7th Five Year Plan and Development Vision for CHT, Bangladesh

Key note paper presented in Consultation Meeting on “Seventh Five Year Plan and Development Vision for Chittagong Hill Tracts, Bangladesh organized by the Ministry of Chittagong Hill Tracts Affairs, Planning Commission & ICIMOD on May 11, 2015 in Dhaka

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Outline

- Growth trajectory of Bangladesh
- Socio-economic development in CHT
- Development challenges in CHT
- Potential & opportunities
- Why CHT deserves special attention
- Framework for inclusive growth in CHT
Growth Trajectory of Bangladesh

From ‘bottomless basket’ to emerging economy

Source: Helal and Hossain, 2013

Arable land per capita (in hectares)

% of rural population migrated

Source: Bangladesh economic survey 2014
Economy: structural change

Source: Mezbahuzzaman 2014
Economy: structural changes

Source: Zhang et al. 2014
Socio-economic Development

Life expectancy at birth, years

| Source: World Bank |

<table>
<thead>
<tr>
<th></th>
<th>Bangladesh</th>
<th>India</th>
<th>Pakistan</th>
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<tbody>
<tr>
<td><strong>Income per person, $PPP</strong></td>
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<tr>
<td>1990</td>
<td>540</td>
<td>874</td>
<td>1,200</td>
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<tr>
<td>2011</td>
<td>1,909</td>
<td>3,663</td>
<td>2,786</td>
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<td><strong>Life expectancy at birth, years</strong></td>
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<tr>
<td>1990</td>
<td>59</td>
<td>58</td>
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<td>2010</td>
<td>69</td>
<td>65</td>
<td>65</td>
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<tr>
<td><strong>Infant (aged &lt;1) deaths per 1,000 live births</strong></td>
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<td>1990</td>
<td>97</td>
<td>81</td>
<td>95</td>
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<tr>
<td>2011</td>
<td>37</td>
<td>47</td>
<td>59</td>
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<td><strong>Child (aged &lt;5) deaths per 1,000 live births</strong></td>
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<tr>
<td>1990</td>
<td>139</td>
<td>114</td>
<td>122</td>
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<tr>
<td>2011</td>
<td>46</td>
<td>61</td>
<td>72</td>
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<td><strong>Maternal deaths per 100,000 live births</strong></td>
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<tr>
<td>1990</td>
<td>800</td>
<td>600</td>
<td>490</td>
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<tr>
<td>2010</td>
<td>194†</td>
<td>200</td>
<td>260</td>
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<tr>
<td><strong>Infant immunisation rate, %</strong></td>
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<tr>
<td>1990</td>
<td>64</td>
<td>59</td>
<td>48</td>
</tr>
<tr>
<td>2008</td>
<td>94</td>
<td>66</td>
<td>80</td>
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<tr>
<td><strong>Female (aged 15-24) literacy rate, %</strong></td>
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<tr>
<td>1991</td>
<td>38</td>
<td>49</td>
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<tr>
<td>2009</td>
<td>77</td>
<td>74</td>
<td>61</td>
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<tr>
<td><strong>Underweight children, % of total</strong></td>
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</tr>
<tr>
<td>1990</td>
<td>62</td>
<td>60</td>
<td>39</td>
</tr>
<tr>
<td>2007</td>
<td>36†</td>
<td>44</td>
<td>31</td>
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</tbody>
</table>

Sources: World Bank; UNICEF; WHO; national statistics

*Purchasing-power parity †2011
CHT Lags Behind

- Income & non-income poverty higher in CHT
- Livelihoods more susceptible & vulnerable

Source: CHTDF; UNDP 2014
Key Characteristics of CHT

• Tribal inhabited area
• Strong local connections & cultural diversity
• Historically more disadvantaged
• Predominantly agrarian
• Topography: remoteness, inaccessibility, fragility
• Low human resource development – vocational & social skills
95% of land not suitable for intensive agriculture

Low carrying capacity

Massive population growth

Resource conflicts

Land grabbing – increasing landlessness

Unsustainable use of land

Degradation of natural resources, watersheds

Source: FAO 2013
CHT faces particular challenges

- Poor market access
- Poor physical & socio-economic infrastructure
- Limited non-farm employment opportunities
- High unemployment – 25%
- Low livelihood diversification
- **Low labour mobility**
- Low vocational & social skills

### Income sources in rural mountain areas of Nepal, Western India & Pakistan

<table>
<thead>
<tr>
<th>Mountain areas</th>
<th>% of HHs receiving remittances</th>
<th>Average annual remittances received</th>
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<tbody>
<tr>
<td>Nepal</td>
<td>55</td>
<td>80,436 (NRs)</td>
</tr>
<tr>
<td>Himachal Pradesh, India</td>
<td>25</td>
<td>71,852 (IRs)</td>
</tr>
<tr>
<td>Uttarakhand, India</td>
<td>21</td>
<td>55,327 (IRs)</td>
</tr>
<tr>
<td>KPK, Pakistan</td>
<td>16</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Source: ICIMOD 2015
Potential and Opportunities

- Rich in **forest**, biodiversity, NTFPs,
- Rich cultural diversity
- **Gateway to the East**
- Horticulture, agroforestry, farm-forestry, bamboo, rattan
- Organic products, medicinal plants, NTFPs, other niche products
- Agro-based micro-enterprises
Potential and Opportunities

• Non-farm sector
  – Tourism, cultural services, handicrafts, value chains
  – Kaptai lake
  – Increase labour mobility
Why CHT Needs Special Attention

- Govt of Bangladesh committed to create more inclusive & equitable society
- Faster & inclusive development critical for peace & stability
- CHT has special socio-cultural & geographic situation
- Specific needs & aspirations
- Requires differentiated approach & measures
- Making development inclusive & effective
- Bridging the gap between hills & plains
- Tap the locational potential of CHT – Gateway to the East
Framework

• Appropriate framework required for
  – Accelerated & Inclusive growth for Progress, Prosperity & Peace
  – Integrating ethnic communities into mainstream development while retaining their specific ethnic & cultural identity

• We propose a multi-pronged strategy
Framework for sustainable development in CHT

Inclusive growth for sustainable development

Strengthening support mechanisms and creating incentives

Creating enabling environment

Health & environment
(Nutrition, sanitation, climate change adaptation)

Human resource development
(Education, skills, capacity, network)

Infrastructure
(Transportation, water, energy, communication)

Farm sector development
- Agriculture, horticulture
- Forestry, agroforestry
- Fisheries
- Livestock
- Watershed management

Value chains
(Market linkages, coordination, value addition)

Innovation
(Technology, market, financial services)

Private sector engagement
(Business dev. services)

Non-farm sector development
- Tourism & cultural services
- Trade & service
- Labour mobility, migration, remittances
- Micro-enterprises

Policy and institutional support

Peace, stability and good governance
## Area Specific Approaches for Development

<table>
<thead>
<tr>
<th>Access to Markets, Information &amp; Institutional Services</th>
<th>Good</th>
<th>Poor</th>
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<tbody>
<tr>
<td><strong>Agro-ecological potential &amp; suitability</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>High</strong></td>
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</tbody>
</table>
| Areas with high potential and good access to markets and services | - Enhance support for high value cash crops  
- Establish fruit processing & storage facilities  
- Promote horticulture, intensive agriculture  
- Encourage private investment in irrigation, land management, processing, packaging | Areas with high potential but poor access to markets and services  
- Improve marketing facilities  
- Improve transportation facilities, ICT access,  
- Promote high-value, low volume crops  
- Increase productivity of subsistence food crops |
| **Low**                                               |      |      |
| Areas with low potential but good access to markets and services | - Promote local products & services for markets  
- Promote conservation technologies & utilize local niches  
- Encourage agro-forestry, tree farming for timber, and NTFPs and medicinal plants  
- Develop trading centres | Areas with low potential and poor access to markets and services  
- Provide incentives for conservation & sustainable use of resources  
- Encourage & support labour mobility and non-farm activities.  
- Increase productivity of jhum & other subsistence agriculture with zero-tillage, mixed cropping, & livestock production  
- Promote eco-tourism and recreation where feasible  
- Develop and harness environmental services |
Special Programmes Required for

- Strengthening market linkages & post-harvest management, value chain development, private sector engagement
- Promotion of non-farm employment & income generation activities including tourism
- Developing a master plan for tourism development & engagement of local communities
- Encouraging & supporting labour mobility – strengthening vocational & social skills, networks
- Improvement & transformation of jhum to more productive systems
- Accelerating agricultural growth, animal husbandry & integrated watershed management
Thank you