



Bangladesh NTA Project

Current Status and Future Plan



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Presentation Outline

- **Introduction of Bangladesh NTA**
- **Demographic transition**
- **Economic Growth and Structure**
- **Key Features of Labor Market**
- **Bangladesh NTA Profiles**
- **NTA Gender Perspective**
- **Some Estimates of First Demographic Dividend**
- **Policy Recommendation**
- **Future Plan**

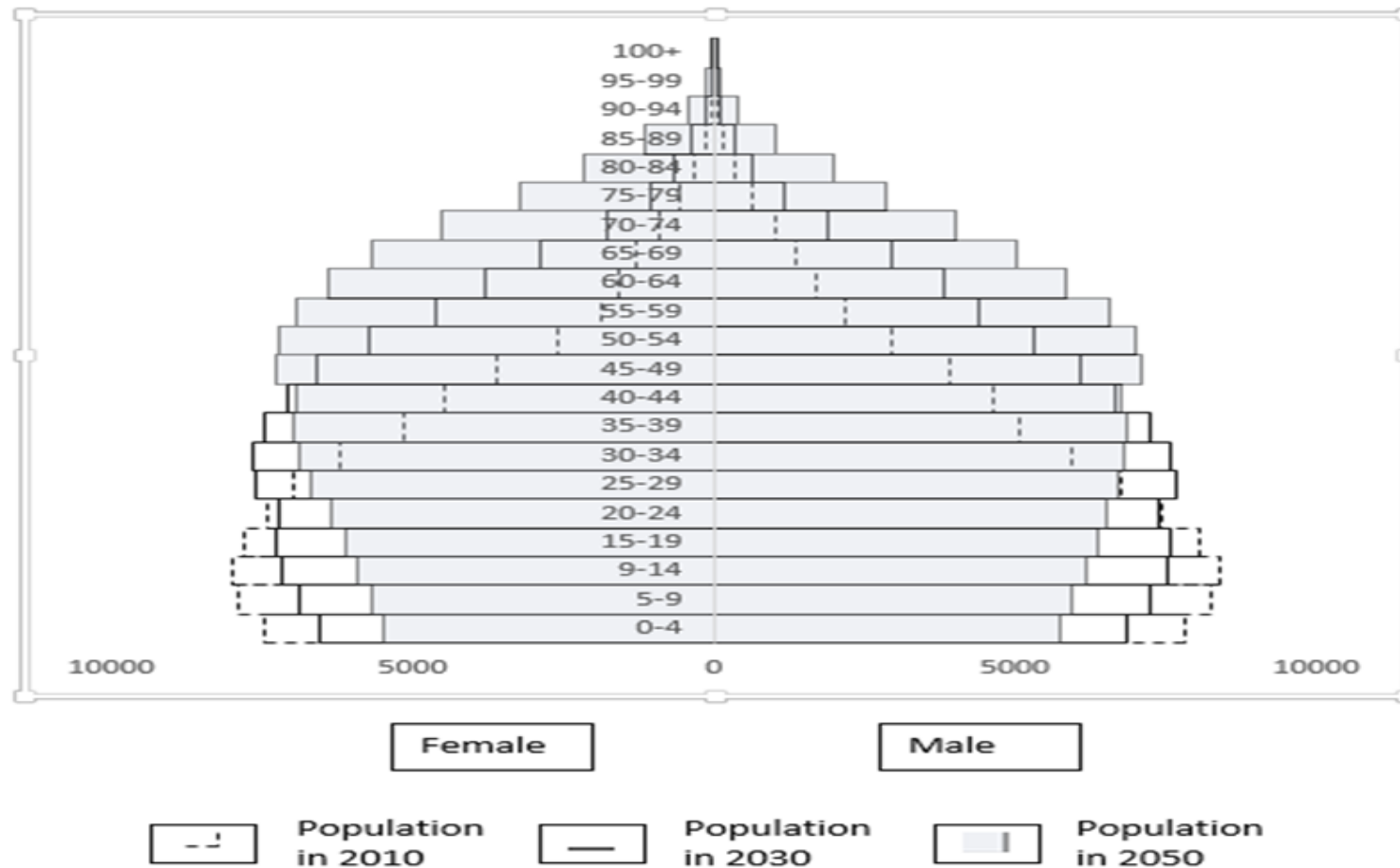
Introduction of Bangladesh NTA

- Introduced to NTA in July, 2014 through attending the NTTA training in Hawaii.
- In November 2015, a preliminary NTA profile for 2010 has been constructed and results presented in China NTA 10 Workshop
- Received training in March-April 2015 to finalize the NTA 2010 profile
- Bangladesh NTA 2010 has been finalized in September 2015
- A paper on first demographic dividend has been prepared
- An article on first demographic dividend in a popular daily will be published this week
- We have also identified future activities

Demographic transition

- Demographic and Age Structure Transition in Bangladesh
- CBR; CDR and population growth in Bangladesh

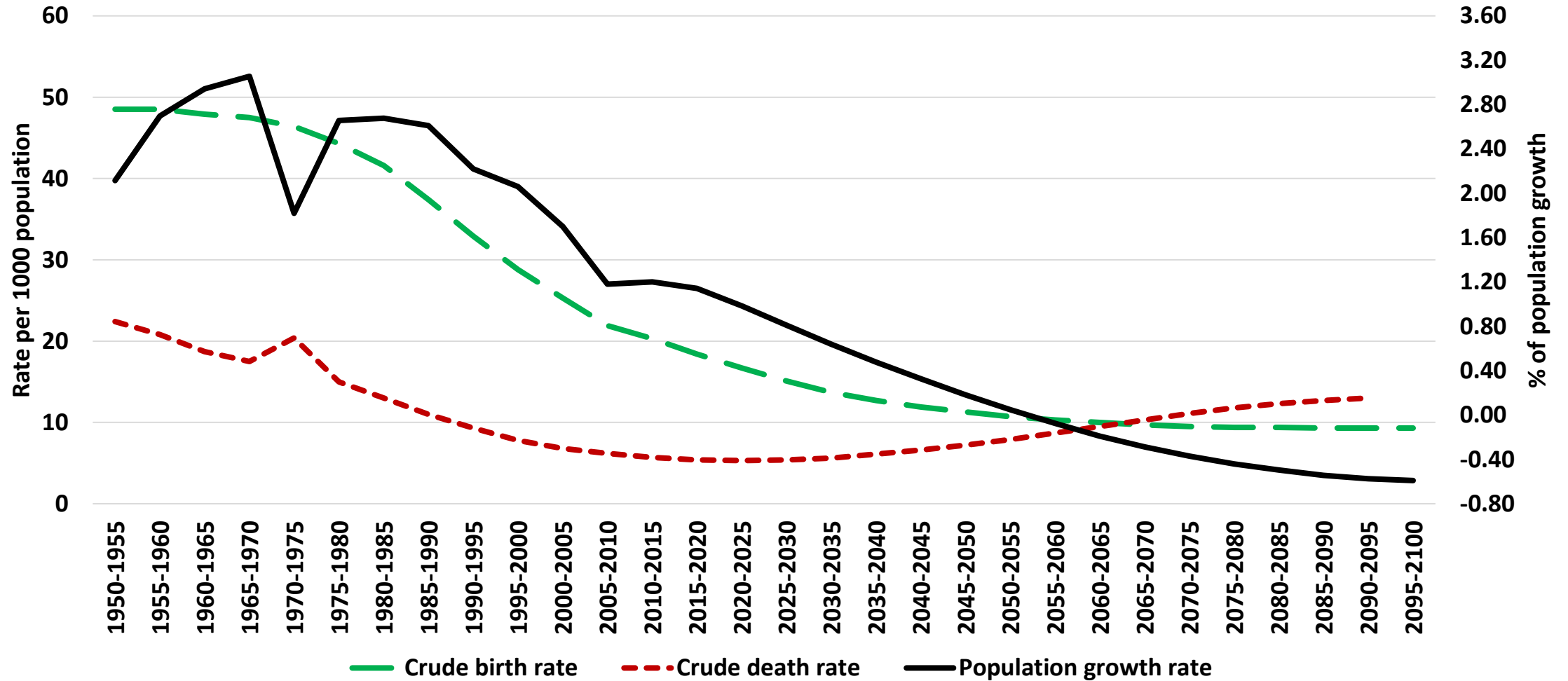
Demographic and Age Structure Transition in Bangladesh



Population in thousand

Constructed from United Nations World Population Prospects: The 2012 Revision (United Nations 2012)

CBR; CDR and population growth



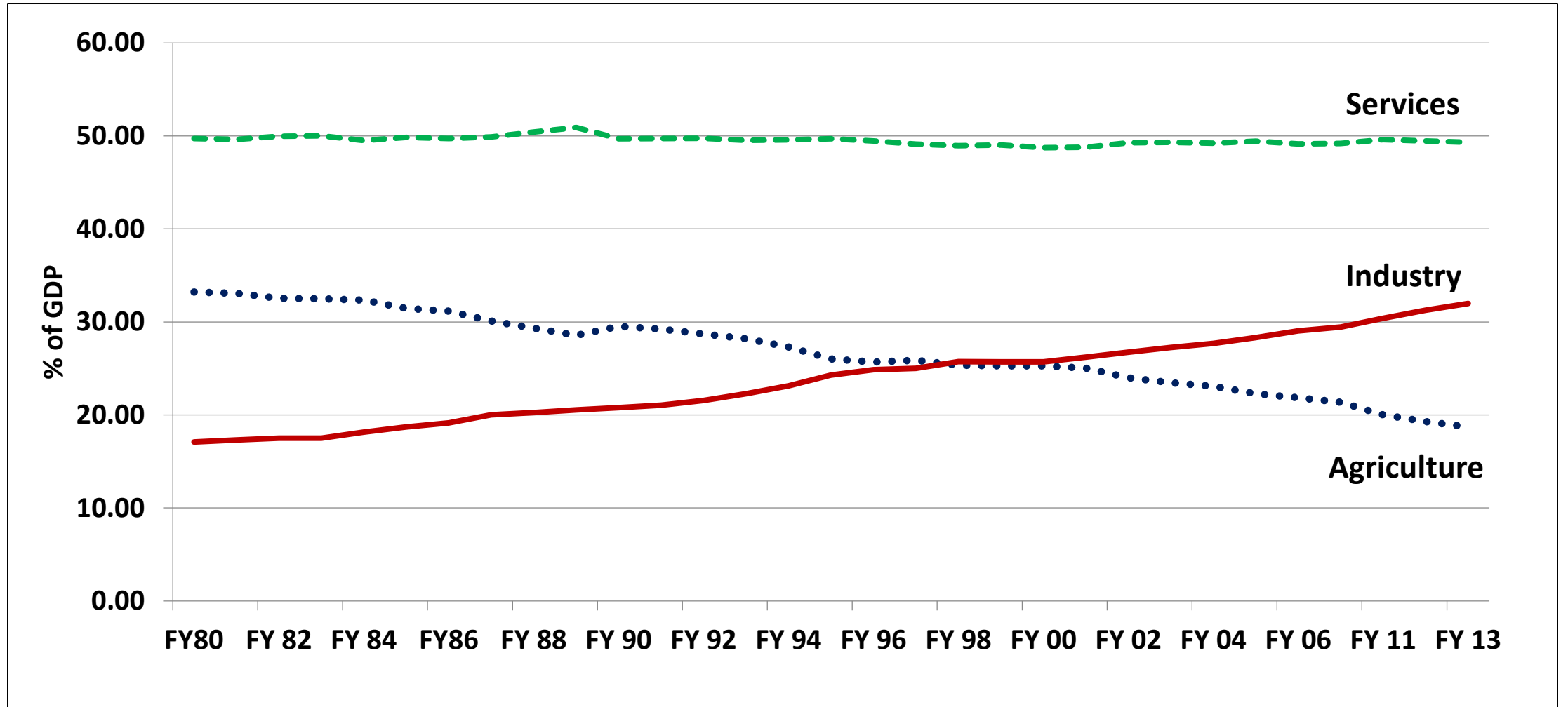
Constructed from United Nations World Population Prospects: The 2015 Revision (United Nations 2015)

GDP Growth Rates

Period	Sector GDP Growth Rates by Broad Sectors (% per year)			GDP Growth (%)
	Agriculture	Manufacturing	service	
1960-70 (average)				3.9
1972-90 (average)				3.6
1990-95(average)	1.55	8.08	4.43	4.15
1995-00(average)	4.88	5.59	5.29	5.23
2000-01	3.14	6.87	6.00	5.41
2001-02	0.01	5.42	5.93	4.36
2002-03	3.08	6.78	5.83	5.33
2003-04	4.09	7.13	6.13	5.82
2004-05	2.21	8.20	6.72	5.93
2005-06	4.94	10.67	6.72	7.02
2006-07	4.56	9.63	6.80	6.83
2007-08	3.21	7.32	6.38	5.88
2008-09	4.12	6.88	6.22	5.90
2009-10	5.24	6.65	6.42	6.22
2010-11	5.13	9.14	6.27	6.59
2011-12	3.11	9.26	6.37	6.28
2012-13	2.17	9.45	6.17	6.06
2013-14	4.37	8.16	5.62	6.15
2014-15	3.04	9.60	5.83	6.49

Bangladesh of Bureau Statistics; World Bank, calculations

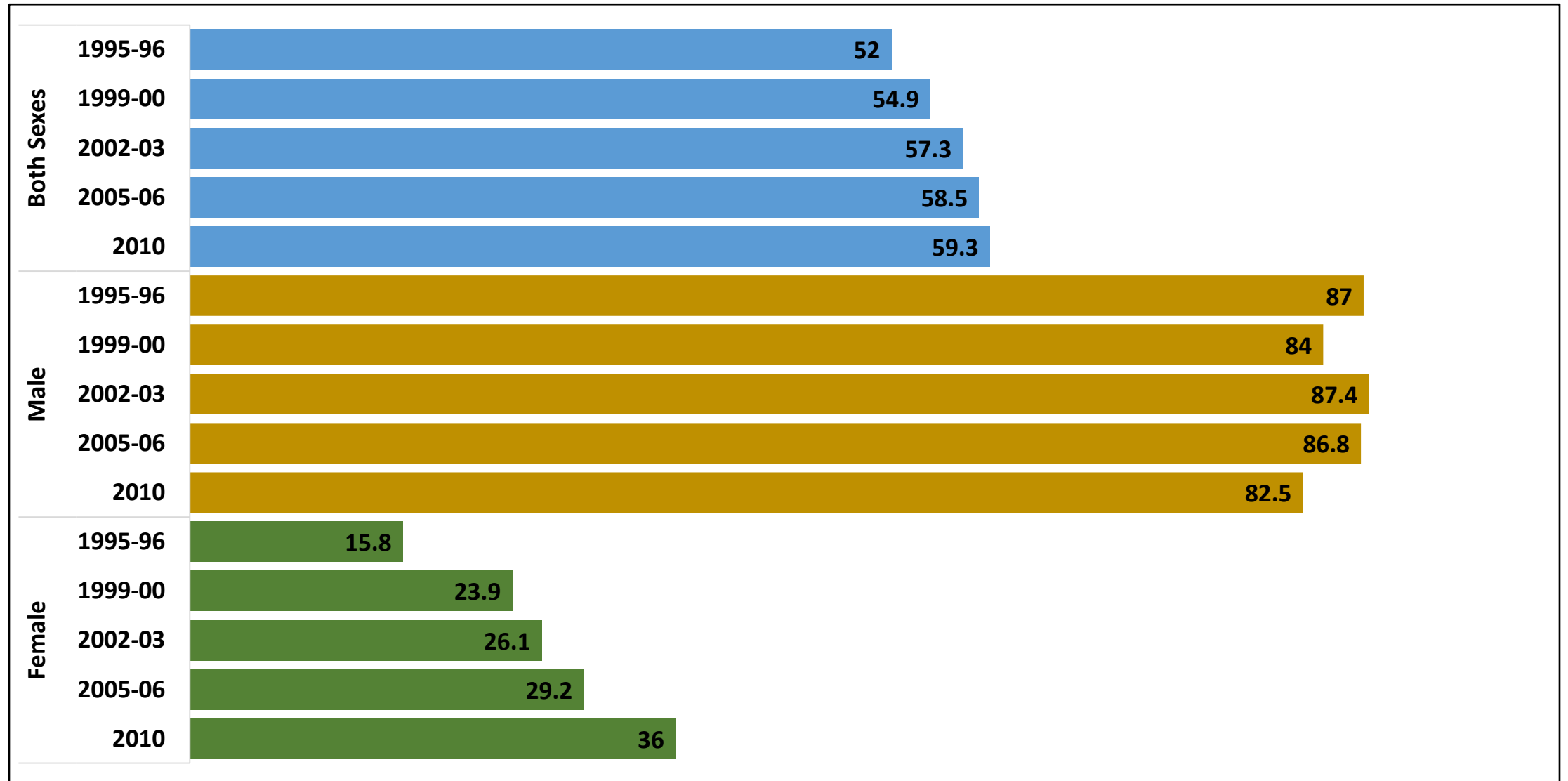
Structural transformation of Bangladesh Economy



Key Features of Labor Market

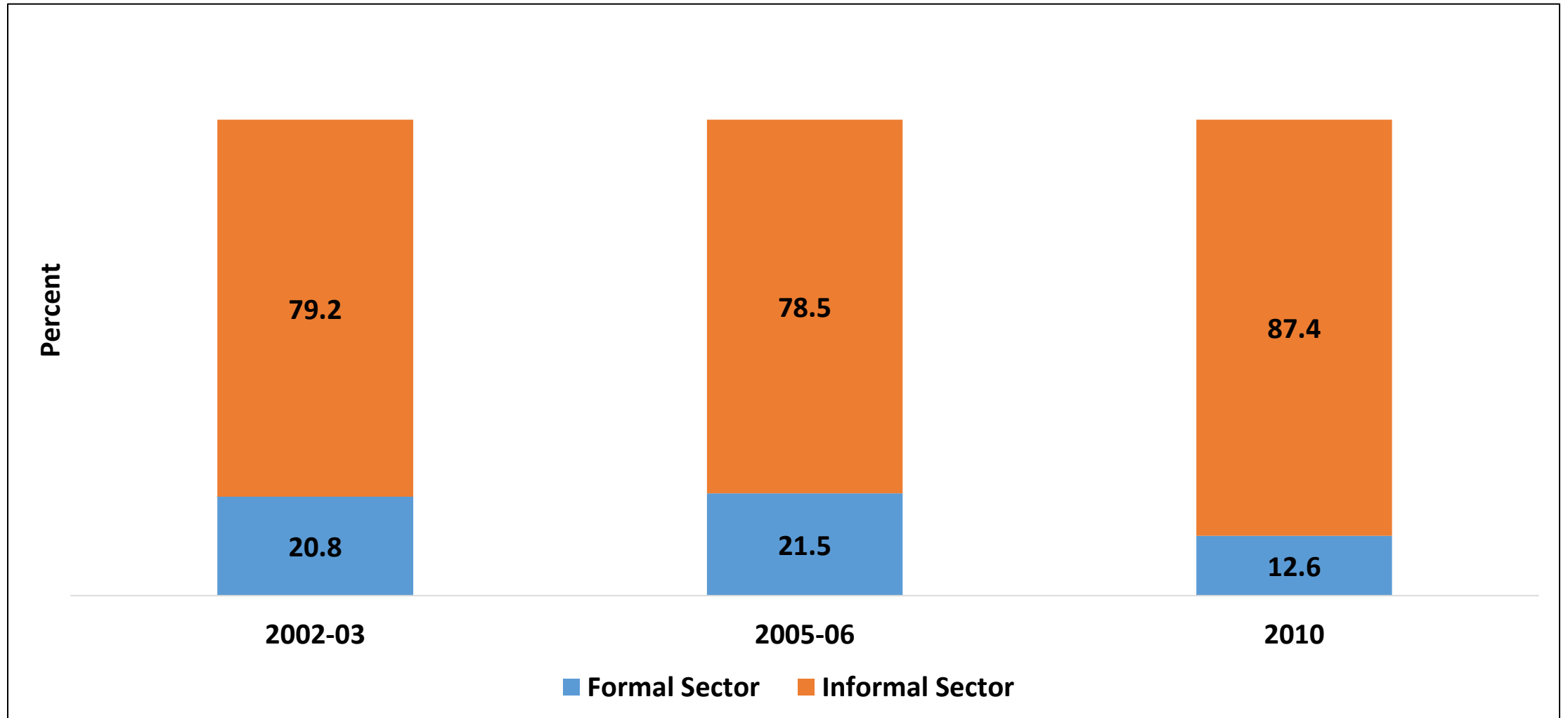
- Labor force participation rate in Bangladesh (%)
- Percentage of employed Persons aged 15 Years and over by formal and informal sector
- Employment Sector – Male and Female
- Mean Wage

Labour Force Participation Rate



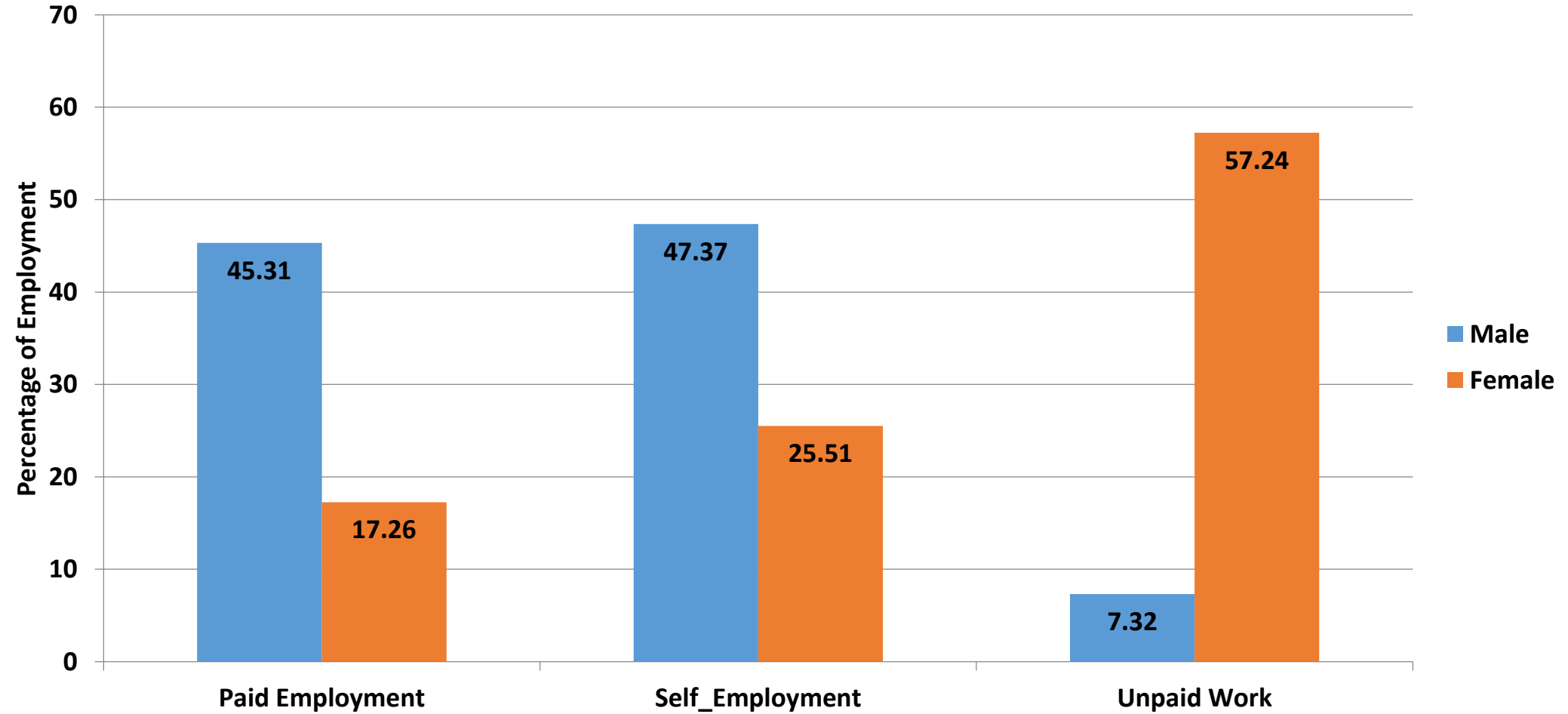
Labor force survey 1999-00, 2002-03, 2005-06 and 2010

Labour Force Participation – Formal and Informal Sector

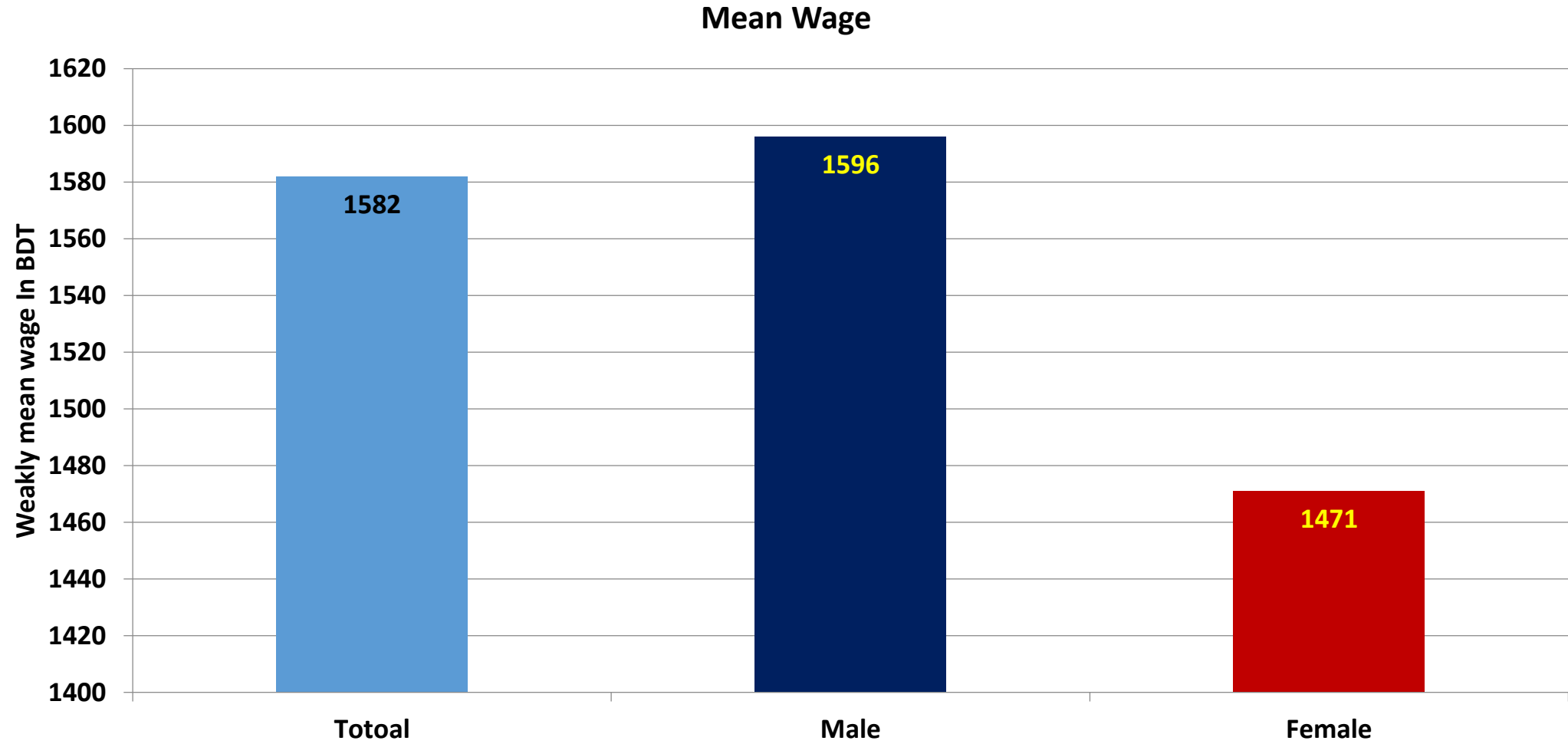


Labor force survey 2002-03, 2005-06 and 2010

Employment Pattern (2010)



Mean wage (2010)



LFS 2010

Summary:

- Population growth rate is declining. Demographic transition has been happening fast with rising share of working age population and elderly.
- GDP growth rate have been increasing with structural change in favour of industry at the expense of agriculture. In fact, Bangladesh is one of rising stars – maintaining growth rate over 6% consistently during the 6/7 years.
- Steady (moderate) economic growth and falling population growth lead to sharp decline in poverty (reduced from 50% in 1990 to around 24% in 2015)
- Attained lower middle income status
- Major concerns:
 - *Failure to create adequate decent jobs for the new entrant*
 - *Dominance of informal employment*
 - *Low female labour force participation*

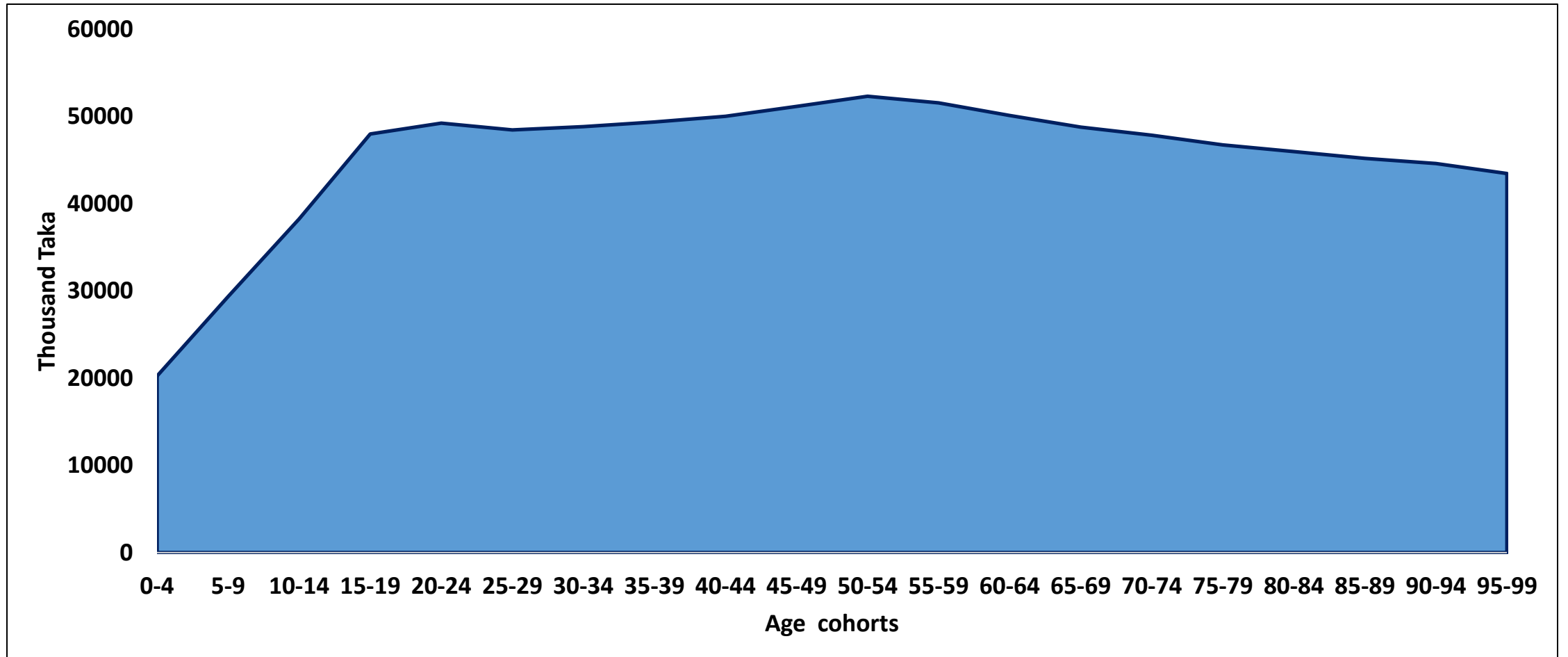
Bangladesh NTA 2010 Profiles

- Data set for Bangladesh NTA
- Per capita consumption profile, 2010
- Per capita labor income profile, 2010
- Per capita lifecycle deficit profile, 2010

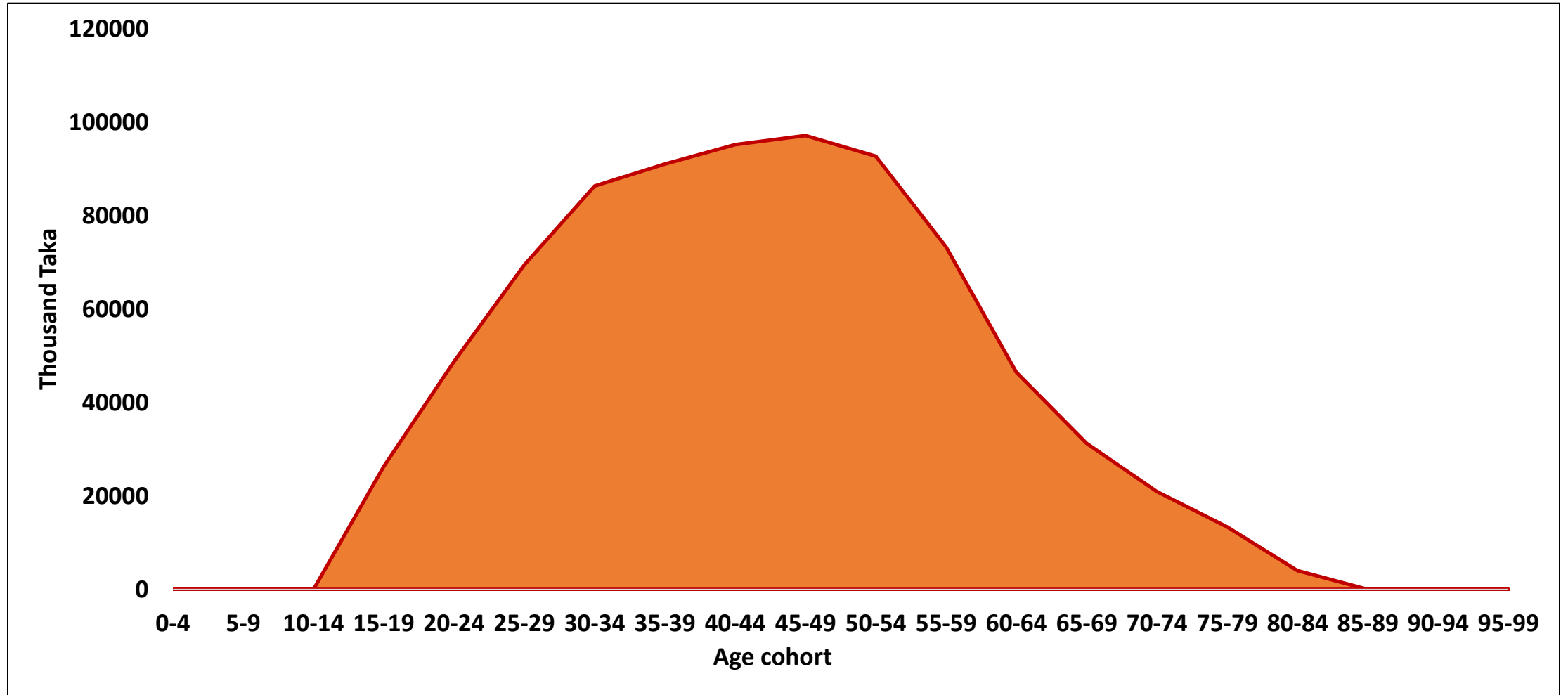
Data set for Bangladesh NTA

- Bangladesh NTA has been constructed for 2010. The data sets for Bangladesh NTA include:
 1. Household Income and Expenditure Survey (HIES), 2010 produced by the Bangladesh Bureau of Statistics (BBS);
 2. Labor Force Survey (LFS), 2010 produced by the Bangladesh Bureau of Statistics (BBS);
 3. UNFPA population prospectus data; and
 4. National Accounts Statistics (SNA), produced by the Bangladesh Bureau of Statistics (BBS).

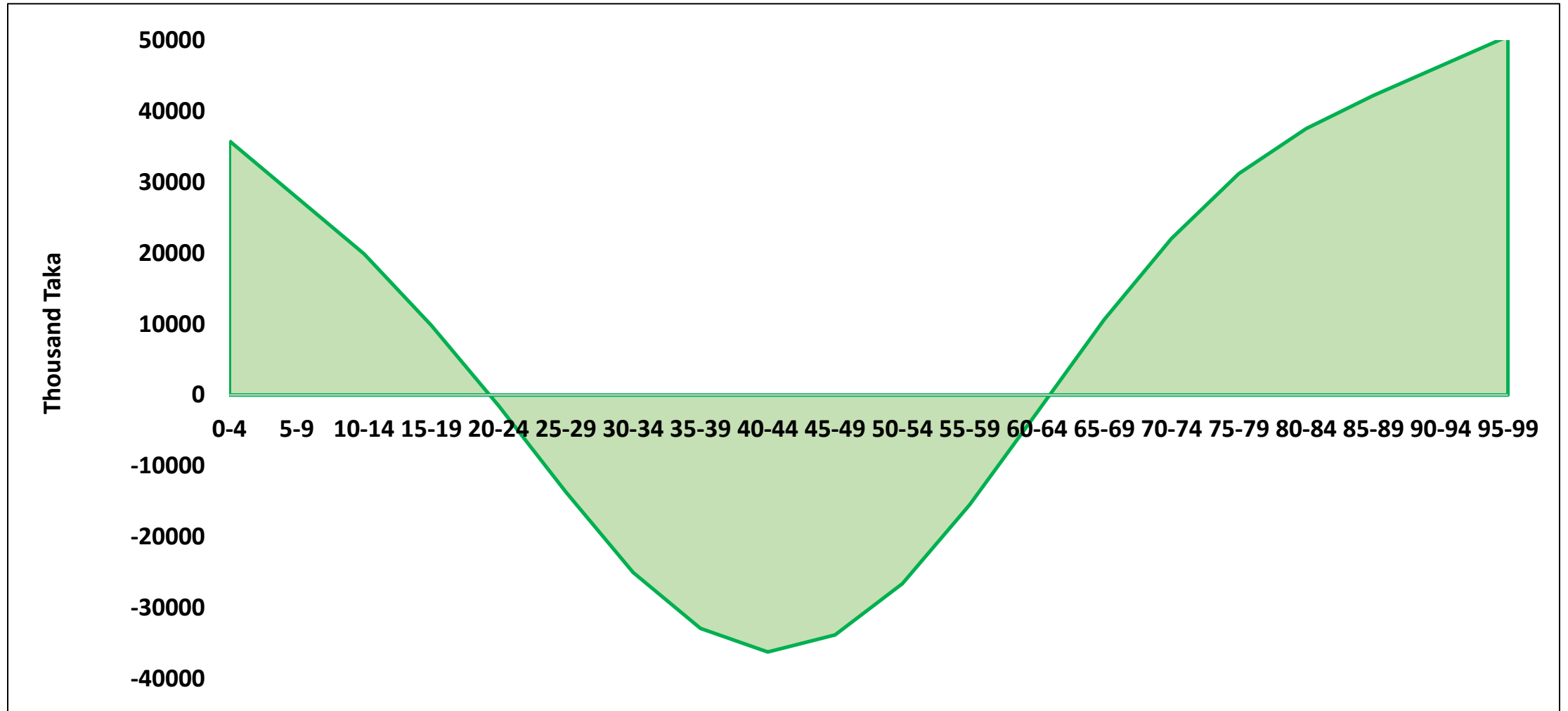
Per capita consumption profile, 2010



Per capita labor income profile, 2010



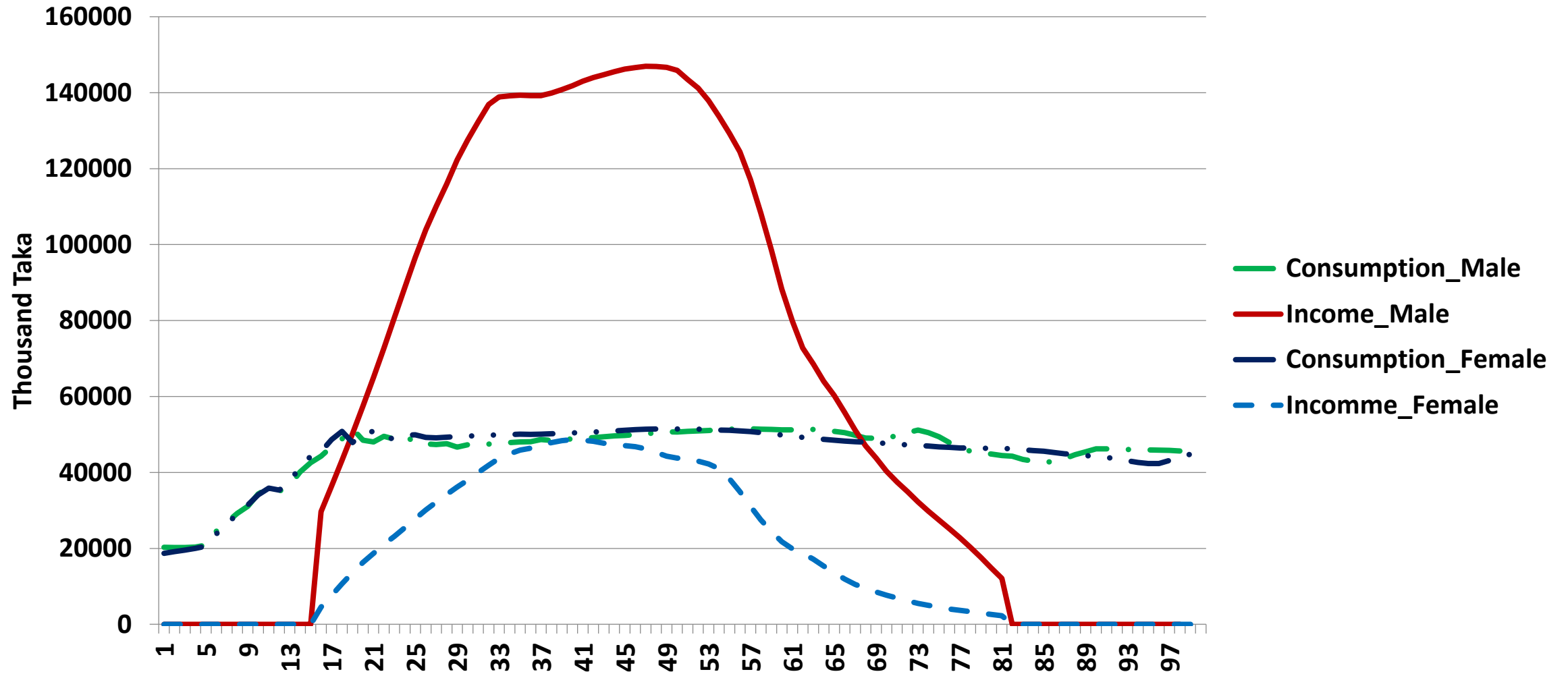
Per capita lifecycle deficit profile, 2010



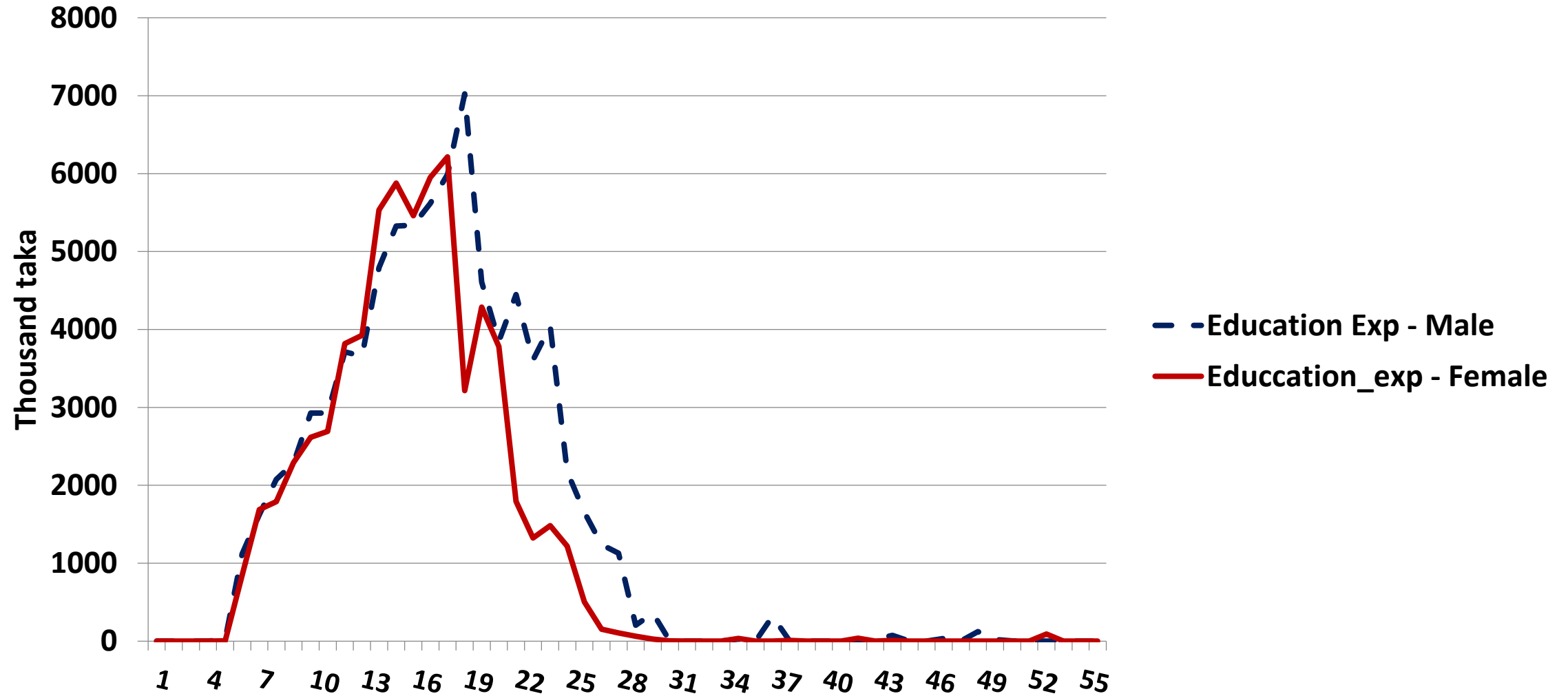
Gender Perspective

- Per Capita consumption and Income – male and female
- Per Capita Educational Expenditure – male and female
- Per Capita Health Expenditure – male and female
- Per Capita Other Expenditure – male and female

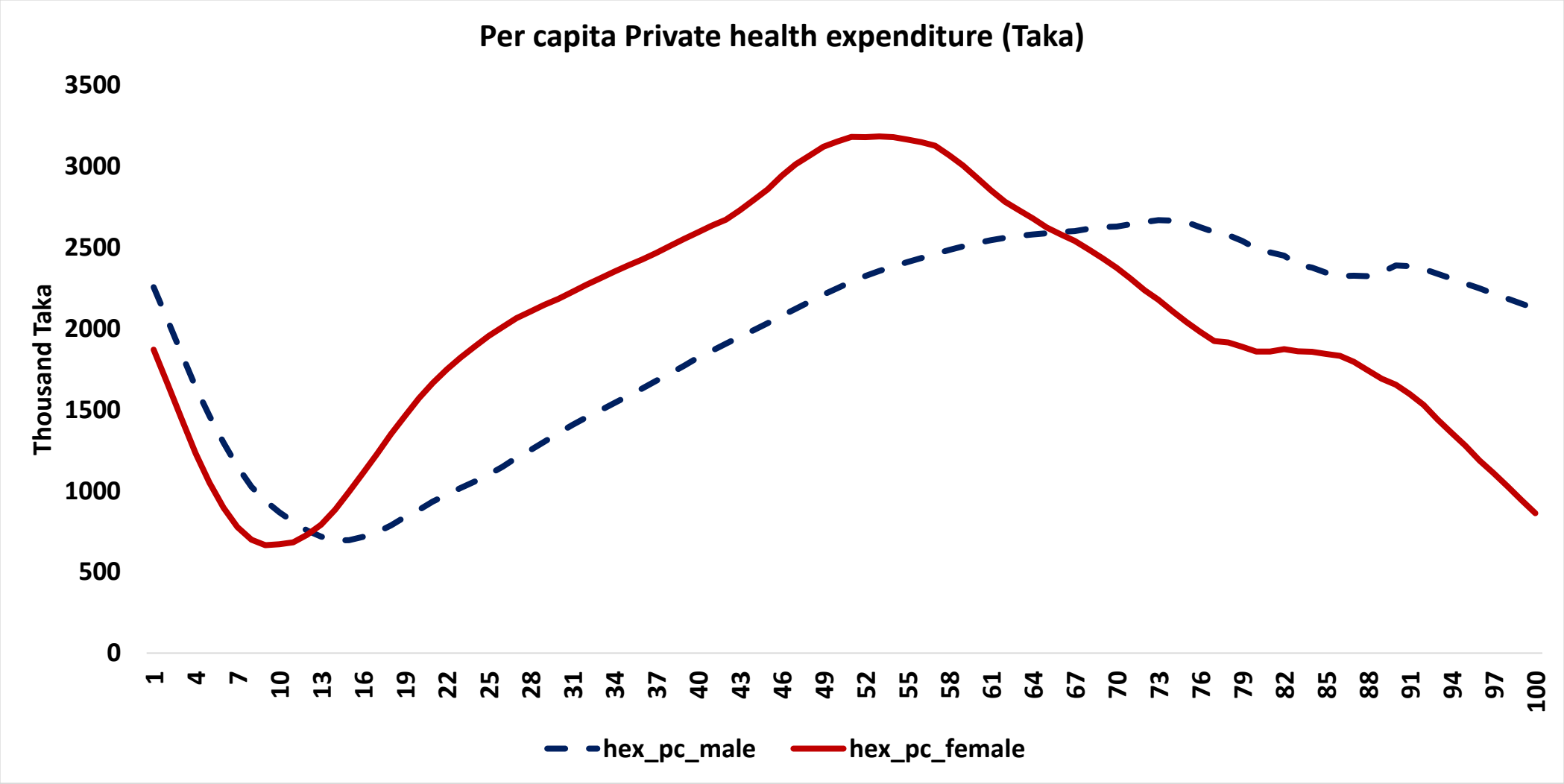
Male-Female Per Capita Income and Consumption



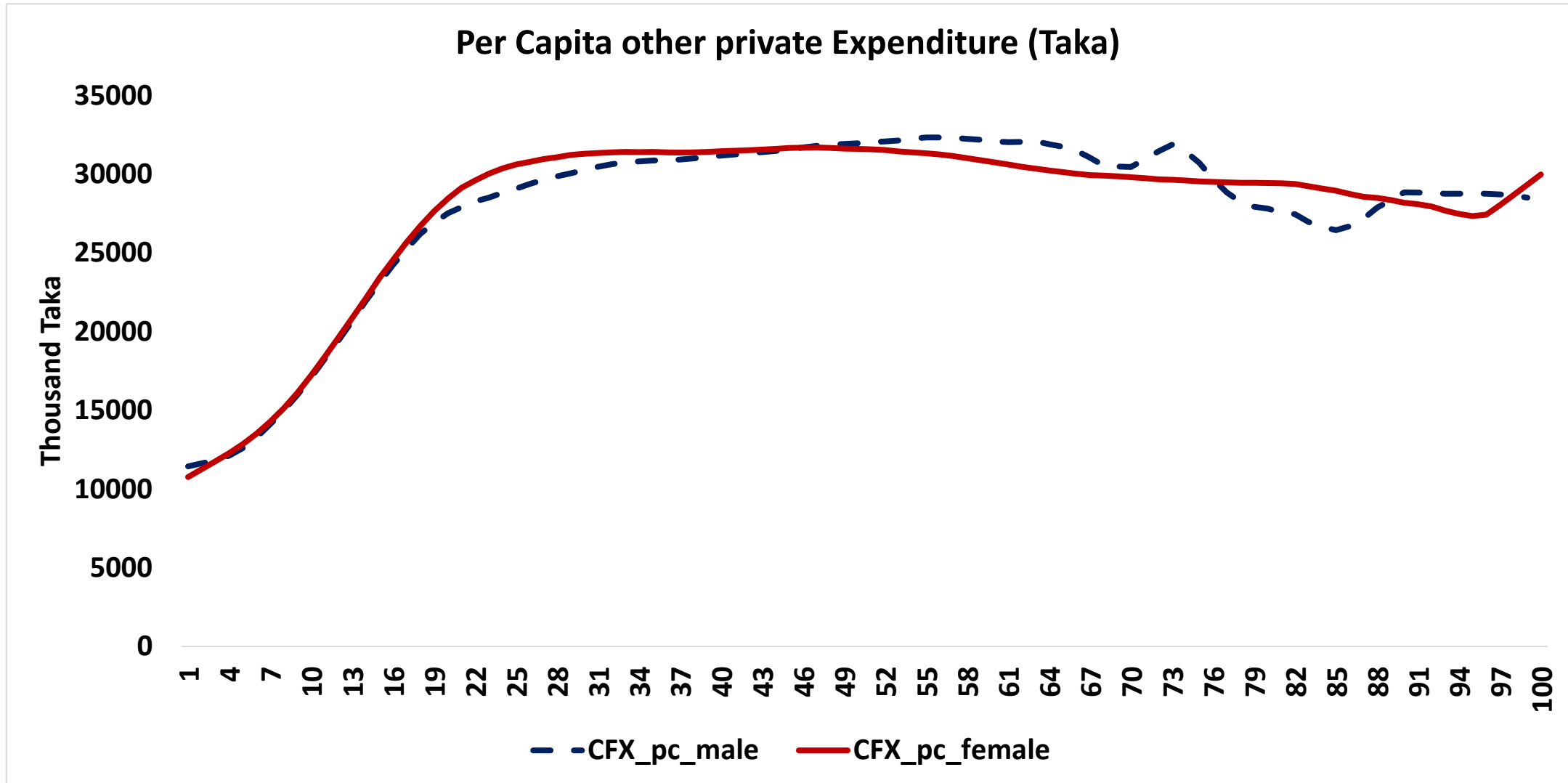
Educational Expenditure – Male and Female



Health Expenditure – Male and Female



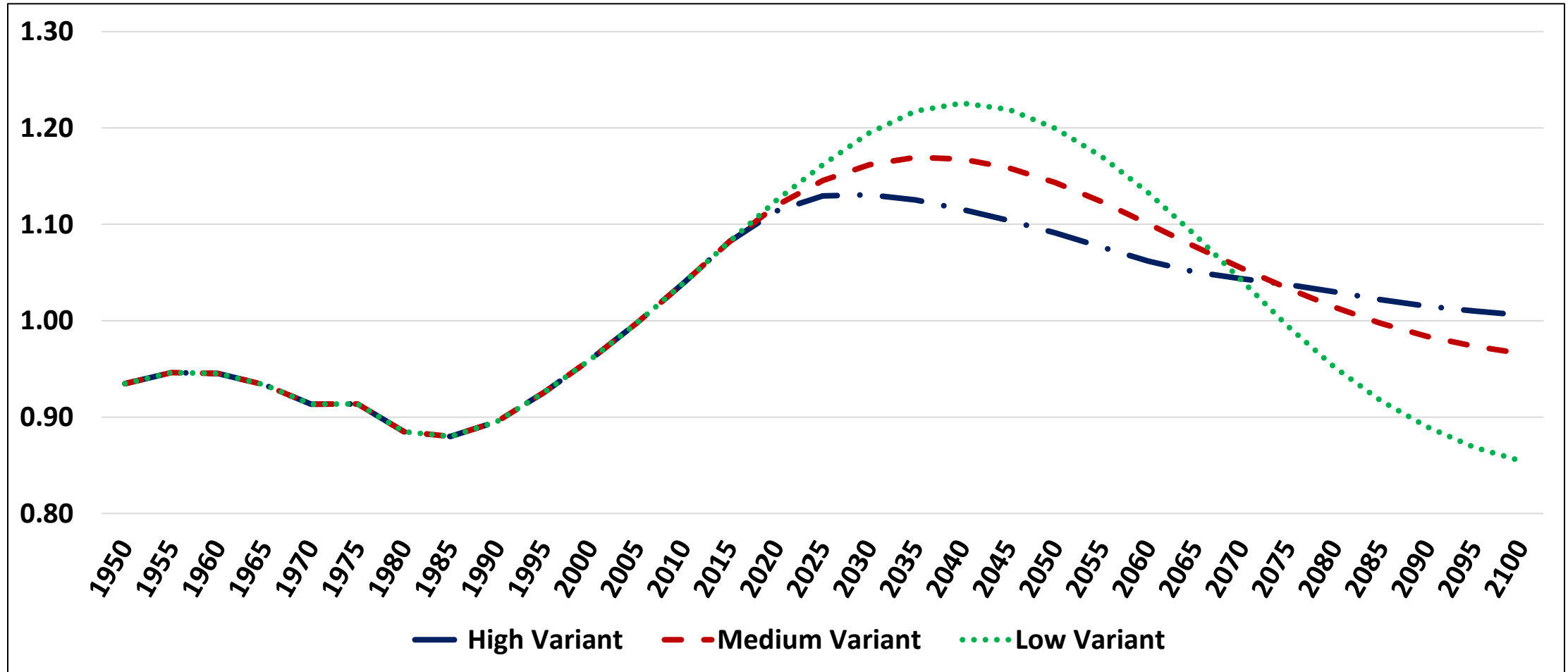
Other Expenditure – Male and Female



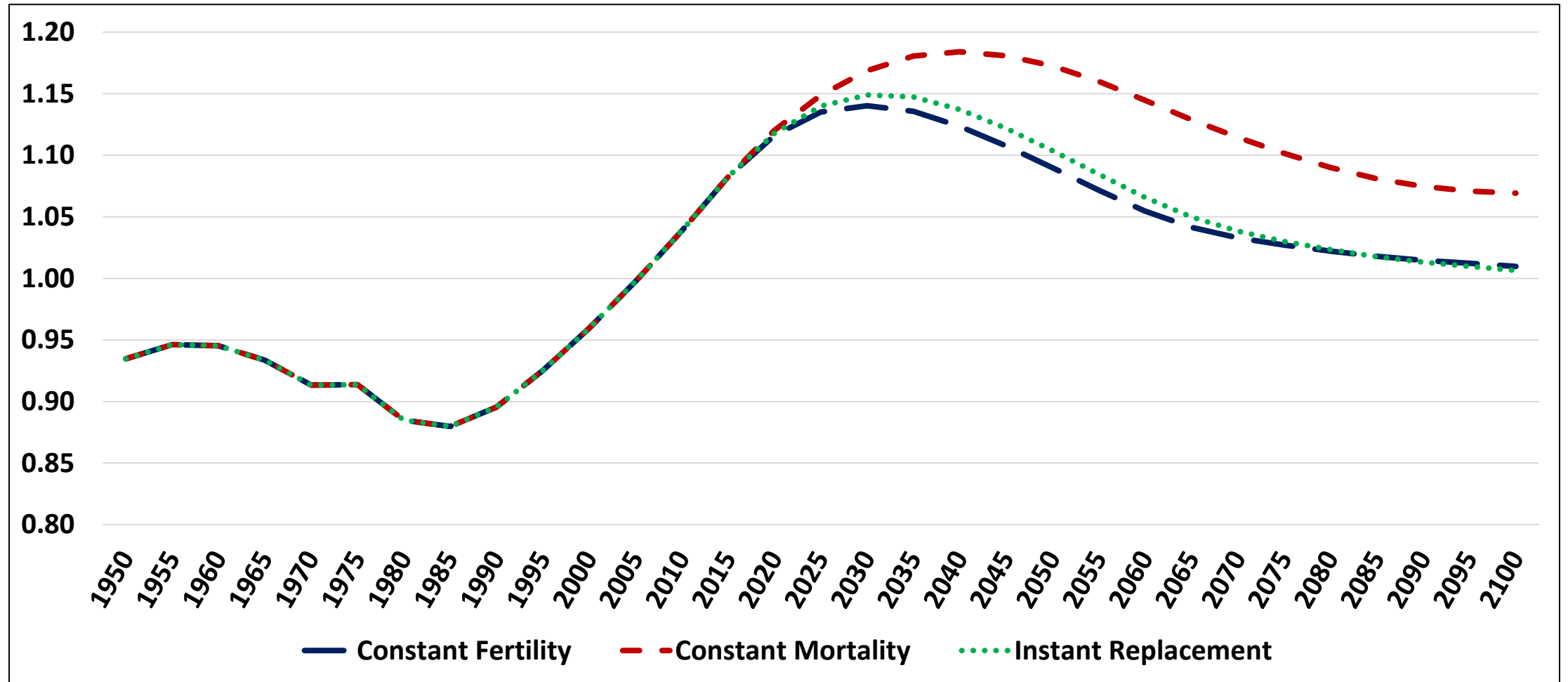
Demographic Dividend

- 7FYP set growth targets of 8% - relying on investment and exploiting favourable age structure.
- 7FYP could not the express time of the window of opportunities by observational confirmation.
- Certain proof on the extent of the demographic dividend is needed to formulate human resource and capital investment strategies to gather the economic advantages of the population dividend.
- Here we present observational confirmation on period and extent of demographic dividend in Bangladesh. Analysis include:
 - Economic support ratio, based on NTA profile, 2010
 - Estimated first demographic dividend under various assumption of population projection (8 variants)
 - Gender ESR

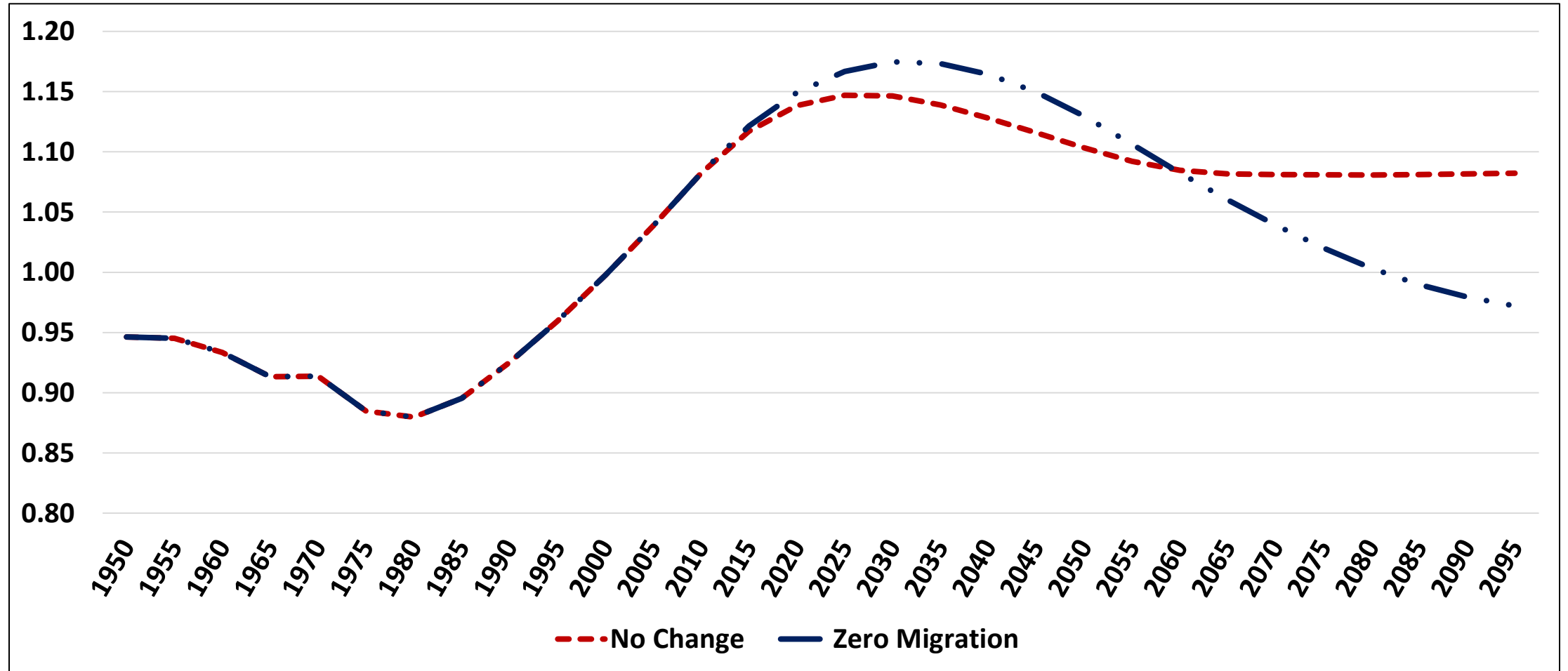
Economic support ratio, based on NTA profile, 2010



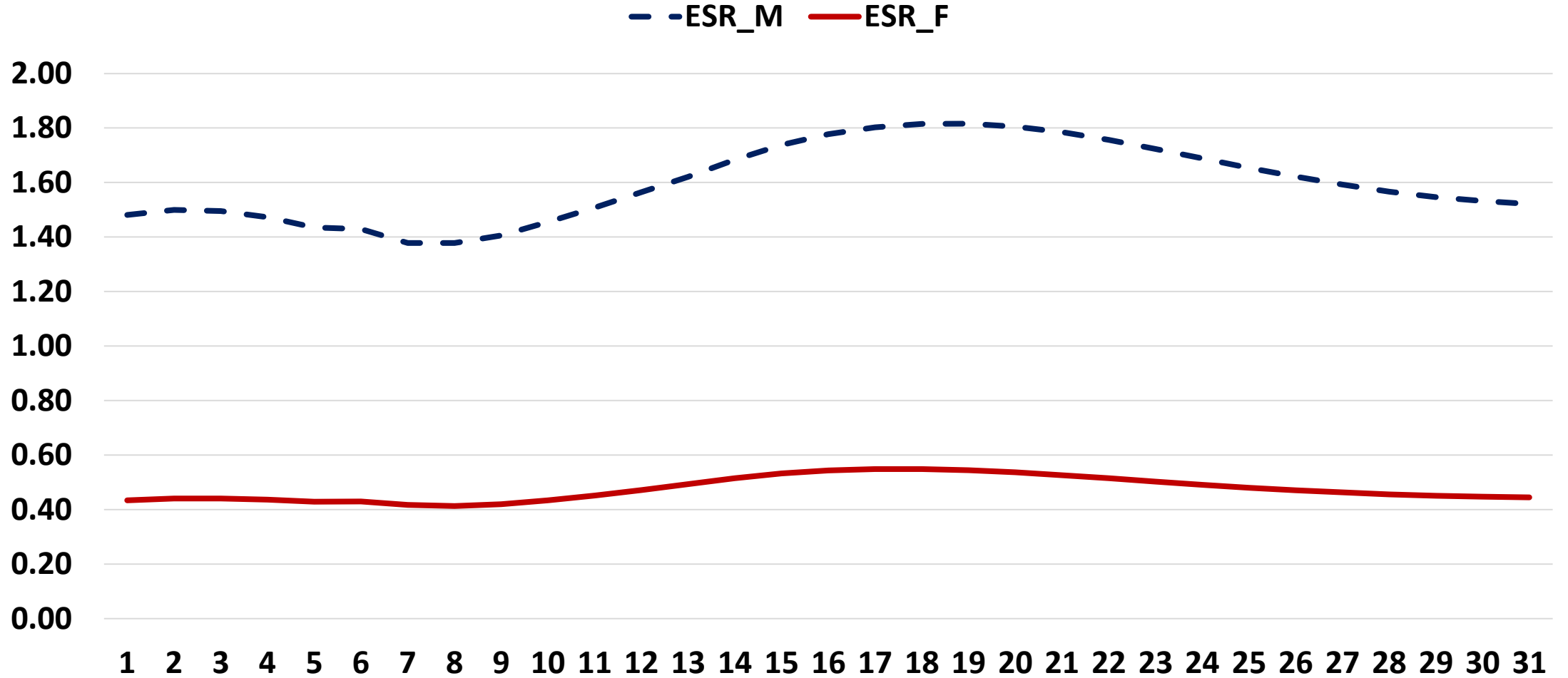
Economic support ratio, based on NTA profile, 2010



Economic support ratio, based on NTA profile, 2010



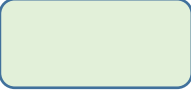
Gender ESR



Estimated first demographic dividend under various assumption of population projections

Population with various Assumptions	Year of Highest ESR	Range of First Demographic	Years left from 2015
Fertility assumptions: convergence toward total fertility below replacement level			
High Variant	2030	1990-2030	15
Medium Variant	2035	1990-2035	20
Low Variant	2040	1990-2040	25
Constant Fertility	2030	1990-2030	15
Instant Replacement	2030	1990-2030	15
Mortality assumptions			
Constant Mortality	2040	1990-2040	25
Constant Fertility and Mortality assumption			
No Change	2035	1990-2035	20
International migration assumptions			
Zero Migration	2040	1990-2040	25

Will Bangladesh Miss out on First Dividend?

- Comparison ESR estimates (table 1) against the classifications in table 6.1 GMR, it may be argued that Bangladesh is inching towards the phase of late dividend. 
- Bangladesh should have implemented policies those were relevant for the early phase of demographic dividend during 1990s. Bangladesh **could not make adequate investment** for creating employment (i.e. *investment as percent of GDP has remained short by about 3 to 4 percentage points*) and **in human capital including vocational and technical training** (education investment 2% of GDP).
- **Very low female labour force participation** (i.e. 36% in 2010 compared to 82% male participation) envisaged existence of barriers to female labor force participation.
- Efforts to strengthen conditions conducive to savings and job creation found insufficient – a national saving rate of 30 % and underemployment rate of more than 20 %.
- Since Bangladesh did not take appropriate policies in the right time, ***Bangladesh may miss out on first dividend.***

Key Interventions for Reaping First Dividend

- a. Higher investment (i.e. 3-4 percentage points higher) for creating employment for new entrants. (*7FYP priority*)
- b. Increased investment in education, training and human development. (*7FYP aims to increase 2.3% from current level 2% - seems inadequate*)
- c. Vocational training and skills development should get priority and adequate allocation. (*7FYP calls for private sector involvement*)
- d. Enhancing female labor force participation including greater opportunities for wage employment and self-employment.
 - a. *Release of women from care activities*
 - b. *Stop Child Marriage*
 - c. *Secured and enabling working environment*

Future Activity Plan

For 2016

- Complete Disaggregation of NTA
- Complete Gender analysis
- The Economic security of older people using NTA

For 2017

- Construction of NTTA from Time Use Survey 2012
- Rural Urban pattern of NTA to capture rapid urbanization
- Construction of Panel NTA profile (data 2005 and upcoming 2015)