

Demography and development

Feast and famine

Bangladesh

Out of the basket

Lessons from Bangladesh

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THIS week's *Economist* examines one of the most intriguing puzzles in development: [Bangladesh](#).

By most standards, Bangladesh looks like a disaster. It was the original “basket case” (Henry Kissinger’s dismissive term) and remains a poor country; it has only half

India’s income per head. Until recently, its economic growth was paltry. City states apart, it is the world’s most densely populated country, with around 150m people crammed onto the delta of the Ganges and the Brahmaputra, an area regularly swept by devastating floods. Its private sector is weak and its government widely perceived as corrupt and dysfunctional.

And yet Bangladesh has done better than most countries at improving the basic standard of living of its people. Bangladeshis can expect to live four years longer than Indians even though they are much poorer. The country has achieved some of the largest reductions in early deaths of infants, children and women in childbirth ever seen anywhere.

So that is the puzzle: Bangladesh combines economic disappointment with social progress. *The Economist* suggests four factors to explain why.

First, Bangladesh has done more than most countries to improve the status of women. This was partly deliberate policy (the country invented microcredit and these tiny loans were targeted at women). And it was partly an unintended consequence of other things. Because the country was so crowded and poor, its founders decided after independence to embark on a big family-planning programme. This reduced fertility but also raised the status of women within the household since it was they who now controlled the size of the family. The textile industry later took off in Bangladesh, and 80% of the workers are women. So women’s status and income both improved. Women are much more likely than men to spend money on their family’s health, education and meals, so child welfare

rose.

Second, Bangladesh has been unusually good at boosting incomes in the country—and since the deepest poverty in developing countries tends to be rural, this has helped the very poorest. The mechanisms here were the Green Revolution, which meant the country could grow two crops a year, and remittances (around 6m Bangladeshis work abroad, mostly in the Gulf).

Third, the government deserves credit for maintaining basic social spending. Indeed, it has kept up a consensus in favour of this despite several military coups and bitter political infighting between the two main parties.

But public spending would probably have been wasted and frittered away (as it has happened so often elsewhere) were it not for the fourth factor, which *The Economist* calls the magic ingredient in the mix: large non-government organisations which have managed to scale up their programmes to work nationwide without losing the idealism of their early days, when they were small and beautiful.

The briefing goes into a lot more details on each of these. The accompanying [editorial](#) tackles a question naturally raised by the story: if Bangladesh's social achievements have been greater than its economic ones, does that mean economic growth is pointless?

The editorial says no. True, Bangladesh shows you do not need to wait for lots of growth. But it might have done even better had its economy grown faster. Growth either made only a modest contribution to the factors that mattered most (such as the internal workings of NGOs or the family-planning programme, which people wanted anyway). Or it would have helped them along more (for example, the adoption of Green Revolution seeds or microloans). There were no strong trade-offs.

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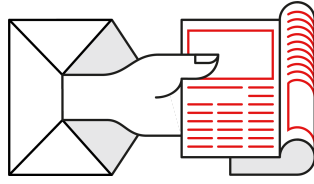
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