

## **Economic Growth and Social Progress: Bangladesh's Pathway to Development**

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### **Abstract**

Over the last ten years, Bangladesh has grown at an astounding yearly rate of about 7%. As evidenced by the GDP growth from USD 18.14 billion in 1980 to USD 460.2 billion in 2022, the nation is predicted to occupy the 20<sup>th</sup> position in the globe by 2037. This short examines Bangladesh's economic growth, which has resulted in notable advancements in social indices. They include increased longevity, a noticeable decline in the death rate among children under five, and notable advancements in gender equality and education. To investigate how Bangladesh's social advancement and economic growth are related, this study will trace the nation's historical path and evaluate the effects of numerous variables, including GDP growth and advancements in social indices. The goal of the study is to shed light on Bangladesh's development-related obstacles. This paper is the outcome of a thorough analysis of academic journals' published scholarly research articles utilizing secondary data sources, the research was carried out utilizing a desk-based methodology. The brief highlights the difficulties facing Dhaka, such as its excessive reliance on the textile industry, energy shortages, and geopolitical complexity that impedes economic advancement, while also emphasizing the crucial role that democracy plays in preserving social cohesion, political stability, and gender equality. These attributes are believed to be crucial for attracting foreign investment and sustaining Bangladesh's economic expansion.

**Keywords:** Bangladeshi Economy, Annual Growth, Economic Success, Economic Challenges, Economic Development, Social Progress.

### **Introduction**

Bangladesh's low mineral and energy resources raised doubts about its ability to sustain its economy after it gained independence in 1972, raising concerns about its dependency on foreign help. But as the country gets closer to the next general elections in January 2024, Prime Minister Sheikh Hasina's administration has successfully allayed these worries by highlighting Bangladesh's resiliency and development. Bangladesh has grown at a phenomenal rate of seven percent per year during the last ten years under Sheikh Hasina's leadership (Sharma, 2023).

The country's GDP increased from USD 18.14 billion in 1980 to USD 460.2 billion in 2021–2022 (IMF, 2023).

Bangladesh's consistent economic growth is confirmed by projections that show it will rank as the 20th largest economy by 2037 (Dhaka Tribune, 2022). Bangladesh's economy grew at a pace of 3.4 percent (ADB, 2023) in spite of the difficulties caused by the global COVID-19 epidemic, demonstrating its resilience. This economic development is essential to reducing poverty and raising standard of living in general. Notably, Bangladesh moved up from the UN's Least Developed Countries (LDC) list in 2026, having attained lower middle-income status in 2015. (World Bank, 2023). Bangladesh's economic progress has resulted in noticeable enhancements to the quality of life for its people. From the pitiful USD 311.09 recorded in 1980, the per capita income soared to USD 2,730 in 2022 (IMF, 2023). In addition, labour productivity has increased by an astounding 56% in the last 12 years, indicating a more productive workforce and higher economic production (Boston Consulting Group, 2023).

### **Aim of the Study**

To investigate how Bangladesh's social advancement and economic growth are related, this study will trace the nation's historical path and evaluate the effects of numerous variables, including GDP growth and advancements in social indices. The goal of the study is to shed light on Bangladesh's development-related obstacles.

### **Methodology**

This paper is the outcome of a thorough analysis of academic journals' published scholarly research articles. utilising secondary data sources, the research was carried out utilising a desk-based methodology.

### **Social Progress in Bangladesh: Beyond Economic Success**

Bangladesh's success story goes beyond economic gains to include significant improvements in social metrics. Life expectancy has increased dramatically since 1972; it is currently above 70 years, having started off at less than 50 years (World Bank, 2023). Similarly, the under-five death rate has drastically decreased, falling from 86.1 in 2000 to 27.3 in 2021 (UNICEF, 2023). The field of education has also seen improvement; according to the Dhaka Tribune (2022), the percentage of people who are literate increased from 51.77 percent in 2011 to 74.66 percent in 2022.

The government's National Education Policy (NEP) 2010, which significantly raised education allocation from USD 1.4 billion to nearly USD 6.5 billion, has been instrumental in this educational success (The Statesman, 2023). These kinds of expenditures are essential for developing a trained labour force and advancing economic expansion. Furthermore, as seen by programmes like the female Budget Report, which grew from four ministries in fiscal year 2009–10 to include 44 ministries in fiscal year 2022–2023 (MoF, 2023), Bangladesh has made notable strides towards female empowerment.

Maternal mortality rates have significantly decreased as a result of these activities, and the percentage of women in the labour force has increased significantly (Business World, 2023). According to the World Bank (2023), the percentage of women in the labour force increased from 21% in 1990 to 32.4 % in 2021 and then to 42.7 % in 2022. Notable increases were seen in the manufacturing sector, which includes the production of textiles. Additionally, 98 percent of girls in the nation enrol in primary school, meaning that nearly all of them acquire an

education (Times, 2023). In order to promote general economic growth and reduce gender gaps, the government's unwavering commitment to women empowerment is essential.

### **Government Initiatives for Industrial Development and Social Welfare in Bangladesh**

The government has focused its efforts on resolving crucial infrastructure shortcomings in an effort to advance industrialization. The power generation capacity has increased significantly, from 4,942 MW in 2009 to a staggering 22,066 MW in the fiscal year 2021–2022, which is noteworthy (The Statesman, 2023). Simultaneously, the creation of more than 97 economic zones has been essential in promoting swift economic growth via industrial diversification, enhanced job prospects, heightened output, and reinforced exports (BEZA, 2023). According to reports, industrial policies implemented in 1999, 2005, and 2010 created the framework for increased private sector participation, which led to the industry sector's GDP share rising to 35% by 2021 (The Daily Star, 2021). As a result, the industry's share of GDP increased significantly, from 26.20 percent in 2000–01 to 37.56 percent in 2022–2023 (Bangladesh Economic Review, 2023).

In addition to these industrialization initiatives, Sheikh Hasina's administration has started a number of welfare programmes targeted at raising the standard of living for the populace. In order to guarantee all-encompassing social and economic development, the prime minister unveiled ten unique incentives (Bangladesh Post, 2023). The government most recently presented the "Universal Pension Scheme," which covers pensions for all individuals who are older than eighteen. Furthermore, programmes such as the 'Ashrayan project' seek to house marginalised, homeless, and landless people in 64 districts throughout the country.

### **Economic Challenges**

#### **(i) Economic Strategy Redefinition:**

Sheikh Hasina's deliberate reshaping of Bangladesh's economic environment is a defining characteristic of her leadership term. The emphasis on increasing funding for science, technology, and internal connection infrastructure—such as ports, highways, and railroads—is at the heart of this reinterpretation. Bangladesh's rapid economic growth has significant ramifications for the Indian subcontinent as well as for neighbouring countries like Nepal and Bhutan. This paradigm-shifting adjustment in Bangladesh's economy is a major structural transition that will pave the way for long-term growth and increased economic diversification.

#### **(ii) Challenges in Textile Dependency and Export Dynamics:**

Bangladesh has several obstacles despite its impressive success, chief among them being its strong reliance on the textile industry, which it mostly exports to markets in the West. This reliance highlights how important it is to increase its global outreach. Bangladesh's main textile export markets are facing problems due to changes in global economic dynamics. Remarkably, the nation saw a 20 percent drop in clothing exports to the United States in the first seven months of 2023 when compared to the same period in 2022 (Textile Today, 2023). The economy becomes fragile when it depends too much on one sector, thus foreign trade must be diversified in order to reduce risks and take advantage of larger economic opportunities. Bangladesh has had its own unique set of difficulties in the middle of the energy crises that neighbouring nations like Sri Lanka are experiencing.

#### **(iii) Energy Dilemmas and Diplomatic Relations:**

A catastrophic national power system collapse in October 2022 caused a nationwide blackout in Bangladesh that affected roughly 140 million people in 75–80% of the country (Reuters, 2022). Bangladesh sought to increase liquefied natural gas (LNG) imports to meet energy

demands, as the country depends on imported natural gas for three-quarters of its electricity. However, in 2022, setbacks occurred owing to currency devaluation and global uncertainty (Reuters, 2023). As a result, for 114 days between January and May 2023, the nation experienced frequent power outages due to its greatest electricity crisis in over a decade (Reuters, 2023). In order to achieve energy self-sufficiency, Bangladesh needs to concentrate on improving its internal infrastructure even while short-term foreign aid is still necessary. Meanwhile, Washington's scrutiny of human rights matters and enforcement of penalties on security officials characterise its complicated relationship with the United States (Atlantic Council, 2021). Moreover, continued diplomatic difficulties are highlighted by the refusal of visas to party members suspected of election fraud (U.S. Department of State, 2023).

### **Discussion: Navigating Bangladesh's Economic Challenges**

#### **Strategic Economic Reformation:**

Bangladesh is undertaking a significant economic transformation under Sheikh Hasina's leadership with the goal of changing its direction. This is a big project that will require smart investments in research, technology, and improving internal connectivity with new infrastructure. Apart from augmenting Bangladesh's economic affluence, these endeavours bear the potential to bestow advantages upon adjacent countries such as Nepal and Bhutan, signifying a noteworthy transition towards consistent expansion and economic diversification that places Bangladesh in the forefront of the regional economic arena.

#### **Challenges in Textile Dependency and Export Dynamics:**

Bangladesh has made significant economic progress, but because of its strong reliance on the textile industry, it is vulnerable to changes in the direction of the world economy. The recent decline in clothing exports to crucial markets like the United States emphasises how important it is to diversify foreign business ventures in order to reduce risks and take advantage of larger economic prospects. In spite of these obstacles, Bangladesh's unwavering determination to overcome them is indicative of a strong commitment to maintaining long-term economic sustainability.

#### **Energy Conundrum and Diplomatic Complexities:**

Bangladesh is currently facing a severe energy crisis that is made worse by erratic LNG imports and obvious infrastructure weaknesses that were highlighted by the breakdown of the country's electrical grid in 2022. The goal of achieving energy self-sufficiency is gradually moving from short-term external aid to strengthening local infrastructure. Furthermore, the complex dynamics influencing Bangladesh's foreign relations environment are highlighted by diplomatic tensions with the United States that are based on worries about electoral integrity and human rights.

### **Conclusion**

In conclusion, under Prime Minister Sheikh Hasina, Bangladesh has demonstrated exceptional economic growth since attaining independence in 1972, which is a credit to the country's tenacity and vision. Bangladesh has surpassed expectations to become a global symbol of progress and growth, despite early concerns about its economic viability. The nation's strong yearly growth rate of 7% throughout the last ten years, together with notable rises in GDP and per capita income, demonstrate its persistent commitment to economic progress. Bangladesh's rising economic might and stature in the world are further underscored by the country's admission to lower middle-income status and impending removal from the UN's list of Least Developed Countries. Bangladesh has made tremendous progress in social development, as

seen by increases in gender equality, life expectancy, child mortality rates, and literacy, in addition to its economic accomplishments. These improvements have been fueled by government programmes like the Gender Budget Report and the National Education Policy, which have improved social progress and economic growth in general.

However, Bangladesh continues to encounter difficulties, such as an excessive reliance on the textile industry, energy scarcity, and diplomatic difficulties. It will need tenacity and calculated moves to overcome these barriers, such as expanding outside contacts, bolstering home infrastructure, and enacting inclusive economic policies. Bangladesh has the potential to use its strengths and establish itself as a robust and thriving economy on the international scene by taking on these economic difficulties head-on. By means of strategic planning, international collaboration, and social welfare, Bangladesh can maintain its current trajectory of development and advancement, guaranteeing a better future for its people and consolidating its role as a major actor in the regional economy.

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