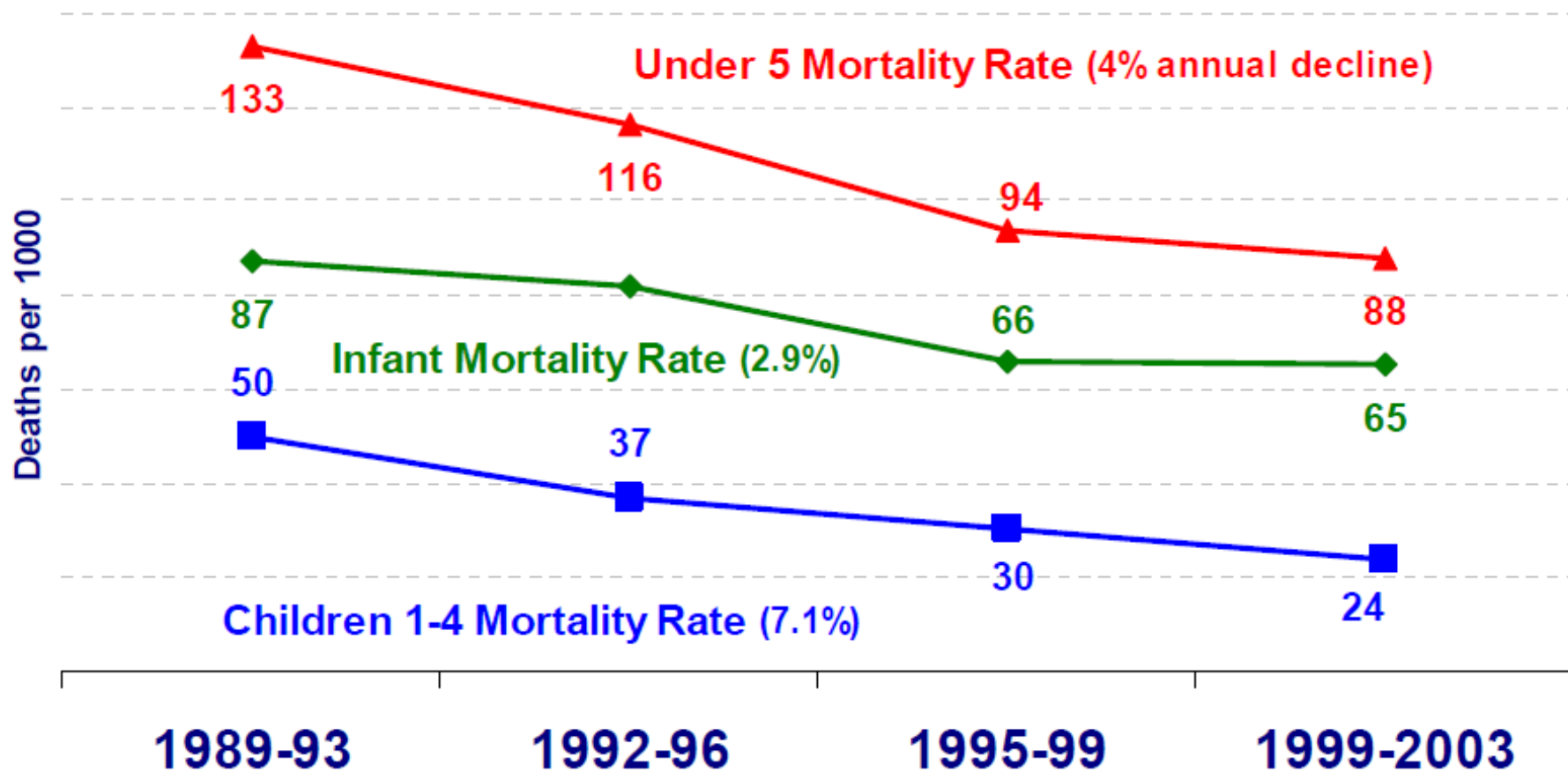
Bangladesh: on track to meet MDGs?

Goal 6: Combat HIV/AIDS, malaria and other diseases			
Target 6.A : Have halted by 2015 and begun to reverse the spread of HIV/AIDS			
6.1 HIV prevalence among population (per 100,000 population)	0.005	0.319(2007)	Halting
6.2 Condom use rate, percent	-	4.5(2005)	no target
6.3 Proportion of population aged 15-24 years with comprehensive correct knowledge of HIV/AIDS, percent	-	15.8(2006)	
Target 6.C : Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases			
6.6a : Prevalence of malaria per 100,000 population	43(2000)	59(2008)	Halting
6.6b : Death rate associated with malaria per 100,000 population	0.37(2000)	0.11(2008)	Halting
6.7 : Proportion of Children under-5s sleeping under insecticide treated bed nets [13 Malaria prone districts] percent	-	89(2008)	-
6.9a : Prevalence of TB per 100,000 population	264(1990)	225(2007)	Halting
6.9b : Death rates associated with TB per 100,000 population	76(1990)	45(2007)	Halting
6.10a : Detection rate of TB under DOTS, percent	21(1994)	73(2007)	Sustain
6.10b : Cure rate of TB under DOTS, percent	73(1994)	91(2006)	Sustain
Goal 7: Ensure Environmental Sustainability			
Target 7.A : Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources			
Target 7.B : Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss.			
7.1 Proportion of land area covered by forest (percent) (tree coverage)	9.0	19.2(2007) Tree density > 10%	20.0 Tree density > 70%
7.2 CO2 emissions, metric tons per capita	0.14	0.30(2007)	
7.3 Consumption of ozone-depleting CFCs in metric tons	195	155(2007)	0
7.4 Proportion of fish stock within safe biological limits			
7.5 Proportion of total water resources used, percent		6.6(2000)	
7.6 Proportion of terrestrial and marine areas protected, percent	1.64	1.68(2007)	5.0
7.7 Proportion of species threatened with extinction			

On track to meet MDGs

Target 7.C : Halve by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation			
7.8 Proportion of population using an improved drinking water sources, percent	89.0	97.8(2009)*	100
7.9 Proportion of population using an improved sanitation facility, percent	21.0	80.4(2009)	60
Target 7.D : By 2020, to have achieve a significant improvement in the lives of at least 100 million slum dwellers			
7.10 : Proportion of urban population living in slums, percent		7.8 (2001)	
Goal 8: Develop a Global Partnership for Development			
Target 8.A : Develop further an open, rule-based, predictable, non discriminatory trading and financial system			
Target 8.B : Address the special needs of the least develop countries			
Target 8.C : Address the special needs of landlocked developing countries and small developing states			
Target 8.D : Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term			
8.1a : Net ODA received by Bangladesh (million US\$)	1240	98.1 (2007-08)	-
8.1b : Net ODA received by Bangladesh, as percentage of OECD/DAC donors' GNI	5.7	0.2(2008)	-
8.2 : Proportion of total bilateral sector-allocable ODA to basic social services, percent		42(2005)	-
8.3 : Proportion of bilateral ODA of OECD/DAC donors that is untied (received by Bangladesh) , percent		82(2005)	-
8.7 Average tariffs imposed by develop countries on agriculture products, textiles and clothing from developing country (Bangladesh), percent		12-16 (2006)	-
8.12 : Debt service as a percentage of exports of goods and services, percent	20.9	7.9(2007)	
Target 8.F : In cooperation with the private sector, make available the benefits of new technologies, especially information and communication			
8.14 Telephone line per 100 population	0.2	0.92	-
8.15 Cellular subscriber per 100 population		30.8 (2008)	
8.14 Internet users per 100 population	0.0	3.4(2008)	-

Figure 5: Bangladesh DHS Child Mortality Trends
(annual rate of decline)



Bangladesh: on track to meet MDGs?

MILLENNIUM DEVELOPMENT GOALS : BANGLADESH PROGRESS AT A GLANCE			
Goals, Targets and Indicators (revised)	Base year 1990/1991	Current Status	Target by 2015
Goal 1: Eradicate Extreme Poverty & Hunger			
Target 1.A: Halve, between 1990 and 2015, the proportion of people below poverty line			
1.1 : Proportion of population below national upper poverty line (2122 k.cal.), percent	56.6	40.0(2005)	29.0
1.2 Poverty Gap Ratio, percent	17.0	9.0(2005)	8.0
1.3 Share of poorest quintile in national consumption, percent	6.5	5.3(2005)	na
Target 1.B: Achieve full and Productive employment and decent work for all, including women and young people			
1.5 Employment to population ratio, Percent	48.5	58.5(2005)	for all
Target 1.C : Halve, between 1990 and 2015, the proportion of people who suffer from hunger			
1.8 Prevalence of underweight children under five years	66.0	47.8(2005)#	33.0
1.9 Proportion of population below minimum level of dietary energy consumption, percent	28.0	19.5(2005)	14.0
Goal 2: Achieve Universal Primary Education			
Target 2.A : Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling			
2.1 Net enrollment in primary education, percent	60.5	91.1(2007)	100
2.2 Proportion of pupils starting grade 1 who reach grade 5, percent	40.7	79.8(2009)	100
2.3 Adult literacy rate of 15+ years old population(proxy), percent	37.2	59.1(2008)	-
Adult literacy rate of 15-24 years old population(Female), percent		72.0(2009)	-

Bangladesh: on track to meet MDGs?

Goal 3: Promote Gender Equality and Empower Women			
Target 3.A : Eliminate gender disparity in primary and secondary education preferably by 2005, and in all levels of education no later than 2015			
3.1a Ratio of girls to boys in primary education(Gender Parity Index=Girls/Boys)	0.83	1.03(2009)	1.0
3.1b : Ratio of girls to boys in secondary education(Gender Parity Index=Girls/Boys)	0.52	1.17(2009)	1.0
3.1c : Ratio of girls to boys in tertiary education(Gender Parity Index=Girls/Boys)	0.37	0.61(2006)	1.0
3.2 Share of women in wage employment in the non-agricultural sector, percent	19.1	14.6(2005)	50
3.3 Proportion of seats held by women in national parliament, percent	12.7	19.0(2009)	33
Goal 4: Promote Gender Equality and Empower Women			
4.1 Under-five mortality rate (per 1000 live births)	146	67(2009)	48
4.2 Infant mortality rate (per 1000 live births)	92	45(2009)	31
4.3 Proportion of 1 year-old children immunized against measles, percent	54	88(2006)	100
Goal 5: Improve Maternal Health			
Target 5.A : Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio			
5.1 Maternal mortality ratio, per 100,000 live births	574(1990)	348(2008)	144
5.2 Proportion of births attended by skilled health personnel, percent	5.0	24.4(2009)	50
Target 5.B : Achieve, by 2015,universal access to reproductive health			
5.3 Contraceptive prevalence rate, percent	39.7	59.0(2007)	-
5.4 Adolescent birth rate, per 1000 women	77.0	59(2007)	-
5.5a Antenatal care coverage (at least one visit), percent	27.5(1993)	60.3(2007)	100
5.5b Antenatal care coverage (at least four visit), percent	5.5(1993)	20.6(2007)	100
5.6 Unmet need for family planning, percent	19.4(1993)	17.6(2007)	-