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**Review Article**

**REMITTANCE AND THE RISE OF RURAL MIDDLE CLASS IN BANGLADESH**

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**Running Title:** Remittance and the rise of rural middle class in Bangladesh

**ABSTRACT**

**Background:** The impact and utilization of remittance by the rural population of Bangladesh has been extensively discussed in numerous studies, both by Bangladeshi and international researchers. However, the concept that remittance is contributing to the rise of a rural middle class is a fresh and unique approach.

**Objective:** The objective of the article is to explore the role of remittance in the rise of a rural middle class of Bangladesh. Also, to investigate how far remittance, both in cash and kind together with the 'social remittance' has contributed to the upward socio- economic movement of rural Bangladesh.

**Method:** This article adopted an integrative review method where secondary data collection was done from official government documents and websites of Bangladesh government. Contemporary data base and websites of different development organizations/world bodies were examined along with numerous scholars' research publications on this field.

**Result:** The paper exhibited that the direct and indirect impact of remittance has contributed to the solidification of rural middle class status.

**Conclusion:** It is important that this newly emerged, aspiring new-generation rural middle class should not be left out of academic and policy discussion

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**Key words:** Remittance, Migrant worker, Middle class, Rural population, Development

## **INTRODUCTION**

A migrant workers journey from remotest part of rural Bangladesh into an absolutely foreign land is built on challenges, aspirations and dreams of a better tomorrow. How Bangladesh has enjoyed the outcomes of the migrant workers outward movement has long been discussed in many research reports, academic journals. A lot of statistics and analysis showed how remittance has worked as a very strong impetus in changing Bangladesh's rural economy. What remained largely unnoticed or unattended is how remittance worked as the undercurrent in silently changing the socio-economic fabric of rural Bangladesh. As the paper would unfold, evidently, remittance strengthened Bangladesh's foreign currency reserve (World Bank, 2022) also rearranged the class dynamics of rural landscape. The change remittance brought in the rural sphere is palpable. Their healthy- happier face, a superior lifestyle, repositioned status in the society, everything speaks of a new emerging class.

This paper, in the initial part looked at the impact of remittance on rural poverty, livelihood inequality and development. It also discussed briefly about non-monetary remittance or remittance in cash. The idea and implication of social remittance was dealt with subsequently. Not to lose the focus of the paper, the characterization of middle class and its distinctness was discussed elaborately in the later part. As the formation of a middle class was not solely viewed from Marxist capitalist point of view, a native description of Bangladeshi rural middle class emerged. To sum up, an illustration portraying rural population as a consumer, a socio-economic classification that includes the psychodynamics of a rural middle class was constructed by the authors and was presented.

## **MATERIAL AND METHODS**

This paper adopted an integrative review method where secondary data collection was done from official government documents of Bangladesh government, data base and websites of different development organizations/world bodies and their reliable online sources. The objective of this review journal was to establish a correlation between the impact of remittance on rural population of Bangladesh and emergence of a new economic class. The review started with collecting the most recent and reliable data of inward remittance flow to Bangladesh. Subsequently scholarly articles were intensively reviewed. All of these ideas were then synthesized to point out a gap in literature. The context and issues were logically and argumentatively discussed in order to establish and follow an unobtrusive research protocol.

## **REMITTANCE AND BANGLADESH**

Worldwide, Bangladesh became the 6th largest migrating country and the 8th largest remittance recipient country in 2019 (World Bank, 2020). Bangladesh is also 3<sup>rd</sup> among the South Asian countries (World Bank, 2021).

Bangladesh Government has started to record the migration data since 1976, as the contractual employment in the Middle East started. Since Independence in 1971, due to unstable political and socio-economic circumstances international migration became a livelihood strategy of volumes of rural population of Bangladesh. (Akhter.N. 2019; Khan, A. 2020, Raha,D. 2010).

Ever since, the inward remittance as a percentage to GDP and share of export earning to Bangladesh have remained consistently upward (Ali, E. 2021).

Flow of Remittances remarkably amplified from 1.96 billion in (1999–2000) to 12.1 billion in (2010–2011)

which was a dramatic 500% increase over in a period of 10 years. And since 2011, the total value of remittances increased to over 65% compared to 2020 (Chowdhury & Chakra barty, 2021).

Breaking all previous records, in the last FY (2021), during the Covid-19 period remittance stood at whopping 24.77 billion (MOF, 2022). Recently, Dilip Ratha, the head of World Bank's Global Knowledge Partnership on Migration and Development also emphasized on remittance and its impact on developing countries economy, stating that "Remittances are on the track to become the largest source of external financing in developing countries" (Hidayati, I. 2020; Xia and Kmruzzaman, 2022.; World Bank, 2019).

In recent periods, remittances have significantly impacted in lowering unemployment, alleviating current account deficit and bolstering foreign exchange reserves. (BB 2017, Rahman, M. 2012, Siddiqui, T. 2018) Bangladesh Bureau of manpower, employment and training (BMET) explained in their study (Islam, N. 2014) how remittance affected the rural economy both in direct and indirect manner.

Remittance acted as a savior from vulnerabilities for the struggling rural households of Bangladesh (Moniruzzaman, M. 2020, Moni & Heidher, 2010). The regular inflow of income by the remitter helps them with consumption expenditure. (Al-Islam, S. 2021) Remittance showed a positive co-relationship of school enrolment. After analyzing data of 91 developing countries over the period of 30 years Remittances was found to be a significant motivator in accelerating child education in rural (Shafiq, M.N, 2022). The study conducted by Shafiq and Nawaz (2022) also indicted detrimental impacted on children's schooling and remittance Also, as a low-skilled labor-exporting country remittance worked as a vital financial source in accelerating economic growth (Al-Assaf & Al-Malki, 2014; Sutradhar, 2020) the aggregate inflows of remittance through formal Banking channels, during Covid19 period also indicate that remittance has helped in financial inclusion which is extremely important for financial sector development. (Uddin & Barua, 2022).

However, the argument that remittance holds the key to financial freedom of rural population of Bangladesh and works as the foundation of rural middle class formation needs to be recognized statistically. The graphical presentations below will undeniably showcase how over the years remittance became the fuel of rural household and thus helped rewriting their socio-economic order.

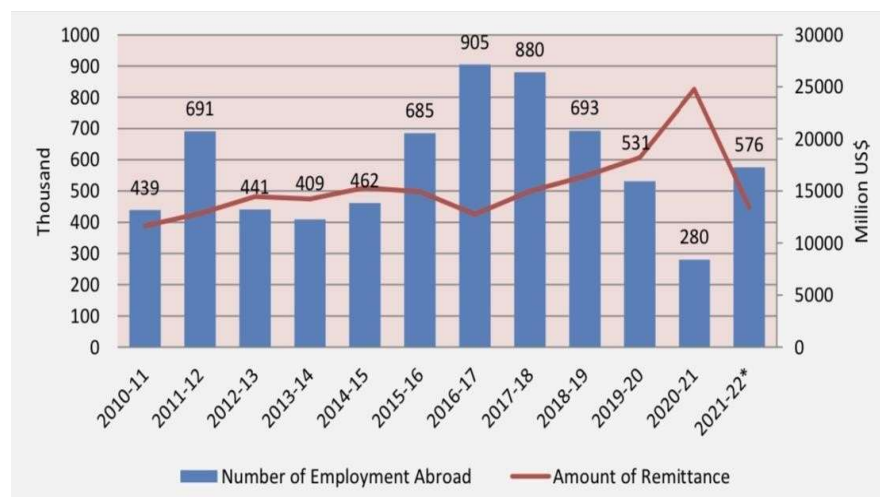


Figure 1: Manpower Export and Overall Remittance Flow

Source: BMET, MOF, Bangladesh Bank. \*Up to February 2022

As projected in the graph, over the decade the number of migrants and remittance remained steady. A staggering \$24.77 billion of remittance was sent in the year 2020-2021 (BMET). Due to ease of travel restriction after Covid 19, the initial eight months of FY 2021-22 showed that number of migrant workers from Bangladesh went up. Though official remittance inflows declined, perhaps as informal payment channels normalized after COVID-19. (World Bank, 2022) Nevertheless, flow of remittance depends on lots of other macro and micro level issues and shouldn't be measured by month on month basis.

**Table 1.1 Remittances as Percent of GDP and Export Earnings**

| FY                            | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|-------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| As percent of GDP             | 9.05    | 9.63    | 9.64    | 8.23    | 7.87    | 6.74    | 5.11    | 4.66    | 4.67    | 4.87    | 6.03    |
| As percent of Export Earnings | 50.82   | 53.58   | 54.43   | 47.13   | 49.08   | 43.59   | 37.54   | 41.29   | 41.46   | 56.68   | 67.14   |

Source: Bangladesh Bank, BBS. (MOF 2022)

Needless to say that remittance has become Bangladesh's first-hand bonanza. In the fiscal year 2020-2021 remittance contribution as percent of export earning stood at 67.14% and 6.03% as percent of GDP. Though readymade garments is lauded for its contribution in BD's export earnings, the net foreign exchange earnings through remittance is higher than RMG sector. Nevertheless, ironically, 70-75% foreign exchange earnings by RMG sector is paid out in importing raw material for their own use. As a result, the RMG sector's net value addition results in only around 25% to 30%. (Siddiqui & Ananta, 2018).

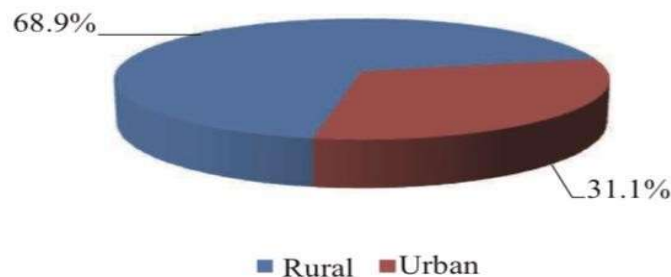


**Figure 1.2 Location of Beneficiaries**

Source: Bangladesh Bank 2017

The national level data of remittance inflow is pointless in this context if it doesn't reach the rural population. As the diagram speaks for itself, the bulk of remittance (68.9%) moves into the beneficiaries of expatriates residing in rural parts of Bangladesh. Therefore, If we take into account the remittances of last FY, around 17 billion dollar (69% of 24.77 billion \$) reached rural areas. Clearly, the vibrant rural economy of Bangladesh owes a lot to their benefactors staying abroad.

Category wise migration 2010

Category wise migration 2021

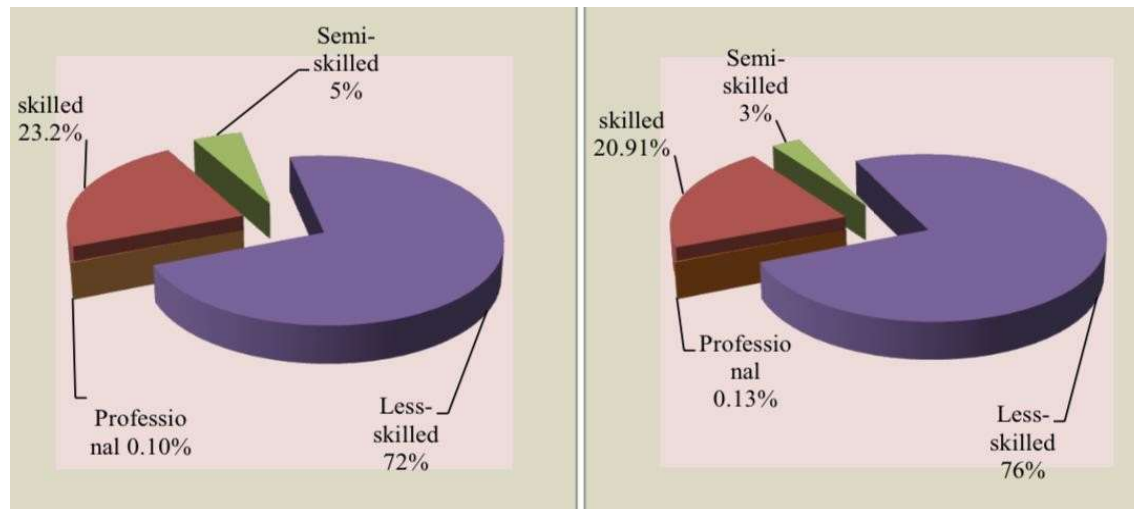


Figure 1.3 Skill Based Migration

Source: MOEWOE, Bangladesh Bank. MOF 2022

Skill wise migration of Bangladeshi migrant workers is an area that looks discouraging as almost 76% of them fall into less-skilled category (2021). And this figure has progressively gone up from the year 2011. While on Semi-skilled category there is only 3% and in skilled category only 20.9%. In professional category there is only 0.13% which is insignificant. A lot can be done to build up the capacity and skill development of the remittance earners which will substantially increase the volume of remittance.

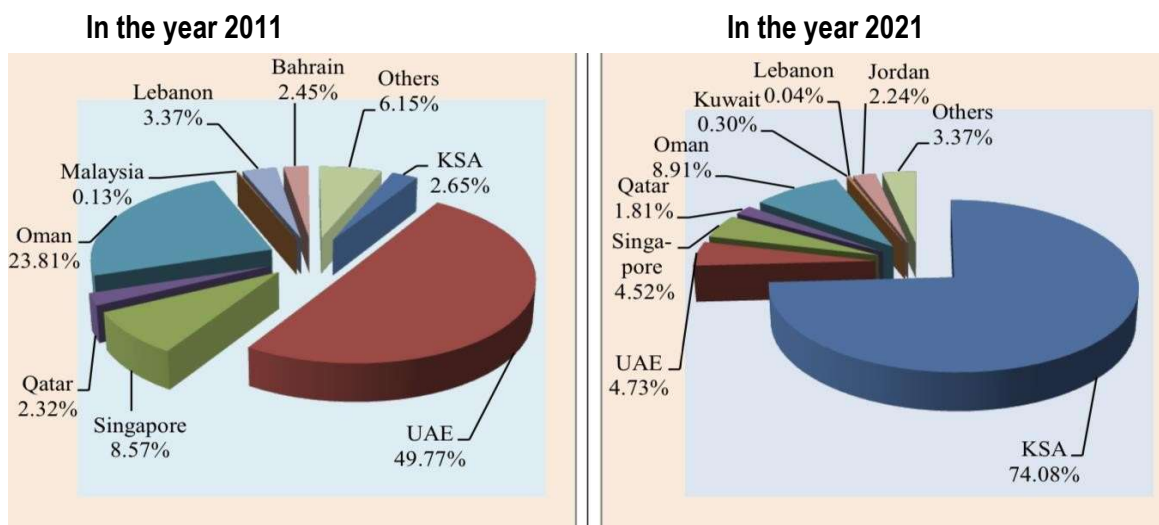


Figure 1.4 Overseas Employment by Countries

Source: BMET, MOEWOE, Bangladesh Bank.

Oil rich Middle Eastern countries has traditionally been the popular destination for the remittance earners of Bangladesh. Kingdom of Saudi Arabia has taken the sweeping volume of migrating workers from Bangladesh (2021). A clear shift in labor market is visible if a comparison of employment by countries is done between 2011 and 2021.

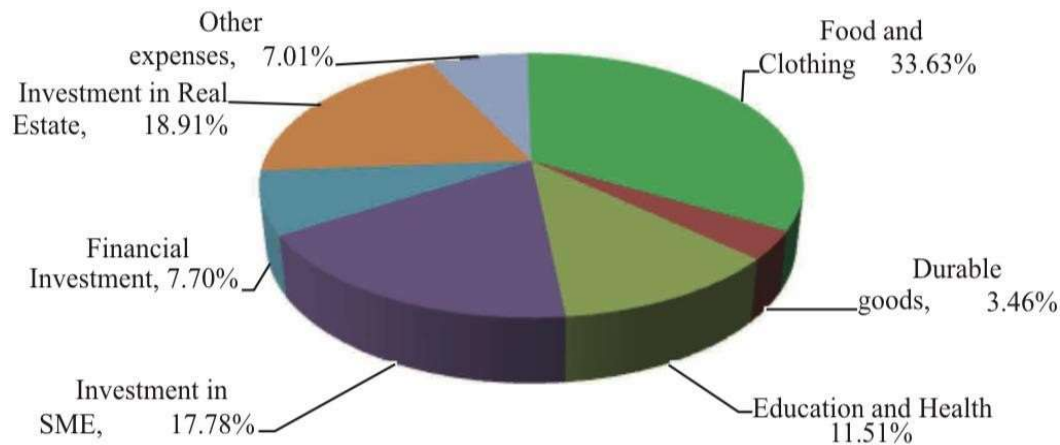


**Figure 1.5** Average Pattern of Remittance Utilization

Source: Bangladesh Bank 2017

**Table 1.2** Use of Remittance by Residence

| Residence | Use of Remittance |                            |                           |                              |         |
|-----------|-------------------|----------------------------|---------------------------|------------------------------|---------|
|           | Total             | Expenditure on basic needs | Expenditure on investment | Expenditure on durable goods | Savings |
| National  | 100               | 70.07                      | 26.06                     | 2.17                         | 1.70    |
| Rural     | 100               | 68.44                      | 27.98                     | 2.13                         | 1.45    |
| Urban     | 100               | 76.47                      | 18.48                     | 2.35                         | 2.70    |

Source: HIES, BBS, 2019

Surprisingly, data and information derived from Bangladesh Bank and Bangladesh Bureau of Statistics (BBS) gave different pictures of remittance utilization. According to Bangladesh Bank food and clothing accounted for 33.63% of remittance utilization. While according to BBS it stands at 68%. While in investment category Bangladesh Bank projected that almost 43% of remittance goes into investment purpose and BBS projected 27%. However, they hand almost similar accounts on use of durable goods which is around 2% to 3%.

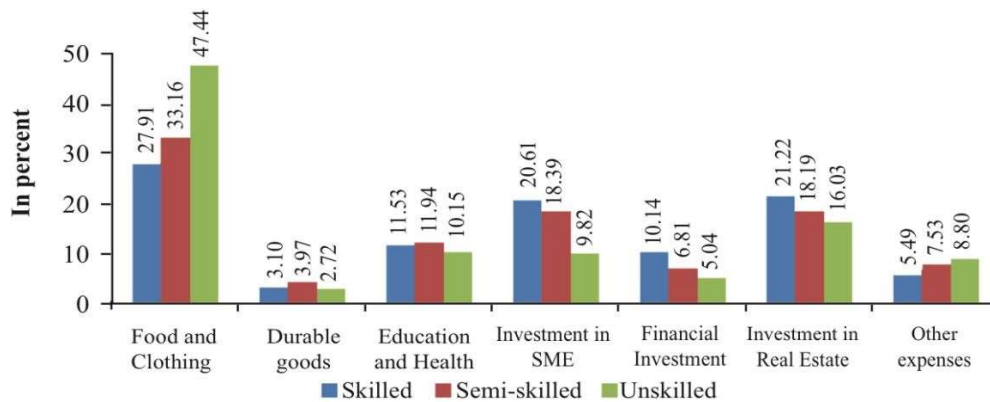


**Figure 1.6** Skill Wise Expenditure Pattern of Remittance

Source: Bangladesh Bank 2017

Not surprisingly compared to the unskilled workers the skilled workers earn better and their expenditure in food and clothing as a percentage to their earning remains low. Skilled workers also have a greater propensity to investment in all three categories (Financial/SME/ Real estate). Unskilled workers lag in investment as a large part of their remittance is used in basic food and clothing. Often the marginalized rural population needs repeat-cycle migration to create enough wealth to invest.

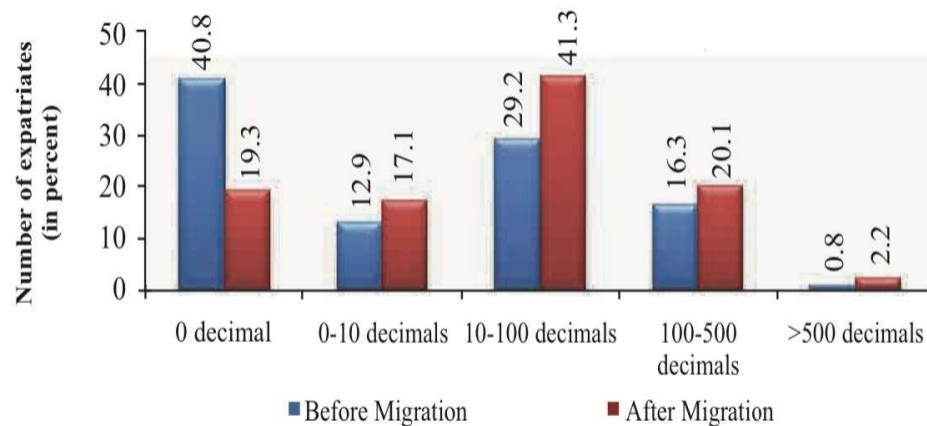


**Figure 1.7** Possession of Land by the Expatriates

Source: Bangladesh Bank 2017

40% of migrant workers who started their journey without possessing any land failed to buy any even after migration. Conceivably, as in the initial years they use their remittance in payingback the debt they took for migration. Generally, the poorer segment needs to stay abroad longer to remove their economic woes.

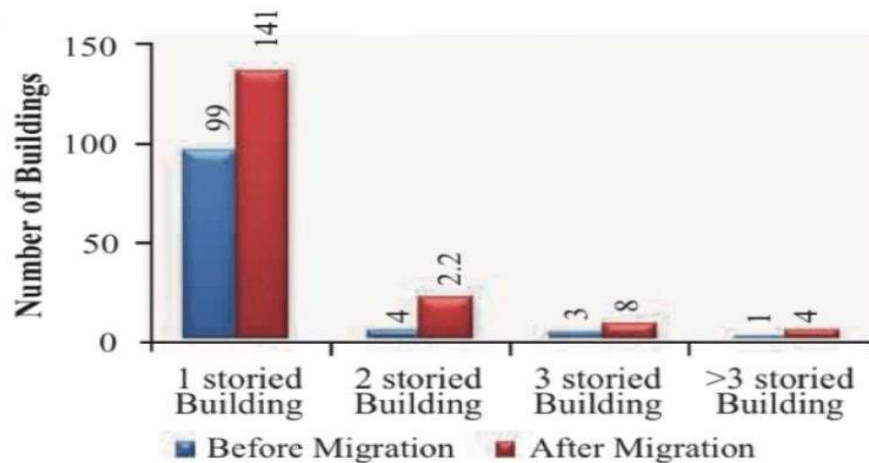


**Figure 1.8** Possession of Building by the Expatriates

Source: Bangladesh Bank 2017

Noticeably, the propensity of possessing buildings increases after migration. One of the prominent pointers of a migrant workers success is projected by possession of good-looking house. As is shown in the graph the number of migrants owning one storied building rose to 144%. Also, migration visibly helped in building 2 storied and 3 storied buildings.

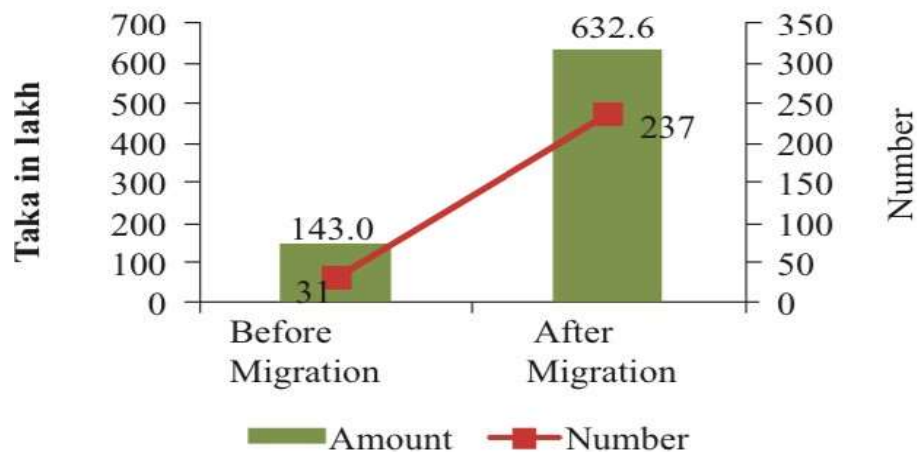


**Figure 1.9:** Expatriates' Deposits

Source: Bangladesh Bank 2017

Positive flow of remittance significantly helps rural household in depositing money. Merely 31 expatriates had deposits before migration. In the aftermath of migration, the scenario changed for the better.

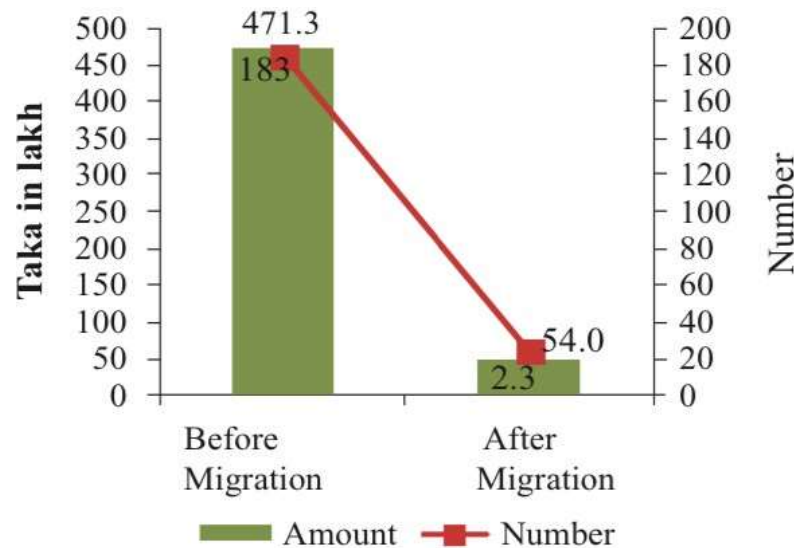


Figure 1.10 Expatriates 'Debt

Source: Bangladesh Bank 2017

As is expected, the first thing a migrant worker is obliged to do after migration is getting rid of the debt. The bulk of migrant workers (50.4%) were not well-off and had loans before moving abroad. But following migration, through a healthy and uninterrupted flow of remittance they were able to repay their loans.

### CHANGE IN EDUCATION AND LIFESTYLE

Middle class is not only measured by economic feats, it is also a change in attitude that acts as a forceful driver in adopting a superior standard of living. This reality got more prominent as the rural lifestyle fueled by the remittance started to reengineer itself (Raihan, S. 2020). All the tables below display the prevalence of a changing rural livelihood and its positive headway.

#### Education: Comparison between Urban and Rural

Table 1.3 Distribution of Enrollment of Students' Urban/ Rural

| Level of Education  | National | Urban | Rural |
|---------------------|----------|-------|-------|
| Class I - IV        | 51.28    | 46.49 | 52.90 |
| Class V-IX          | 26.43    | 25.74 | 28.79 |
| SSC/HSC/equivalent  | 13.16    | 14.67 | 12.66 |
| Graduate/equivalent | 5.69     | 9.00  | 4.58  |

Source: HIES, BBS, 2019

**Table 1.4** Types of Homesteads by Migrant and Non-migrant

| Nature of Construction | Migrant (%) | Non-migrant (%) |
|------------------------|-------------|-----------------|
| Paka                   | 20.6        | 4.9             |
| Semi Paka              | 23.6        | 12.1            |
| Tin/Semi Kacha         | 47.4        | 60.9            |
| Mud/Thachet/Bamboo     | 8.3         | 22.1            |

**Table 1.5** Source of Drinking Water by Migrant and Non- migrant

| Sources                | Migrant (%) | Non-migrant (%) |
|------------------------|-------------|-----------------|
| Pipe or Wasa waterline | 3.6         | 2.5             |
| Tube well              | 95.6        | 88.9            |
| Pond/River/Lake        | .5          | 4.5             |

**Table 1.6** Types of Toilets by Migrant and Non-migrant

| Types of Toilets            | Migrant (%) | Non-migrant (%) |
|-----------------------------|-------------|-----------------|
| Sanitary (with water seal)  | 52.7        | 22.5            |
| Sanitary (Slab/ring toilet) | 44.7        | 63.7            |

**Table 1.8** Use of Electricity by Migrants and Non-migrants

| Sources     | Migrant (%) | Non-migrants (%) |
|-------------|-------------|------------------|
| Electricity | 87.4        | 70.9             |
| Solar Panel | 10.7        | 18.3             |
| Kerosene    | 1.9         | 10.5             |

**Table 1.9** Source of Cooking Fuel by Migration and Non-migration

| Sources             | Migrant (%) | Non-migrant (%) |
|---------------------|-------------|-----------------|
| Gas/LP gas          | 14.9        | 4.9             |
| Fire wood           | 64.4        | 55.1            |
| Cow dung/Leaf/Straw | 20.3        | 39.7            |

*Source (Table 1.4- Table1.9): Assembled from RMMRU panel survey 2017*

Almost 44% of remittance earners family started to live in a *Paka* or semi-*Paka* building as opposed to 16% non-immigrant families. Almost all of them drink water from either tube-well or pipe/wasa waterline. As they grew financially solvent, they opted out of improper *Kacha* toilets, 53% used Sanitary with water-sealed. Increase in consumption of electricity and solar power became predominant among remittance rich household. Furthermore, 15% of households of migrant workers could now use gas/LP gas instead of formerly used firewood, cow dung or straw. These lifestyle changes generate dignity of living and thus works as a catalyst in forming a cluster of population that now can be called middle class.

## REMITTANCE IN KIND AND SOCIAL REMITTANCE:

As we try to research remittance academically, the idea that 'remittance equals cash' always dominates our thoughts. While, lot of timeS, the non-cash remittance (the goods and gifts sent by the migrants) is ignored. The families left behind receive a wide verity of presents. Very commonly received gifts include warm blankets, mobiles, gold, jewelry, clothing, toiletries, electronic goods, cosmetics. Refugee and Migratory Movements Research Unit (RMMRU) in their research done on 2017 found a single household of remittance earner receives 42,000 tk cash value worth of gifts. This remittance in kind is almost 18% of total remittance sent by cash(Siddique, T.2018). This significant contribution that moves into the rural economy is often least talked about though they largely impact a rural consumers' lifestyle, feeds their ego and brings them a sense of superiority among the non-migrant families.

The in-kind remittances, in other words the transfers of goods and services from the destination country sent by migrants should be highlighted as it holds transformative societal power. (Peggy, L. 2021; Ullah et al. 2022).

Moreover, social remittance is of great significance as we try to gauge the mindset of rural middle class. Social remittance are the ideas, practices, and know-how that circulate along migratory paths. (Levitt, 1998, 2001b). Migrants not only brought pockets full of cash but also stories of how different the outside world is in terms of societal norms, culture and values. They compare and contrast while some are adapted some are not. They, now a days, reach friends and family back home through emails, video-calls. This new technological channel creates opportunity of societal, cultural and behavioral shift. (Ullah et al, 2022). The rural population got exposed to new religious boundaries, different gender roles. (Barton et al., 2000; Levitt. 2005) the concept of individualism sipped in, generational dynamics changed as son (the remittance earner) starts to exhort greater decision making role. (Rahman, M.2017) Wives of migrant workers became pseudo family heads as they become one of the major recipient of remittance. All this, along with new found financial mobility created rural landscape a fertile ground for a socio economic shift. (Hossain, M. 2020).

The age old rural social hierarchy started to dwindle as migration started to be viewed as status symbol and new source of identity. A silent social repositioning took shape (Siddiqi, T.2017, Rahman & Fee 2012) the power of remittance helped reconsolidate migrants social position who was no longer seen as poor and cash strapped. A lot of families and kinship of migrants started to be known as '*Soudi Bari*', '*Malaysia Bari*' (Rahman, M.2007) which resonated with their material and social success.

## WHAT MAKES A MIDDLE CLASS?

As this paper attempts to establish that Bangladesh's rural strata now has an emerging middleclass, it is very important to understand and clarify what exactly is a middle class. Unfortunately, there is no universally recognized definition of middle class (Mharzi, 2022; Jaffrelot & Peter 2022; Wenger, B., & Zaber, M. 2021)). Therefore, how big the middle class is, what their characteristics is often is determined by who is defining them (Nehru, V.2010).

In majority of the cases though, middle class segment is defined by their income or consumption level.

Asian Development Bank (2017) described Middle class in simple manner-‘people that are not poor but are not rich either’ belongs to middle class. Based on previous literature (Andrianjaka, R.R. 2022, Ravallion 2009, Birdsall 2010; Clément and Rougier 2014) written on middle class ADB classified four sub-groups of middle class:

- 1) The floating middle-class (\$2 - \$4)
- 2) The lower middle-class (\$4 -\$10)
- 3) The upper middle-class (\$10; \$20)
- 4) The higher middle-class (\$20 - \$100).

The World Bank (2020) explained that “Middle Class” can be defined in monetary terms (Above a definite financial threshold) also it can be explained in relative term (above a definite percentile of income). In addition, there exists subjective versus objective point of view. Nevertheless, the absolute value of a household income often cannot do justice to the perception of belonging to middle class.

Bridsel (2010) demarcated middle class by non-monetary term such as, education, occupation and social values. Nobel Laureate economist Abhijit and Dufflo (2008) while trying to identify middle class specified that “No global dataset exists to answer these kinds of detailed questions on a worldwide basis”. However, Banerjee and Duflo (2007) recommended that middle class should include those population that are earning between \$2 and \$10 per person per day.

Ravallion (2010) also defined middle class as those who earn \$2 to \$13 per day. But interesting and undesirable proposition here is that he used the rich countries line of poverty in defining developing countries middle class.

The idea of middle class is perhaps more in the sense of belonging, at least it stands true for urban middle class (Author, N.2020; Wenger, B., & Zaber, A.2021). While analyzing social and demographic trend Pew research center (2015) also indicated that a massive 89% American population identifies themselves as middle class while only 1% thought they were upper class and 10% considered them to be poor. This misconception exists not only in the developed western world but in Bangladesh as well. The notion of middle class often is self-proclaimed (Billah, M. 2020) as “from drivers to small businessman to university professor”- all perceive them to be middle class (in Bangladesh).

### **Profile of the Rural Middle class of Bangladesh**

Dr. Binayak Sen, director general of Bangladesh Institute of Development Studies (BIDS) (2017) described the category as middle class who has an income range between \$2 to \$3 per day. However, Prahalad, C.K (2005), the proponent of the ‘Base of the Pyramid’ (BOP) considered global income level of \$2 to \$4 as poor. Where these two apparently conflicting categorization leaves us remains to be debated.

On the other hand, Rodrigo A. Chaves, country director of World Bank, Indonesia (2019) gave an idea which best fits as we attempt to define rural middle class. According to him ‘middle class are those who enjoy economic security’. However, they are not immune from economic shocks but they are not constantly fearful of monetary poverty. As a result, they can use their disposable income for ‘Discretionary consumption’. While previously their focus used to be on mere subsistence. He further added a point that too matches with Bangladesh’s rural middle classes reality. According to him, keeping this year’s consumption level in mind, the threshold of middle classes can be set at that point where there will be less than 10% probability of returning to poverty or being vulnerable next year.

The following could be some attributes of rural middle class of Bangladesh

- a) The rural middle class household's demographic and socioeconomic profile is distinct from those who are vulnerable, moderately or extremely poor.
- b) The rural middle class are more likely to be engaged in non-agricultural activity, which will account for the major share of total household income.
- c) The rural middle class would spend more on non-food items and increase expenditure on entertainment and house hold. They can now turn their focus toward convenience and comfort.
- d) They consider better education, superior health as the key facilitator in sustaining middle class status.
- e) They cherish their new found financial emancipation and constant aspiration is what they believe will prevent them from falling back to poverty line.

These attributes along with Rodrigo A. Chaves's definition best fits rural Bangladesh's middle class as it doesn't adopt any arbitrary monetary threshold in explaining the middle class. Rather the concept grounded on the idea of economic security will serve the purpose until a universally accepted definition or rural middle class is agreed upon.

**Table 1.10: The SOCIO-ECONOMIC CLASSIFICATION OF RURAL BANGLADESH-**

*Snapshot of an new generation, aspiring consumer with distinct demand-base*

| Socio-Economic Classification                                                       | Landholding, Income, Housing                                                                                                                                                                                                          | Characteristics                                                                                                                                                                                                                                                            | Profession                                                                                                                             | Aspiration and Lifestyle                                                                                                                                                                                                                    |
|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>R1 Rural Upper Class</b><br>(The affluent & powerful)<br>5% of rural population* | -Land ownership (2.50-7.50) acre*<br>-Inherited/ accumulated a lot of wealth.<br>-Lives in landmark houses with big courtyards.<br>-High disposable income and power hold in the locality.<br>-Average monthly income 32K** or above. | -Well known family<br>-Social elite,<br>-Small in number.<br>-Reference group for others.<br>-May own personal car, PC, tractor, air conditioner.<br>-They are the trendsetters and innovator.<br>-Tries to include all urban amenities in home with modern durable goods. | -Capitalist/Landlord farmers<br>-High profile politician.<br>-Retired government high officials. MPs.<br>-Chairman.<br>-Entrepreneurs. | -Sends children to city or abroad for education.<br>-High spender on social occasions.<br>-Adopts urban lifestyle and technology.<br>-Experiments with modern farming methods.<br>-Visits children abroad and goes for multiple pilgrimage. |

|                                                                                                |                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                            |
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| <b>R.2 Rural Upper Middle Class</b><br>(The well off and aspirants)<br>23% of rural population | -Land ownership(0.5-2.49) acres*<br>-Good amount of wealth (earned/inherited).<br>-Lives in nice looking two to three storied "Pucca" house.<br>-Opts for good interior decoration.<br>-Owns reasonably good number of durables.<br>-Average monthly income(21k-32k)** | -Career oriented.<br>-Aspire to become and be associate with upper class.<br>-Seeks comfort and status, has good savings, ambitious.<br>-Consults with friends and family in urban before buying new technology.<br>-Enjoys occasional vacation & visits to urban friends and family. | -Rich peasants.<br>-Retired officials returning from urban.<br>-Rich immigrant with history of repeat cycle migration.<br>-Successful farmers.<br>-Local doctors.<br>-Village level politicians.<br>-Administrator.<br>-Large scale traders. | -Aspires for "status symbol".<br>-Tries to have "quality of life" product and entertainment.<br>-Aspires to be powerful and well known in social and political circle.<br>-Arranges Regular but affordable entertainments.<br>-They are early adopters and early majority. |
| <b>R. 3 Rural Lower Middle class</b><br>(The climbers)<br>64% of rural population              | -Land ownership (0.0-0.49) acres*<br>-Possess small amount of land holding, Above poverty line.<br>-Has average financial soundness.<br>-Depends on loans.<br>-Average monthly income(11k-20k)**                                                                       | -Opts for time tested Technology,<br>-Low risk-taker.<br>-Little savings.<br>-Lives in one storied Pucca or semi Pucca house.                                                                                                                                                         | -Medium peasants /mediocre farmer<br>-First cycle immigrant<br>-Salary earned teacher,<br>-Health workers<br>-NGO workers.<br>-Medium scale Shopkeepers.<br>-Mobile traders.<br>-Barber, Artisan, etc.                                       | -Looks forward to instalment and credit buying.<br>-Buys affordable popular brands.<br>-Sends male child to nearby town for higher studies.<br>-They are late majority.                                                                                                    |
| <b>R.4 Rural Lower Class</b><br>(The destitute)<br>10% rural population                        | -Landless*<br>-Has little or no land.<br>-Often works on other's land.<br>-Lives below poverty line.<br>-Average monthly income (4k-10k)*                                                                                                                              | -Poor health and hygiene.<br>-Depends on Govt. VGF.<br>-Petty loans or charity.<br>-Hand to mouth existence.                                                                                                                                                                          | -Marginal peasants/the landless.<br>-Unskilled agriculture/ construction labor.<br>-Rickshaw puller.<br>-Petty traders.                                                                                                                      | -Lives on mere subsistence.<br>-Depends on daily purchase.<br>-Depends on affluent's charity or governments subsidy programs.<br>-Laggard.                                                                                                                                 |

Source: Constructed by the author (inspired by "The Rural Marketing Book")

\* Calculating data from Bangladesh Bureau of Statistics Survey report, HIES (2019) page 47 (Tentative)

\*\* Calculating data from Bangladesh Bureau of Statistics Survey report, HIES (2019) Page 23. (Tentative)

## CONCLUSION:

The idea of middle class is surely not how one can define it in the urban purview. While in urban a lot of time middle class is defined by their residential location, financial reserve, education, etc. In contrast, the uniqueness of rural is that their household is known by the status of their *Bari or Gushti* in other words their lineage and kinship (Rahman, M. 2012).

A pertinent question at this point can be why this attention to the middle class? Empirical evidence shows, the larger the middle class of a country, the more likely it is to choose a sound socio-economic progression of the country (Rodrigo, A.2019). The transitional middle class wishes to attain and maintain the new found status-quo. Therefore, they want better governance, demands rule of law, desires economic stability. As the middle class have more possessions to protect, more purchasing power for consumption, they become a substantial business segment. Additionally, as they gain status as a consumer, they become a viable market and their demand of product, pricing preference, brand choice everything starts to make more business sense. Their increased purchasing power cumulatively makes their demand base a profitable segment, where business practitioners can expect progressive return on investment. The whole process generates new business. And new business drives the economy. Therefore, it is extremely important that government, policy makers, and private sector acknowledge and appreciate this newly emerged middle class.

## ABBREVIATION

BBS – Bangladesh Bureau of Statistics (Government of Bangladesh/GOB)

BMET - Bureau of Manpower Employment and Training (GOB)

MOF-Ministry of Finance (GOB)

MOEWOE- Ministry of Expatriates' Welfare and Overseas Employment (GOB)

HIES- Household Income and Expenditure Survey

Kacha house- Thatched/ mud house

Paka house- Brick built house

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