

## Attaining the first demographic dividend in Bangladesh



PHOTO: FIROZ AHMED

Many young workers are in low-paying or informal labour markets that underuse their skills.

FROM PAGE 33

unemployable in sectors driving future growth. Educational mismatch limits employability and innovation, thereby affecting the ability to ensure a high-quality human resource base.

Third, low female labour force participation: Women's labour force participation is notably low compared to men. Cultural norms, safety concerns, and limited access to training and good jobs restrict women's economic contribution—a critical untapped workforce. Low female participation reduces labour supply and productivity. High prevalence of child marriage adversely affects female education and formal labour force participation. Without ending child marriage, it is difficult to achieve the gender dividend. Several barriers such as inequality of opportunities at the household level (e.g., lack of nutrition, education, health care) as well as at the community level, absence of childcare facilities at the workplace, lack of women-friendly transportation facilities, violence against women both in the workplace and outside, social stigma still prevent many women from participating in the labour market.

Fourth, underinvestment in human capital: In Bangladesh, annual budgetary allocation is not conducive to a demographic dividend as it ignores education and health, the two most essential components of human capital. This is a time when the country needs to increase allocations to the education and health sectors to build human capital, yet allocations have been decreased. Besides, there is a gap between budget allocation and the government's policy documents. Bangladesh spends a relatively low share of GDP on education and health compared to international recommendations, limiting improvements in workforce quality and long-term productivity. Health system limitations, including shortages of skilled professionals and rising non-communicable diseases, reduce overall workforce productivity and well-being. Underinvestment in health and education weakens human capital. The return on investment in the health and education sectors is promising but the budget is not being allocated, as it should be. There needs to be investment in the financial sector to generate employment.

Fifth, low rates of savings and

investment: Bangladesh is currently facing challenges with low domestic savings and investment rates, primarily driven by high inflation, low real interest rates, and a challenging business environment. The country should aim to accelerate Foreign Direct Investment (FDI) to compensate for low domestic savings and leverage its favourable investment climate. However, the country faces ongoing challenges with bureaucracy and infrastructure as current inflows are low, hindered by weak policy consistency, complex regulations (licensing, land), tax burdens, and infrastructure gaps, requiring significant reforms in governance, infrastructure, and investor facilitation to boost confidence.

Sixth, urban infrastructure and planning strains due to unregulated migration: Rapid rural-to-urban migration places immense pressure on cities like Dhaka, the only primate city in the country, leading many workers into informal settlements with limited services, worsening quality of life, and economic potential. Infrastructure deficits (e.g., in transport and energy)

Seventh, environmental and resource pressures: Environmental pressures threaten sustainable livelihoods in Bangladesh. The country is one of the most densely populated territories, with limited land. Here, population pressures contribute to land degradation, wetland loss, and resource strains that affect agriculture and livelihoods, thereby impacting economic stability and food security.

If the above-mentioned structural challenges aren't urgently addressed, Bangladesh risks turning its working age population, including its youth population, from a potential advantage into a demographic burden with stagnant wages, youth unrest, and rising inequality undermining long-term development, and shrinking the demographic window of opportunity. Here, the key enablers of success may include expanding quality job creation beyond traditional sectors, reforming education to match industry demands, closing gender gaps in employment, investing more in education and health—strengthening health and social support systems, and building resilient

access to family planning, investment in infrastructure, public health, education, especially female education, and skill development. In addition, policy emphasis was on promoting both labour-intensive and skill-intensive jobs, savings, and openness to trade and foreign investment.

The Government of Bangladesh and other respective stakeholders should emphasise issues like a quality human resource base, successful employment growth rate, an increase in female participation in the labour force; economic reform and favourable investment, high rates of savings and investment, and quality public institutions, to reap the benefits of the first demographic dividend. At the same time, the country also needs to focus on achieving the second demographic dividend too, as the country is one of the fastest growing ageing populations and will be transformed into an ageing and aged society in the future. Thus, improving education with technological skills in line with age structure will be necessary. There are also pieces of evidence from other country cases that the demographic dividend is driven by human capital.

Declining youth dependency ratios even have negative impacts on income growth when combined with low education levels. Based on a multidimensional understanding of demography that considers education alongside age, and with a view to the additional effects of education on health and overall resilience, the actual demographic dividend is a human capital dividend. The Government of Bangladesh policies should thus focus on strengthening the human resource base for sustainable development. Recognising that demographic dividends are also tied to labour quality (not just quantity), Bangladesh's official policy plans should emphasise on improving education, targeting technical and vocational education with skills, fostering innovation and highly skilled workers to reap the first and second demographic dividend. This aligns with broader economic strategies toward productivity and innovation. Demographic change should remain a top priority on the political agenda for the elected government. The challenge for Bangladesh will be to manage all these transitions together—demographic, democratic, and institutional.



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Limited emphasis on practical, creative, and high-value skills means many graduates are unemployable in sectors driving future growth.

further constrain business growth and employment expansion. Here, infrastructure gaps constrain economic growth. Additionally, quality public institutions are required to provide effective, accountable, and equitable public services.

urban and physical infrastructure.

Drawing on examples from other countries, such as East Asian countries, Bangladesh can learn lessons. Evidence suggests that the critical policy areas that made the difference included investment in youth development, expanding

## Why Bangladesh must rethink rural–urban migration

FROM PAGE 35

On their way to their workplaces, they are often stuck in traffic jams for long periods, or they have to walk through unsafe roads. These situations affect their productivity, health, and overall well-being. Urban transport reform often focuses on large-scale infrastructure; however, migrant workers need affordable, reliable, and safe options. To achieve this, coordinated planning is essential among ministries, city corporations, and transport agencies. Without addressing mobility challenges, urban centres will continue to absorb migrants without enabling them to thrive.

Employment is one of the most influential drivers of rural–urban migration. However, the job market is structurally unequal for most migrants, who enter informal work without legal security or long-term

pathways. Garment workers face unpredictable shifts, construction workers endure insecure conditions, and domestic workers remain invisible in policy discussions. By implementing extended labour inspections and enforcing labour security policies, the upcoming government may encourage industries to establish more humane working environments. Migration should not mean accepting exploitation as the cost of survival.

The unpredictable effects of climate change will necessitate migration in the coming years. Salinity intrusion, cyclones, riverbank erosion, and irregular rainfall have already pushed coastal and riverine families towards cities. These climate migrants often move suddenly, without formal networks or stable income sources. Their needs differ from those of migrants driven primarily by economic reasons. The future government must develop forward-looking plans

and invest in strengthening climate-resilient agriculture, improving rural employment diversification, and constructing safe housing settlements in vulnerable areas. Delaying these steps will only intensify chaotic urban growth.

Education plays a transformativerole in migration decisions. Families often send one member to the cities so that children can continue their education. Yet crowding is evident in urban schools, and many migrant children work to support their families instead of attending school. This creates a long term cycle of limited mobility. Expanding inclusive education can break this cycle, particularly in informal settlements. Policies should consider flexible schooling models, community learning centres, and financial incentives to keep children in school rather than pushing them into vulnerable labour sites.

Healthcare facilities in cities are often unequal. Clinics are usually distant and costly, and the lack of documents or permanent addresses often restricts migrants' access to services. Women face particular challenges in maternal care and reproductive health. For the upcoming government, improving primary healthcare in densely populated settlements is essential. Mobile clinics, community health workers, and affordable insurance models can address practical health challenges. Migration does not only change geography or location; it also alters patterns of disease, stress, and mental health, all of which require sustained policy attention.

The effects of rural–urban migration also have implications for the food system. In growing urban areas, the demand for food has increased with migration. However, this has also affected agricultural production in rural areas. This stress creates new vulnerabilities for migrants. Technological assistance, fair pricing systems, and accessible markets can reduce these stresses by strengthening the rural economy. At the same time, city authorities must prioritise improved distribution networks, price

controls, and assistance to small-scale food distribution traders. A balanced food system can help stabilise the drivers of overall migration.

Digital technology has begun changing migrants' urban experiences. Mobile banking, online employment platforms, and social media connect migrants with their villages and the global economy. These arrangements reduce socio-economic isolation, but they also expose migrants to challenges including misinformation, economic deception, and various forms of exploitation. The upcoming government should focus on digital literacy, safe economic transactions, and transparent job-matching platforms. By providing security within the digital landscape, policymakers can strengthen migrants' overall resilience. Technology will provide the best safeguards if human vulnerabilities are understood comprehensively.

Migration also influences political participation. Migrants are usually registered in their own villages, but they reside in cities for years. This weakens their visibility in city governance and results in reduced representation in policy debates. Promoting updated voter registration, decentralised service delivery, and the participation of migrants can help change this imbalance. When those who build the city are able to participate, policies gain a more realistic foundation and become more attuned to marginal voices.

Migration is not an accident. It is a rational outcome of rural transformation and national development and must be addressed with prudence. It should be understood and reflected as a social process in urban governance, not treated as a temporary problem. The upcoming government should reform planning structures that recognise density, informality, and dynamism as features rather than flaws. Coordination between national and city authorities, the promotion of information-driven policy, and the incorporation of anthropological insights can help build an inclusive city.

Global experiences show that when



Every morning, thousands of workers travel from densely populated settlements to industrial zones, often enduring long traffic jams or walking through unsafe roads.

PHOTO: PRABIR DAS

rural–urban migration is supported by well planned strategies and policies, it eventually contributes to overall growth while protecting migrants' rights. Countries with sustained rural investment, balanced urban growth, and social security systems manage migration more effectively. Bangladesh can learn from these experiences; however, policies must be adapted to the local cultural context. Policy-level decisions should align with the everyday realities of migrants: garment workers in Chattogram, construction workers in Gazipur, and female domestic workers in lesser-known households in Dhaka.

Bangladesh is now at a critical juncture. Migration will not slow down soon; with rapid climate change, employment shifts, and demographic transitions, it is likely to intensify further. The long-awaited upcoming elected government should approach this inevitable issue with empathy and intelligence, rather than attempting to suppress rural–urban migration by framing it solely as a challenge.

To make migration more balanced, the underlying reasons that push people to migrate must be addressed. Facilities and amenities in rural areas must be improved. Alongside economic concerns, sociocultural issues also need careful consideration. In both rural and urban areas, policies must ensure people's participation, and interventions should reflect their voices and active engagement—not merely informed participation, but meaningful involvement throughout the entire process.

By prioritising housing, labour rights, transport, education, healthcare, rural development, and climate action, the government can reduce suffering and challenges while unlocking the country's humane potential. The future of urban Bangladesh depends on how concerned bodies, including the upcoming elected government, listen to migrants who seek secure shelter in cities in pursuit of a better life.