

## Demographic Dividend in Bangladesh: Quest for Initiatives

Kazi Abusaleh\*

### **Abstract**

*The paper aimed to depict the changing trend of population Bangladesh and projected future growth with special focus on working-age structure indicating initiatives needed to be taken right now. Relevant studies and papers were gathered through purposive sampling and analyzed using Qualitative Interpretive Meta-Synthesis (QIMS). The overall result of the contextual analysis shows that Bangladesh has faced demographic transition period successfully and the one time opportunity get started to put on economic growth as the median age structure are increasing sharply day by day in comparison to the post-independence period with a fall of fertility rate. The afterword of 2050, as population projection depicts, with higher life expectancy, Bangladesh will face huge dependent aged people who will require feed them without sales return under 'Social Safety-net' program and hence it is the high time to step up its economic growth. The paper recommends equitable quality education for all linking with job market needs and demands as well as full and productive employment for all through the creation of new job opportunities.*

**Key Words:** Demographic dividend; Demographic transition; Economic development; Population.

### **Introduction**

The world is the home of 1.8 billion youthful population between the ages 10 and 24, that's up from only 721 million since 1990, never before had there were so many young people and never again is there likely to be such potential youth boom for economic development (UNFPA, 2014), indicates bestow one time opportunity to accelerate economic growth and development. While media coverage is wide on population aging issues, the same to economists and policymakers, humanity as a whole is still young. Importantly the greatest news for less-developed countries is that 89 percent of the world's 10 to 24 years old, almost nine out of ten, belong to less-developed countries of the world (UNFPA, 2014). The report accordingly said that Bangladesh ranks eighth with 47.6 million youthful populations in

---

\* Institute of Social Welfare and Research, University of Dhaka, Dhaka, Bangladesh,  
Email: saleh.du\_sw@yahoo.com

## Demographic Dividend in Bangladesh

between the ages of 10 and 24. This huge number of youths will enter into job market shortly. In the same way, the country has the highest number of working aged population in its ever history, specifically 57.91 percent of the total population, that is 10.14 percent higher in comparison to the 1981's total population of Bangladesh (Population and Housing Census, 2011). The same upward trend is supposed to remain till best 2040. The post-period of 2050, Bangladesh will surely face so many dependent aged people who will require feeding and investment under 'Social Safety Net' program without sales return. Hence it the highest echelon and one time opportunity to boost the economy of Bangladesh through the proper utilization of their skills and labor and to make ready to feed huge number of the dependent age group of people in nearer future.

### **Objectives of the Study**

The main objective of this study was to sketch the demographic dividend of Bangladesh depicting future projections with identifying key measures need to be taken right now. The prime question of the research was: What are the changing trend of working aged population of Bangladesh and what sorts of measures need to be taken right now to face the post-phase of population dividend? The specific objectives of the study were-

- To show the present states of the population of Bangladesh.
- To project the future population growth with special focus on working and dependent age structure.
- To identify the key needs and demands and suggest possible measures need to be taken by Government and Non-government organizations to face the challenges of post-phase of demographic dividend successfully.

### **Methods and Materials**

Data for the study was gathered through purposive sampling to select studies relevant to population dividend and projections of Bangladesh. Data of this study were found using computer database and the list of references of English literature, broadly from social sciences, in particular, UNFPA State of World Population 2014 and 2016, various population census reports, and population studies reports. Basically nationally and internationally published papers/articles, books, newspaper columns, and various reports of government were reviewed and used as the source of information. The key searches include- 'Demographic dividend', 'Demographic/ Population dividend in the world', 'Demographic/Population dividend in Bangladesh', 'Population projection of Bangladesh' etc. Collected data from these sources were justified; only reliable, logical, informative and well-structured papers were reviewed and analyzed using Qualitative Interpretive Meta-Synthesis (QIMS) method. Microsoft Office Application package was used in presenting tabular, chart, and graphical representation of data.

## **Conceptual Framework**

Due to large-scale initiatives and visible improvements on the health sector, the death rate of the people has been decreasing with an increase of life expectancy, especially in less-developed countries, that contributes to population shifting. Demographic transition starts when fertility rate starts to decrease with an increase in the proportion of working aged populations in comparison to dependent age structure, ideally less than 15 and people aged 65 and over. UNFPA (2014, p-15) defines demographic dividend as, “the economic growth potential that can result from shifts of the population’s age structure, mainly when the share of the working-age population (15-64) is larger than the non-working-age share of the population (14 and younger, and 65 and older)”. Very specifically, “the demographic dividend occurs when a falling birth rate changes the age distribution so that fewer investments to meet the needs of the youngest age groups and resources are released for investments in economic development and family welfare” (Ross, 2004, p-01). On the contrary, in the post-dividend period generally called the second phase of dividend, people become susceptible to the lowest fertility with higher life expectancy; ultimately lead to increase dependency group that force to the accumulation of wealth to population aging. Hence initiatives are taken to step up economic development in demographic transition to dividend period define the prospects of future of a nation. That is why the trend of the world population, as nearly one-third of the world population belongs to aged 10 and 24, urged the global leaders to initiate SDG to define a common future.

## **Demographic Transition in the World**

Due to a lower rate of fertility and mortality, the medium age structure is getting healthier day after day. The world is now the home of 125 million 10 years old children, the largest number of young people in human history, among whom 60 million are girls and 65 million are boys (UNFPA, 2016). Following table shows that among all these youthful populations, half of the grand total belongs to the Asia and the Pacific, followed by East and Southern Africa with 11.73 percent. Importantly, nine out of ten of them (89 percent) live in less developed countries of the world. On the contrary, the world is the home of 1.8 billion children in between the age group of 10 and 24 that will reach two billion in the middle of this century. Statistics show that Bangladesh ranks eighth with 47.6 million in between the age of 10 and 24 whereas, India ranks to top position with 356 million, China placed second instead of being the most populous country of the world with 269 million, Indonesia stands third with 67 million, followed by the United States with 65 million and Pakistan with 59 million (UNFPA, 2014). The significant issue is that 120 million young people reach to the job market in each year. Unfortunately, these youths are facing differential impediments ranging from effective health services to proper education, let alone secured

## Demographic Dividend in Bangladesh

access to the job market. Yet the issue to keep in mind that this group of people will define the common future of the world. Surely the mode treatment with them and the way of educating linking to job market needs and demands will define the trend of economic development and obviously a clean image of a common global village too.

**Table 1: World's 10 Year Old Population**

<b>Countries</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>
<b>Arab States</b>	5.75	5.89	5.81
<b>Asia and the Pacific</b>	51.18	49.56	50.40
<b>Eastern Europe and Central Asia</b>	2.98	3.03	3.01
<b>Latin America and the Caribbean</b>	8.57	8.81	8.69
<b>East and Southern Africa</b>	11.41	12.07	11.73
<b>West and Central Africa</b>	8.61	8.90	8.75
<b>More Developed Countries</b>	10.86	11.10	10.98

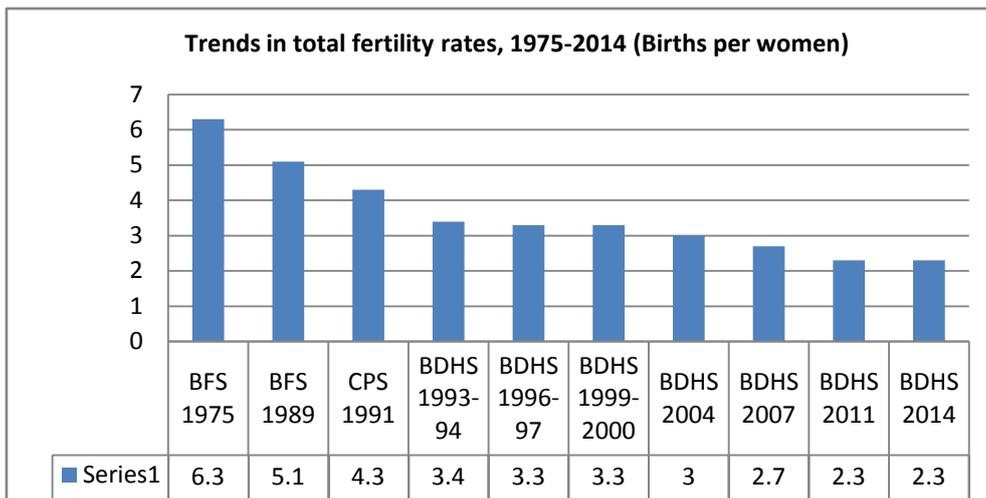
*Source: UNFPA World Population Report 2016*

## Demographic Dividend in Bangladesh

Population and Housing Census 2011 of Bangladesh showed that Bangladesh is one of the populous countries of the world where almost 15 crores people live in within 1, 47,570 square kilometers. The census further showed that since after independence of Bangladesh from Pakistan in 1971, the population of the country almost doubled and reached from 8.71 crores to 14.97 crores. More importantly with the decrease rate of population growth, the youthful population has been increasing with a decrease of dependent age structure, ideally less than 15 and above 65. The statistics further show that the ratio of dependency ratio decreased at least by 36.94 percent since 1981 to 2011 with an increase of median age structure. Hence Bangladesh has the highest number of working aged population today.

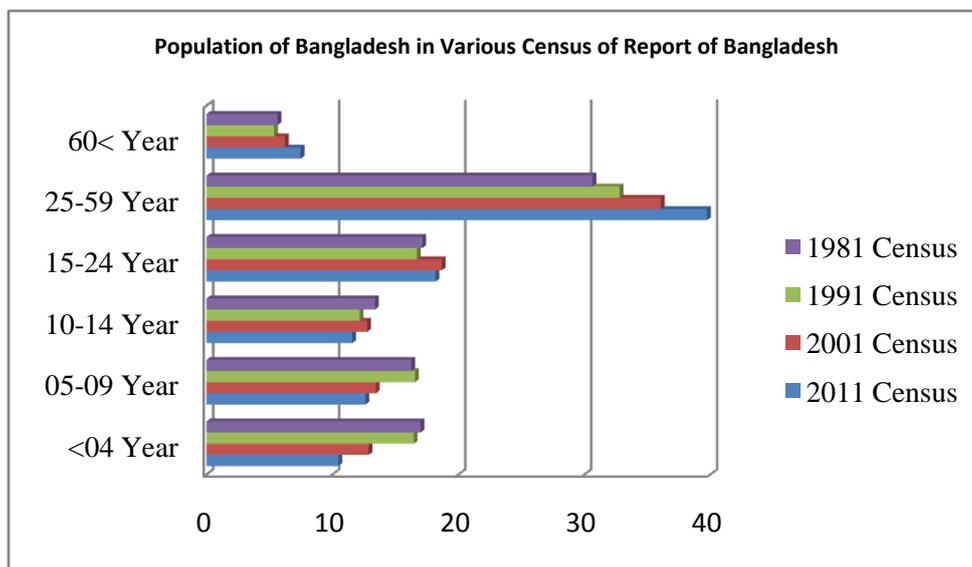
## Demographic Transition to Dividend in Bangladesh

Bangladesh is one of the densely inhabited countries of the world with big possibilities. Following graph shows that due to the wide range of investment in the health sector, the trend of fertility rates in Bangladesh decreased to 2.3 in 2014 from 6.3 in 1975, a total decrease of 4 percent over last 40 years, indicates the demographic transition period of Bangladesh. Accordingly, the remarkable achievement in MDG goal 4: Under 5 child mortality rate reduced from 146 in the base year to 46 in 2015 per 1,000 live births where the set target was 48 under 'Reduce Child Mortality' goal and MDG goal 5: Maternal mortality ratio decreased to 170 in 2015 from 574 in the base year per 100,000 where the set target was 143 under 'Improve in Maternal Health' goal (MDG report, 2015) also indicates the successful testimony of demographic transition period of Bangladesh.



*Sources: BDHS Report 2014: 54*

On the contrary, the following graph sketches the population growth ratio of Bangladesh since 1981 to 2011 by age structure. It is clearly depicted in the following graph that since 1981, the population growth rate of Bangladesh decreased gradually with an increase of median age structure and life expectancy. Statistics show that since 1981 to 2011, in between the age structure 0 to 24, the total growth rate of the population of Bangladesh decreased from 63.73 to 52.79 percent, a total 10.94 percent decrease over last 30 years. Furthermore, the median age structure got a radical increase, sharply 10.14 percent in 2011 in comparison to 1981 with a slight increase of aged people structure too. Hence it can easily be predicted that Bangladesh has faced the challenges of demographic transition period successfully, the so-called investment period and reached to demographic dividend period, the so-called crop harvesting period. One time opportunity gets started for Bangladesh to boost its economy. Hence the mode of investment and creation of new job opportunities will define its future prospects.

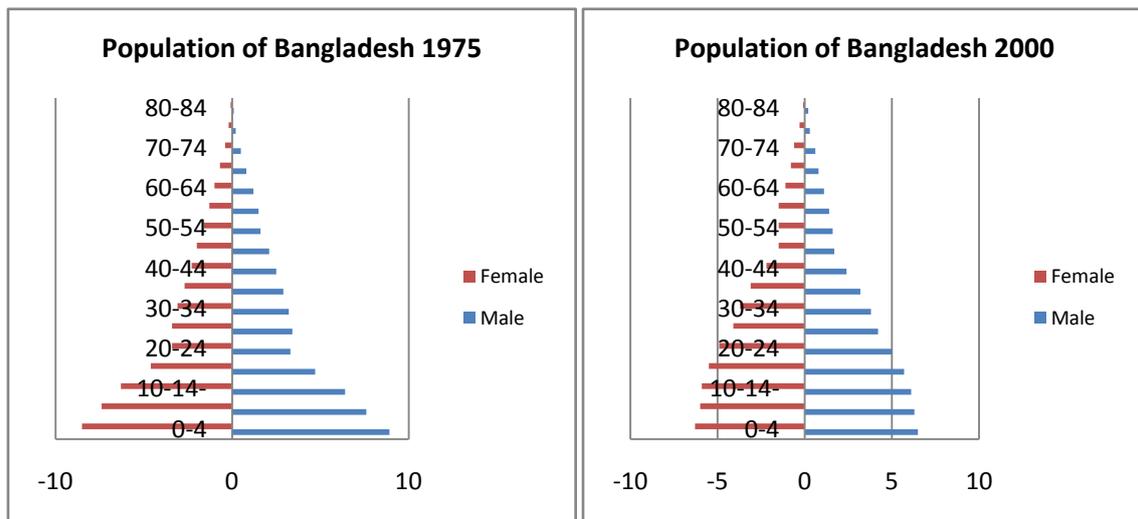


*Sources: Population and Housing Census of Bangladesh, 2011: xiii*

## Demographic Dividend Projection in Bangladesh

The following population pyramids sketch the long trend of population in the differential age structure of Bangladesh since 1975 to 2060. These pyramids were shaped to depict the population transition to the dividend of Bangladesh with future projection.

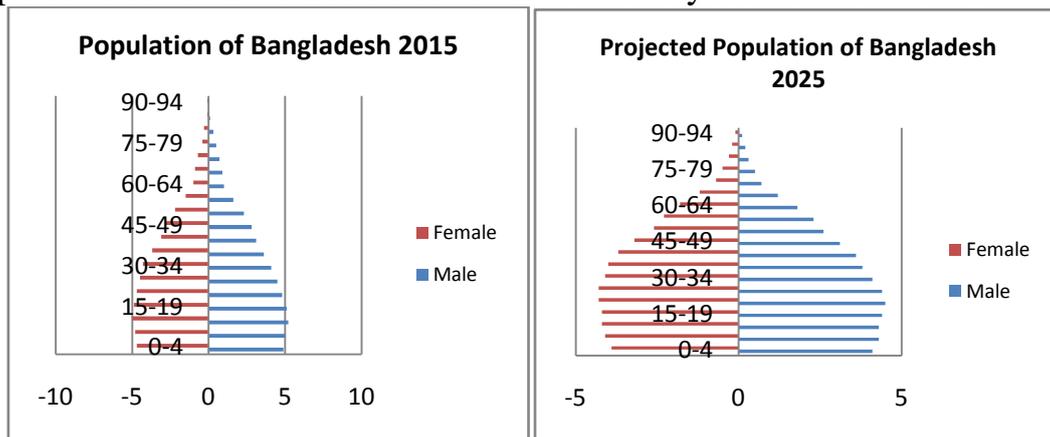
Statistic shows that in 1975, the structure of the population in between the ages 0 to 14 was wealthier than other groups, indicates the so-called investment period while the population growth rate was so high with the higher death rate. Population pyramid 2000 sketches that with a fall in fertility rate, the middle-aged structure gets started a wealthier shaped with a little narrower motion of 0 and 15 age (dependent age) structure. It indicates that the wage earner populations started to increase with a percent fall in fertility ratio that indicates the shift from the transition to dividend period of Bangladesh.



**Sources:** UN Department of Economic and Social Affairs, 2018

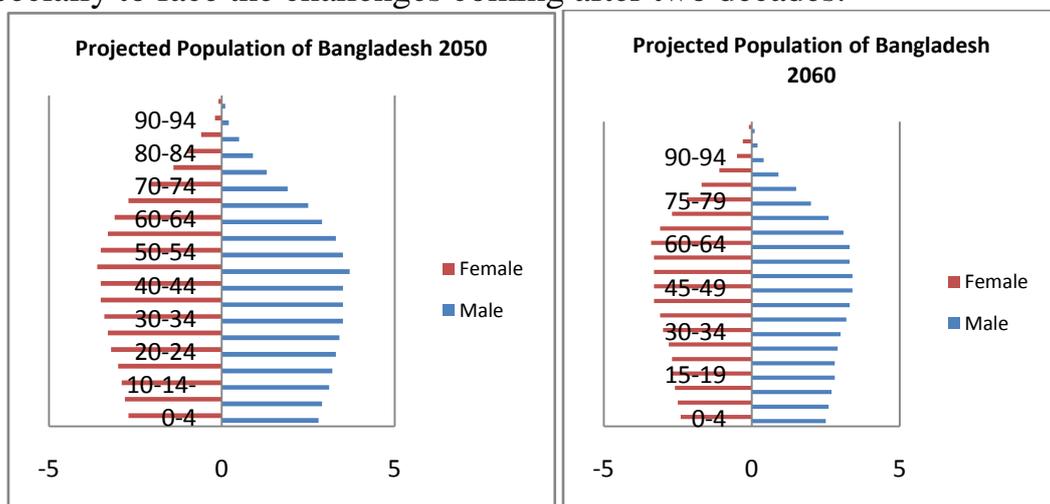
The populations pyramid of 2025 projects a clear indication of the demographic transition to the dividend, means the growth ratio of population in between age structure 0 to 14 will decrease to 24.9 percent in 2025 from 29.6 in 2015, 37.1 in 2000, and 45.1 in 1975. On the contrary, the pyramid of 2015 shows that the ratio of working age population increased geometrically in comparison to previous years, very specifically an increase of 6.6 percent in comparison to the workforce of 2000 and 14 percent in comparison to the workforce of 1975. Furthermore, the population growth rate of Bangladesh will be decreased to 0.98 percent in 2025 from 3.18 percent in 1975 with an increase of aged population structure, ideally 9.6 percent, and the higher longevity of life, ideally 90! It means in the meantime, the growth rate of youthful generation will be decreasing with the increase mode of aged population structure. The most significant finding is that in 2025, the working aged population structure of Bangladesh will increase to 65.5 percent, will be the highest in human history of Bangladesh. Hence it is the high time to create formal and

informal economic sector to expand and ensure decent employment opportunities for all to accrue benefits from this youthful workforce.



*Sources: UN Department of Economic and Social Affairs, 2018*

On the contrary, the population pyramid 2050 vignettes that the median age structure, ideally aged between 15 to 60, of population of Bangladesh will be quiet similar to dependent age structure and will bypass by 2060, means that Bangladesh will get the dividend period at best till 2050 to boost its economy with a somnambulist youthful wage earner generation. On the contrary, it is noted that by 2050, the ratio of the dependent aged population will be doubled, sharply will reach to 21.5 percent. In the meantime, the population growth rate of Bangladesh will reach to zero percent to minus, means the age structure of 0 to 14 age structure will be the lowest with a huge number of dependent aged population. By 2060, the aged structure of the population of Bangladesh will reach to 29.2 while, the longevity of life will cross 100 years. To feed these huge numbers of the dependent aged population, differential aid and support will be asked for under ‘Social Safety Net’ program including better health and psychological services. Hence it is the high time to step up economy till best to 2040 to 2045 keeping in mind the overall perspective of population growth rate, especially to face the challenges coming after two decades.



*Sources: UN Department of Economic and Social Affairs, 2018*

### **Discussion**

Bangladesh has made remarkable economic growth rate of five to six percent each year for the past two decades, even when the global recession was on. In the same way, the country has transformed from a plagued by famine country to largely self-sufficient food production; and steep drops maternal and infant mortality in line with ensuring women empowerment and education (Blake, 2011). Followed by BRICS (emerging national economic countries), as shown by Goldman Sachs, Bangladesh has placed in global emerging countries list named 'Next 11' which means that with the large-scale population, as one of main vehicles and resources of economic development, the country has the possibility of becoming the largest economic growth countries of the world followed by BRICS (O'Neill, 2007). The strong verdict comes on when it is observed that the extreme poverty ratio of Bangladesh decreases to 12.9 percent in 2016 from 44.2 percent in 1990, 31.9 percent decrease over only 26 years (bdnews24.com, 2016).

In the same way, the increased labor productivity has propelled the economic growth of Bangladesh in last two decades where the industrial sector, especially manufacturing, became the main driver. Readymade garment (RMG) sector has been playing a noteworthy role in terms of economic attainment of Bangladesh and strengthened integration with the global economy being placed as the second largest RMG exporter in the world (Rahman et. al., 2014). On the contrary, the export of manpower has become the second source of the economic driver of Bangladesh followed by RMG and retained the seventh most remittance receiving country around the world (World Bank, 2013).

In spite of these inspiring achievements, various reports frustrate and make sense to take further steps i.e. a report of S4YE (2015) sketched that the youth unemployment rate of Bangladesh in 2013 was 10.3 percent, higher than the regional South Asian average (9.45 percent), though lower in average to the world. In the same way, Economist Intelligent Unit (2014) depicted that 47 percent of the graduates of Bangladesh are unemployed (though the report created huge debate) that is 9 times higher than the total country unemployment rate. The matter of prostration is that in accordance to the Bangladesh Bureau of Statistics (2015), with the increase of working aged population structure, the unemployment ratio of Bangladesh has been doubled from 1.3 million to 2.6 million in between 1996 to 2010.

Unfortunately, the increase in unemployment is not for the shortage of either graduates or the lack of minimum job market, rather good quality education and proper skills. It was found that more than 75 percent of business leaders of Bangladesh claimed a scarcity of skilled youth workers as an impediment to hiring them (S4YE, 2015). The different mode of the education system is responsible for this haphazard situation too while less

trained and unskilled faculty is also an ingredient. Additionally, gaps in between the existed curricula of education and labor market needs make the youth more callow and vulnerable to get a job. In line with this, one of the experts said, *“Bangladesh is the second largest garment exporting country but we do not have much emphasis on garments in higher education. This is similar to our leather industry, another key sector”* (Economist Intelligent Unit, 2014: 15).

The labor productivity growth, as measured by GDP per hour worked, has been increased to 0.7 percent in 2010 since 1990 while in the mean-time India and Viet Nam, as countries in the same reign, doubled the same productivity growth (ILO & ILS, 2013). The same report also showed that the Labor Act 2006 and the Sixth Five Year Plan 2011-15 of Bangladesh underscored in the creation of new job opportunities and the need to promote production in other sectors. On the contrary, it is observed that though 3,02,904 posts are vacant yet under different ministries, departments, and corporations of the Government of Republic of Bangladesh, the traditional dumb, slower and lengthy mode of recruitment system in governmental divisions also take away the valuable time of youthful generation (BBS, 2015).

### **Recommendations**

The most pressing issues with possible solutions of the world have been addressed in SDG clearly in a precise mode with a set target to be achieved within 2030. Hence indicating solutions placing SDG will be a wise task as it will fill up the recommendations of this research and in the same time, upon taken initiatives, will be a milestone in the achievement of SDG set out targets in the mean-time.

Firstly, the research recommends ensuring inclusive and equitable quality education in linkage to job markets needs and demands and promoting lifelong learning opportunities for all. Under this suggestive measure, vocational education/training may serve the purpose shortly in a broader way. Secondly, the research suggests promoting sustained, inclusive and sustainable economic growth through full and productive employment and decent work for all. It is the demand of time and statement of millions of unemployed youth who are eagerly sparing quality time to grab a job to contribute to the economy through their labor/skills. Additionally, the easy access to the job market with a decent working environment is also required by youth boom to step up the economy. Finally, the study highly recommends to build resilient infrastructure, promote inclusive and sustainable industrialization, privatization, fosters innovation in linkage to agriculture, and establish action as well as academic research centers that will ultimately create more decent job opportunities, integrate local agriculture to industries, and reduce unemployment. The findings of this research require paying heed by policymakers, NGO workers, and affiliated

## Demographic Dividend in Bangladesh

authorities to address and deal with above-recommended issues very urgently. The very early achievements of these three measures in this dividend time will surely make the economy of Bangladesh stronger to face the aged generations under 'Social Safety Net' program effectively afterward 2050.

### Conclusion

Bangladesh has experienced a sustained economic growth in last two decades principally driven by RMG and remittance even when there were more dependent age structure people in comparison to the working-age structure. In the mean-time, the country has faced demographic transition period successfully and dividend period gets started through the transition. Now the country has a huge number of working aged people in comparison to dependent aged structure and supposed to remain till 2050. With 57.91 percent median age structure population, it is the highest echelon of time to accelerate economic growth of Bangladesh. The prostrating thing is that at a growth rate of 2 million working-aged people in past two decades and is expected to grow at a rate of 2.2 million in next decades; only 200,000 formal jobs have been created per year in average in last 10 years (ILO & ILS, 2013). On the contrary, 75 percent of employers questioned the knowledge and skills of employees as the hindrance to recruit them. Hence ensuring quality education linking to job markets needs and demands, and ensuring full decent employment opportunities for all will surely transform the economy of Bangladesh to meet the challenges afterward of 2050.

### References

- Bangladesh Bureau of Statistics, (2015). Ministry of Planning, Government of the Peoples Republic of Bangladesh
- Bangladesh Demographic and Health Survey, (2014). National Institute of Population Research and Training, Ministry of Family and Health Welfare, Government of the Peoples Republic of Bangladesh
- Bdnews24.com, (2016). Bangladesh's extreme poverty rate drops to 12.9 percent, says World Bank, retrieved in 18/12/2016 available at <<http://bdnews24.com/economy/2016/10/03/bangladesh-s-extreme-poverty-rate-drops-to-12.9-percent-says-world-bank>>
- ILO & ILS, (2013). Bangladesh- Seeking Better Employment Conditions for Better Socioeconomic Outcomes, Document and Publications Production Unit of ILO retrieved in 18/12/2016 available at <[http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms\\_229105.pdf](http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_229105.pdf)>
- ILO, (2015). Toward Solutions for Youth Employment: a Baseline Survey, retrieved in 02/01/2017 available at

- <[http://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/documents/publication/wcms\\_413826.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_413826.pdf)>
- Millennium Development Goals, (2015). Bangladesh Progress Report, General Economic Divisions, Bangladesh Planning Commission, Government of the People's Republic of Bangladesh, retrieved in 04/01/2017 available at <[http://www.plancomm.gov.bd/wp-content/uploads/2015/09/MDGs-Bangladeh-Progress-Report\\_-PDF\\_Final\\_September-2015.pdf](http://www.plancomm.gov.bd/wp-content/uploads/2015/09/MDGs-Bangladeh-Progress-Report_-PDF_Final_September-2015.pdf)>
- O'Neill, J. (2007). The N-11: More Than an Acronym, Goldman Sachs Economic Research. Retrieved in 03/12/2017 available at <<http://www.goldmansachs.com/our-thinking/archive/archive-pdfs/brics-book/brics-chap-11.pdf>>
- Population and Housing Census, (2011). Bangladesh Bureau of Statistics, Statistics and Informatics Division, Ministry of Planning.
- Population Pyramid of the World, (1950-2100). World Population Prospects: the 2015 revision, United Nations Department of Economic and Social Affairs, Population Division, retrieved in 02/01/2017 available at <<https://populationpyramid.net/bangladesh/2085/>>
- Rahman, M., Khan, T. I., Al-Amin, M., (2014). The Economy of Tomorrow- How to Produce Socially Just, Sustainable and Green Dynamic Growth for a Good Society: Case Study of Bangladesh, Friedrich Ebert Stiftung, retrieved in 20/12/2016 available at <<http://library.fes.de/pdf-files/bueros/bangladesch/10814.pdf>>
- Robert O. Blake, Jr., (2011). Meet Bangladesh: A "Next 11" Emerging Economy and a U.S. Strategy Allay in South Asia, U.S. Department of State, retrieved in 25/12/2016 available in <<https://www.state.gov/p/sca/rls/rmks/2011/175259.htm>>
- Ross, J. (2004). Understanding the demographic dividend. Policy project.[online], 8, available at <[http://www.policyproject.com/pubs/generalreport/Demo\\_Div.pdf](http://www.policyproject.com/pubs/generalreport/Demo_Div.pdf)>
- Sustainable Development Goal, (2016). United Nations retrieved in 22/12/2016 available at <<http://unstats.un.org/sdgs/report/2016/The%20Sustainable%20Development%20Goals%20Report%202016.pdf>>
- The World Bank, (2013). Migration and Remittance Flows: Recent Trends and Outlook, 2013-2016 retrieved in 23/12/2016 available at <[https://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1288990760745/Migration\\_and\\_Development\\_Brief21.pdf](https://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1288990760745/Migration_and_Development_Brief21.pdf)>
- The Economist Intelligent Unit Report for the British Council, (2014). High university enrollment, low graduate employment: Analyzing the paradox in Afghanistan, Bangladesh, India, Nepal, Pakistan and Sri Lanka, retrieved in 23/12/2016 available at <[https://www.britishcouncil.in/sites/default/files/british\\_council\\_report\\_2014\\_jan.pdf](https://www.britishcouncil.in/sites/default/files/british_council_report_2014_jan.pdf)>

## Demographic Dividend in Bangladesh

UNFPA state of world population, (2016). How our future depends on a girl at this decisive age, Publication and Web integrative design and production.

UNFPA state of world population, (2014). The power of 1.8 billion: Adolescents, Youth and the Transformation of Future, Publication and Web integrative design and production.