Bangladesh's Progress Towards Becoming a Developing Country – A Comparative Analysis

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DOI: https://doi.org/10.47772/IJRISS.2026.100700304

Received: 15 July 2026; Accepted: 20 July 2026; Published: 31 July 2026

ABSTRACT

The study examines critically Bangladesh's socio-economic progress and graduation from Least Developed Country (LDC) status by comparative analysis of eight indicators—Gross National Income (GNI) per capita, Human Assets Index (HAI), Economic Vulnerability Index (EVI), Human Development Index (HDI), Global Competitiveness Index (GCI), Ease of Doing Business (EoDB), Corruption Perceptions Index (CPI), and Environmental Performance Index (EPI). Clutching data from international organizations such as the United Nations, World Bank, UNDP, and Transparency International, the research analyzes Bangladesh's remarkable performance in income growth, human development, and resistance to external shocks. With its per capita GNI of $2,227 and HAI index of 75.4 surpassing UN goals, along with its EVI rate of 25.2 denoting high economic stability,. However, the analysis also picks up long-standing weaknesses in governance, infrastructure, innovation, and environmental sustainability, demonstrated in low global rankings in GCI, EoDB, CPI, and EPI indices. The study believes that though Bangladesh has attained the quantitative criteria for LDC graduation, sustained development will depend on qualitative measures—enhancing institutional performance, promoting environmental resilience, widening economic diversification, and investment in education and governance reform. The report highlights the imperative need for coherent, forward-thinking policies to make Bangladesh's economic momentum deliver inclusive and sustainable prosperity.

Keywords: Socio-economic progress, LDC graduation, Human development, Economic vulnerability, Governance reform, Sustainable development, Bangladesh economy.

INTRODUCTION

Bangladesh's transformation from a war-ravaged "basket case" in 1971 to one of South Asia's fastest-growing economies demonstrates five decades of consistent improvement in growth, poverty reduction, and social development. According to empirical assessments, the nation met all three UN-CDP thresholds for LDC graduation: GNI per capita, Human Assets Index (HAI), and Economic and Environmental Vulnerability Index (EVI). This was made possible by increased remittances, export-led industrialization, particularly through the RMG sector, and better health and education indicators (UN-CDP, 2021; Rahman & Bari, 2021, Journal of International Development). Bangladesh's GNI per capita surpassed the UN threshold due to robust manufacturing performance and a growing services sector (World Bank, 2022, World Development Indicators), while its HAI score of 75.4 reflects major socio-economic gains despite persistent issues related to nutrition and educational quality (UN-DESA, 2021). Its EVI score shows growing resilience due to agricultural diversification and the growth of domestic markets (Mishra, 2022, World Development). However, researchers highlight that LDC graduation does not inherently promise sustainable growth, as Bangladesh continues to suffer institutional and structural obstacles. Studies suggest that the country's HDI remains below developing-country averages due to issues in health outcomes, gender inequities, and persistent poverty pockets (UNDP, 2023; Mahmud & Prowse, 2022, Development Policy Review). Barriers to economic diversification and global integration are further highlighted by Bangladesh's low ranking on the Global Competitiveness Index, which is caused by poor infrastructure, a lack of technical readiness, and a low capacity for innovation (Schwab, 2019, World Economic Forum Global Competitiveness Report). Governance weaknesses, bureaucratic inefficiency, and corruption continue to constrain the business climate and foreign investment flows, as evidenced by studies on public sector

performance and regulatory complexity (Hassan & Akhter, 2020, Public Administration and Development; Transparency International, 2023). Environmental vulnerabilities—such as severe air pollution, inadequate waste management, and significant sensitivity to climate change—pose additional concerns to long-term sustainability (Haque et al., 2021, Environmental Science & Policy). Thus, while Bangladesh's LDC graduation represents a historic achievement, long-term prosperity will require qualitative improvements in governance, human capital development, institutional capacity, economic diversification, and environmental resilience to sustain its trajectory toward becoming an inclusive, competitive, and climate-resilient economy.

LITERATURE REVIEW

Examining Bangladesh's development experience reveals a complicated and contradictory picture of both notable progress and enduring structural impediments. Analysts broadly recognize that economic development has been fueled primarily by two engines—exports and remittances—but caution that the growth pattern remains fragile and heavily concentrated. Islam (2023) and Ahmed (2021) claim that Bangladesh's dependency on the readymade garments (RMG) sector, which yields over 80% of export income, makes the economy particularly vulnerable to global demand shocks and changing trade preferences. Azam (2023) and the Asian Development Bank (2024) further point out that the country has not diversified into higher-value manufacturing sub-sectors such as electronics, pharmaceuticals, or IT-enabled services, mainly due to policy stagnation, inadequate infrastructure, and a lack of investment in innovation. Even though remittances support macroeconomic stability and foreign exchange reserves, Ibrahim and Islam (2024) and De and Raihan (2010) caution that an over-reliance on foreign labor markets is unreliable in the long run because host country policies, automation, and shifting migration trends can abruptly cut off inflows. This is referred to as a "fragility paradox" by Rahman (2023), whereby Bangladesh's apparent economic success conceals flaws in its fundamental constitution. Although there has been great growth in human development, quality challenges still exist in this subject. Bangladesh's Human Development Index (HDI) has significantly increased as a result of gains in life expectancy, literacy, and enrollment, according to UNDP (2023). According to Islam, Mahfuz, and Rahman (2019), there has been a slight improvement in nutrition and health access, as seen by decreases in child stunting. Nonetheless, Das (2024) and Chowdhury (2022) stress that growth is unequal, with rural-urban imbalances and regional inequality continuing to hinder inclusive development. Rahman and Chowdhury (2020) point out that enrollment numbers are excellent, but they contend that inadequate instruction, a dearth of practical training, and out-of-date curricula leave graduates unprepared for a competitive job market. The literature discusses gender dimensions. Kabeer (2017) and Huq (2019) point out that women's participation in the RMG industry has contributed to income and empowerment but caution that exploitative working conditions, wage differentials, and lack of social protections undermine the transformative potential of women's economic participation. Cumulatively, the findings imply that while Bangladesh has achieved substantial progress in raising basic human capital, the challenge moving forward is to enhance the quality of health, education, and gender equity outcomes to be at levels comparable to international peers. A common theme in a large portion of the literature is governance and institutional quality. According to Hossain (2020) and Sakib (2022), entrenched corruption tightens the hold on the efficacy of public policy by permeating local government, procurement, and service delivery. According to Solaiman (2023), corruption and a lack of judicial independence undermine investor trust, the rule of law, and contract enforcement barriers. Transparency International (2023), in its Corruption Perceptions Index, continually lists Bangladesh among the low-scoring countries in the world, underlining the continuance of governance problems. Rahman (2023) also finds that such institutional frailties not only hinder accountability but also tie up reforms in trade, infrastructure, and financial markets, leading to what he calls to as a "low-governance trap." Scholars generally agree that Bangladesh's economic and social development may stagnate in the absence of significant governance reforms, and the prospects brought about by LDC graduation might not be fully utilized. Perhaps most crucially, the greatest flaw discovered in the literature is connected to environmental sustainability and climatic vulnerability. Yale's Environmental Performance Index (2022) ranks Bangladesh in the lower end of nations, citing poor air quality, poorly managed garbage, and weak preservation of wildlife. Khan and Rahman (2022) suggest that Bangladesh suffers "dual shocks"—development pressure from intense industrialization and existential pressure from climate change. According to Alam, Huq, and Karim (2019), rising sea levels, cyclones, and floods pose a threat to the health, livelihoods, and food security of the poor, particularly in rural areas. Urban-focused studies like Rahman and Bhuiyan (2022) and Khan (2021) highlight how uncontrolled urbanization in

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume X Issue VII July 2026

Dhaka has led to devastating waste management failures, chronic air pollution, and water contamination that threaten public health. Researchers collectively note that the socioeconomic progress made thus far may be at jeopardy if environmental sustainability is not incorporated into development planning—through green infrastructure, renewable energy, and adaptive climate governance. Overall, the literature offers a picture of Bangladesh as a country that has achieved a lot—surpassing the UN's requirements for LDC graduation and showing resilience in human development—although challenged with structural deficiencies that must be addressed to assure sustainability. All the writers' remarks have a same overall message: sustaining momentum will need export diversification, quality enhancements in education and health, robust action against corruption, and early investments in environmental resilience. In this sense, Bangladesh's development story is not merely one of LDC category graduation, but of navigating the far more challenging move towards an inclusive, competitive, and sustainable middle-income economy.

METHODOLOGY

This study applies a comparative secondary data analysis methodology, based on established global datasets published by authoritative international bodies, including the World Bank, the United Nations Committee for Development Policy (UN-CDP), the United Nations Development Programme (UNDP), the World Economic Forum (WEF), Transparency International, and Yale University's Center for Environmental Law and Policy. Gross National Income (GNI) per capita, the Human Assets Index (HAI), the Economic Vulnerability Index (EVI), the Human Development Index (HDI), the Global Competitiveness Index (GCI), the Ease of Doing Business (EoDB), the Corruption Perceptions Index (CPI), and the Environmental Performance Index (EPI), as defined by UN-CDP (2021), UNDP (2023), World Bank (2022), WEF (2019), Transparency International (2023), and Wendling et al. (2020, Environmental Performance Index Report, Yale University). Bangladesh's relative performance across these parameters was examined using both descriptive and interpretive analytical methodologies. Furthermore, a gap analysis framework, which is frequently employed in comparative development evaluation (Mahmud & Prowse, 2022, Development Policy Review), was integrated to pinpoint areas in which Bangladesh exhibits significant advancements, partial advancements, or critical weaknesses when compared to international standards and best practices. These analyses' combined findings serve as the foundation for evidence-based policy recommendations that support long-term economic resilience, institutional capacity, and sustainable development.

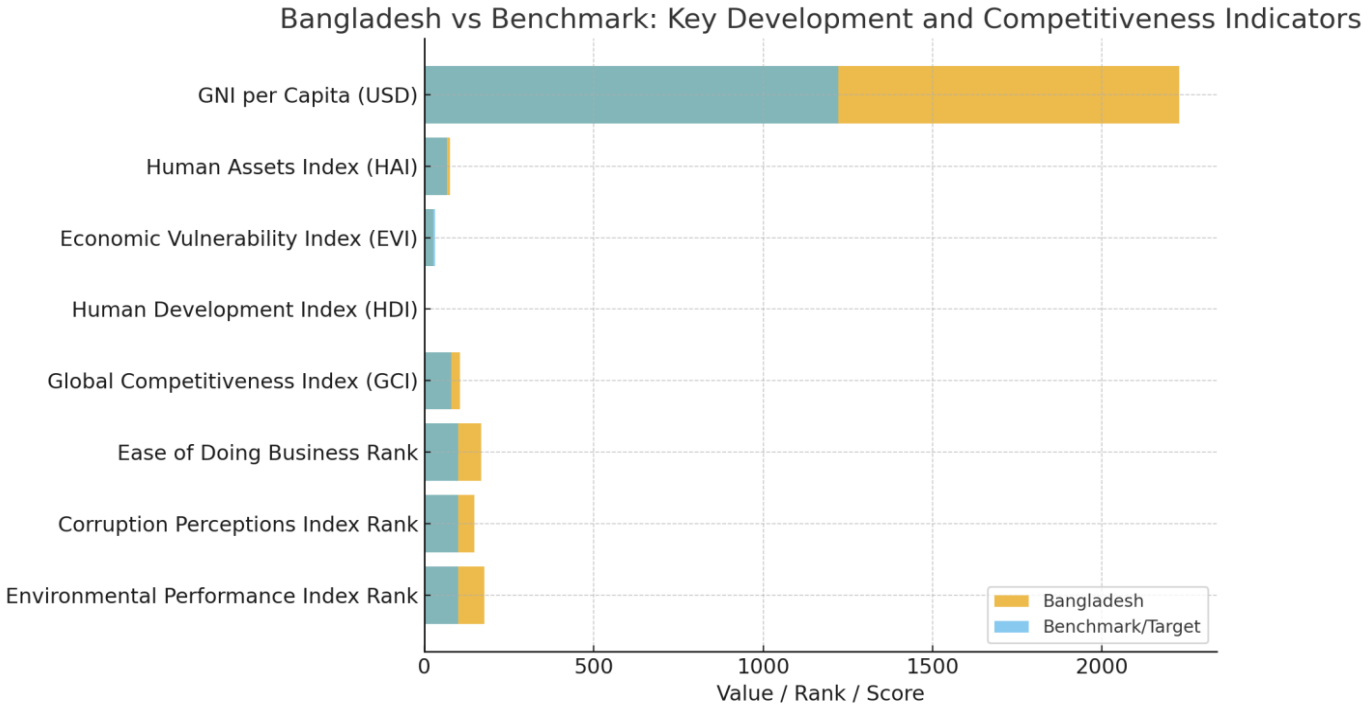
Analysis:

To provide a greater perspective on Bangladesh's development record within global norms, the following table juxtaposes its position in terms of significant economic, social, governance, and environmental indicators against globally accepted benchmarks. Statistics point to the reality that while Bangladesh has met the United Nations criteria for graduation from Least Developed Country (LDC) status, particularly for Gross National Income (GNI) per capita, Human Assets Index (HAI), and Economic Vulnerability Index (EVI), performance on wider development and competitiveness indicators is patchy. Most crucially, the Human Development Index (HDI) assesses Bangladesh as having medium human development, whereas strengths are glaringly absent in infrastructure, business environment, governance integrity, and environmental management. The figure therefore speaks to the irony of Bangladesh's progress: a robust income growth and resilience on one hand and ongoing structural shortcomings in competitiveness, governance, and sustainability on the other.

Index / Criterion	UN Standard / Global Benchmark	Bangladesh Status	Gap
GNI per capita	≥ $1,222	$2,227	Achieved
Human Assets Index (HAI)	≥ 66	75.4	Achieved but nutrition & education quality need work
Economic Vulnerability Index (EVI)	≤ 32	25.2	Achieved but vulnerable to climate & export shocks
Human Development Index (HDI)	≥ 0.70 for most developing peers	0.661	Medium human development

Global Competitiveness Index	Top 80 desirable	105/141	Weak infrastructure & innovation
Ease of Doing Business	Below 100	168/190	Major gap in business environment
Corruption Perceptions Index	≤ 100	147/180	Severe governance issues
Environmental Performance Index (EPI)	≥ 100	177/180	Critical weakness in environment & air quality

The following figure is showing the key development benchmarks competitive indicators and current situation of Bangladesh.



GNI per Capita:

According to the United Nations Committee for Development Policy (UN-CDP), Bangladesh's Gross National Income (GNI) per capita—measured as the three-year average for 2020–2022—reached US$ 2,684, substantially exceeding the UN's LDC graduation threshold of US$ 1,222 (UN-CDP, Bangladesh: Monitoring Report, 2024). This progress is attributed to strong remittance inflows, sustained export-led growth, and productivity improvements across manufacturing and services, particularly driven by the Ready-Made Garments (RMG) sector, which UNCTAD identifies as central to the country's "growth-enhancing structural change" (UNCTAD, Vulnerability Profile: Bangladesh, 2021). According to the World Bank, Bangladesh's shift to lower-middle-income status in 2015 was aided by the country's growth in value-added manufacturing and demographic dividend (World Bank, World Development Indicators, 2022). The IMF's most recent country report (IMF, Bangladesh: Staff Report, 2022) identified infrastructure deficits, urban congestion, and high climate vulnerability as risks. However, international assessments caution that sustaining upward income momentum requires diversification beyond low-value garment exports and addressing structural constraints. Bangladesh's long-term development trajectory will therefore depend on developing value-added sectors and bolstering economic resilience, even though improving per-capita income is a noteworthy accomplishment.

Human Assets Index (HAI):

Strong performance in nutrition, health, and basic education outcomes is reflected in Bangladesh's Human Assets Index (HAI) score of 75.4, which is well above the UN-CDP graduation threshold of 66. This is due to community-based health systems, increased immunization coverage, and gender-equity initiatives that increased

enrollment rates and decreased maternal and child mortality (UN-CDP, Bangladesh Country Profile, 2021). Despite these advancements, persistent issues remain, as national and UNICEF data show that over one-third of children under five still experience stunting or micronutrient deficiencies, indicating long-term dietary and healthcare inadequacies (UNICEF, Child Nutrition Report: Bangladesh, 2023). Similar to this, despite the fact that rates of enrollment are high, learning outcomes are still poor. According to UNESCO and World Bank assessments, curriculum constraints, teacher shortages, and uneven school quality cause many students to finish basic education without gaining fundamental literacy and numeracy skills (UNESCO & World Bank, Global Education Monitoring Report, 2021). These deficiencies underscore the need for Bangladesh's health and education systems to shift from a focus on quantitative expansion to enhancing service quality, ensuring that improved human-asset metrics translate into a healthier, more skilled, and more productive workforce capable of sustaining long-term economic growth.

Economic Vulnerability Index (EVI):

Bangladesh's comparatively low Economic and Environmental Vulnerability Index (EVI) score conceals severe and increasing sensitivity to climate change while reflecting significant socioeconomic gains (diversification away from subsistence agriculture, rapid growth in manufacturing and exports): Empirical assessments of cyclone-flood vulnerability and socio-spatial exposure support the conclusion that the country's heavily populated Ganges–Brahmaputra–Meghna delta is extremely low-lying and highly susceptible to cyclones, storm surges, flooding, saline intrusion, and sea-level rise, hazards that threaten infrastructure, agricultural livelihoods, and food security and are projected to intensify under high-emission scenarios (Bernard et al., 2022). In-depth analyses of sea-level risks and coastal zone management (Shampa et al., 2023), probabilistic regional sea-level projections that indicate significant local rises this century (Kopp et al., 2014), and economic-impact and sanitization studies (Dasgupta et al., Brecht et al., and others) further demonstrate how SLR and salinity intrusion can reduce arable land, deteriorate water supplies, and increase adaptation costs. These findings highlight the need for improved early warning systems, climate-resilient infrastructure, and disaster-risk reduction integrated into national planning.

Human Development Index (HDI):

Bangladesh's Human Development Index (HDI) score was 0.661 in the UNDP Human Development Report 2021/22, placing it in the "medium human development" category and somewhat below the 0.70 level obtained by many developing peers (Liller, 2022; UNDP, 2022). Over the past three decades, the country has made substantial progress in life expectancy, education, and income: life expectancy gains and expanded schooling have been widely documented, with researchers such as Mahmud, Ahmed, and Mahmud (2014) showing consistent improvements in health and literacy outcomes, while Asadullah, Savoia, and Mahmud (2014) highlight strong long-term gains in education quality and enrolment. In a similar vein, Raihan and Bidisha (2018) show that structural change and industries with a high proportion of women, such as apparel, are responsible for strong income growth and poverty reduction. Yet despite these advancements, persistent inequalities in schooling quality, health availability, and income distribution continue to diminish Bangladesh's inequality-adjusted HDI (Liller, 2022). Achieving stronger human-development performance will require further investment in quality secondary and tertiary education, vocational and technical training, universal health care, and more inclusive economic growth to guarantee that progress reaches all demographic groups fairly.

Global Competitiveness Index (GCI):

Bangladesh's mediocre score in the Global Competitiveness Index (105th of 141 countries) demonstrates continuing structural constraints that impede its ability to shift into higher-value global production (World Economic Forum, 2019). According to empirical research, persistent infrastructure bottlenecks considerably lower business productivity and export competitiveness, particularly port congestion, erratic electricity, and inadequate transportation logistics (Rahman & Win, 2020; De & Ghosh, 2021). Additionally, Bangladesh makes very little investment in R&D: R&D spending is still less than 0.05% of GDP, a trend that has long limited the country's capacity for technical advancement and innovation (Alam, Hoque & Hosen, 2020). Scholars like Khan and Rasheduzzaman (2019) contend that despite competitive labor prices, enterprises are unable to integrate into

global value chains due to inflexible legislative frameworks, ineffective bureaucracy, and a weak business environment. Bangladesh's transition to higher-productivity industries is hampered by these deficiencies in infrastructure, regulatory quality, and innovation systems taken together. Therefore, Bangladesh must continuously improve infrastructure investment, technology adoption, innovation ecosystems, and regulatory efficiency in order to increase its competitiveness and achieve deeper global economic integration.

Ease of Doing Business:

Significant barriers to a favorable business climate are highlighted by Bangladesh's 2020 World Bank "Ease of Doing Business" report ranking of 168th out of 190 economies. (World Bank) According to a recent empirical study by Chandan Kumar Roy (2025), which examined 998 businesses from the 2022 World Bank Enterprise Survey, obstacles like erratic electricity supply, inadequate infrastructure, and challenges getting licenses and regulatory approvals considerably lower the performance of small and medium-sized businesses in Bangladesh. (ScienceDirect) Furthermore, "cumbersome registration processes complex regulation, institutional inefficiencies, and bureaucratic hurdles"—including in property registration and contract enforcement—remain significant barriers for both domestic and foreign investors, according to Khondaker Golam Moazzem & Sarara Jafrin (2024). Centre for Policy Dialogue (CPD) As a consequence, legal inconsistencies and infrastructural limitations inhibit diversification and hamper integration into global value chains despite competitive labor costs (Moazzem & Jafrin, 2024; Roy, 2025). Therefore, Bangladesh would benefit greatly from reforms like digitalized regulations, one-stop service centers, simplified tax and property registration processes, and effective contract enforcement mechanisms—all of which could significantly improve its investment climate and make it a more desirable location for foreign direct investment and private sector expansion.

Corruption Perceptions Index (CPI):

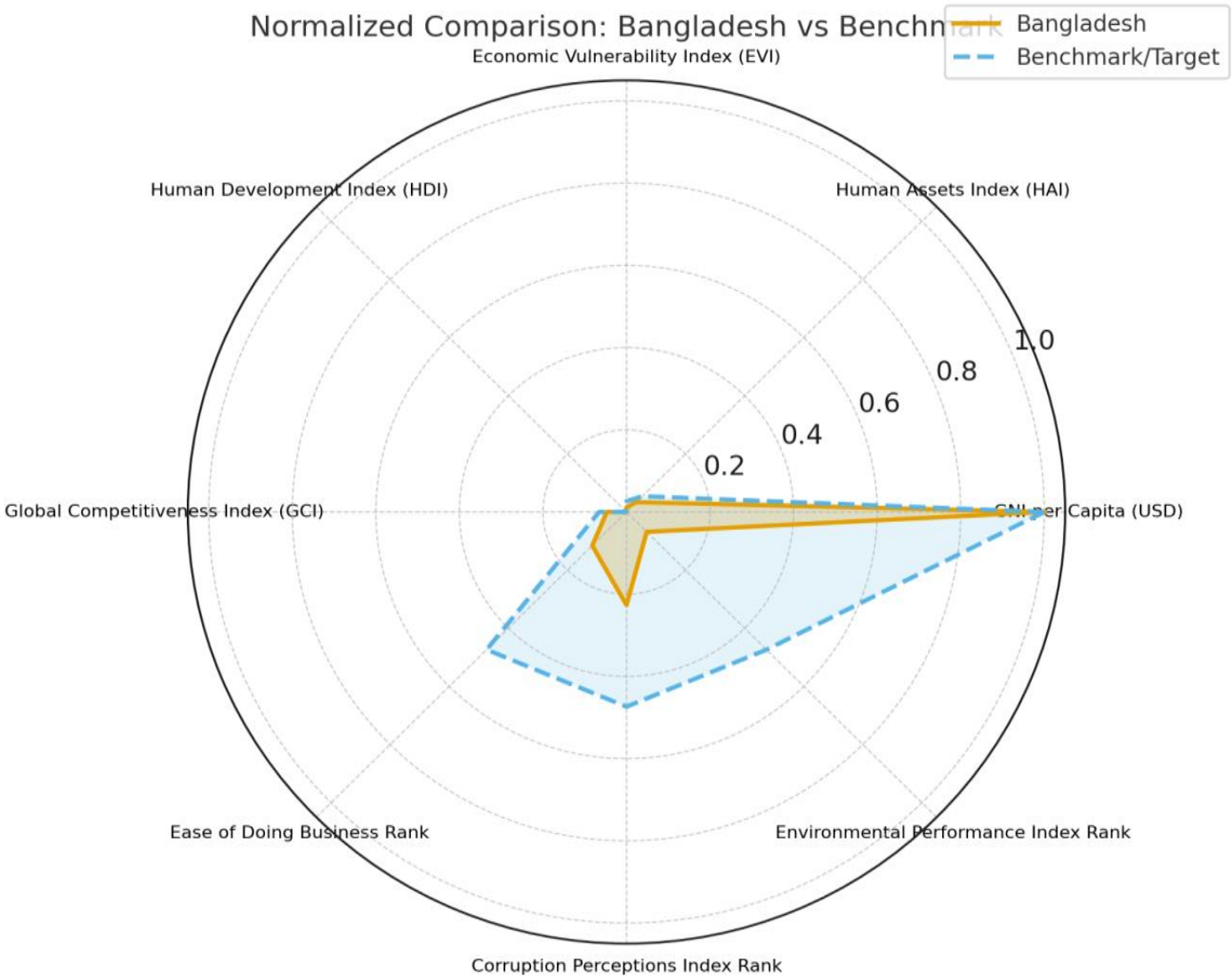
Bangladesh has systemic governance and corruption problems, earning 147 out of 180. Deep governance and corruption issues persist in Bangladesh, as evidenced by low perceptions-of-corruption scores (such as CPI rankings). Political influence over regulatory bodies, opaque public procurement, and lax enforcement of anti-corruption laws are frequently mentioned as fundamental issues; these institutional flaws increase the cost of infrastructure projects, erode investor confidence, and diminish the efficacy of public services. However, research indicates that digitized procurement and a stronger rule of law can significantly lower the risk of corruption and procurement price inflation (Abdou et al., 2022; Khan, 2022; Fazekas et al., 2024). Evidence unique to Bangladesh shows persistent meddling in judicial and regulatory institutions as well as gaps in judicial independence that limit accountability (Hossain, 2020; Solaiman, 2023). Local studies also reveal widespread rent-seeking and procurement opacity that raise project costs and cause delivery delays (Rahman & Afroz; Transparency International Bangladesh). Therefore, important policy levers to boost accountability, reduce inefficiencies, and prevent rent-seeking from undermining larger development gains include strengthening judicial independence, extending e-governance/e-procurement systems, enhancing procurement transparency, and empowering truly autonomous anti-corruption agencies.

Environmental Performance Index (EPI):

Bangladesh is ranked 177th out of 180 countries in the Environmental Performance Index (EPI), which reflects very low scores on pollution control and ecosystem vitality (Yale EPI, 2022). Scholars and policy analysts attribute this poor performance to rapid, often unchecked industrialization and urbanization that have driven severe air pollution, weak waste management, and widespread ecological degradation. Global analyses of PM2.5 show large and persistent exposures throughout South Asia (Hammer et al., 2020), while studies and policy assessments specific to Bangladesh show very high urban particulate levels (particularly in Dhaka), and deficiencies in municipal solid-waste systems and environmental regulations (World Bank, 2022; Rahman, 2024; Sarkar, 2024). Dhaka's consistently high yearly PM2.5 concentrations, which have made it one of the most polluted megacities in the world in recent years, harm public health and lower labor productivity. The combination of poor air and water quality and ecosystem loss compromises quality of life and jeopardizes social and economic gains unless immediate policy action is taken. In order to prevent environmental degradation from reversing development progress, it is imperative to strengthen environmental regulation and enforcement,

accelerate air-quality monitoring and control (including cleaner fuels and emissions controls), modernize urban waste-management systems, and mainstream climate-resilience into urban and industrial planning (Yale EPI, 2022; World Bank, 2022; Rahman, 2024).

The following figure is indicating the overall Bangladeshi situation compared with the international benchmarks:



FINDINGS

1. Substantial Economic Development shown in the GNI per capita: The export-oriented garment industry and remittance inflows are the primary drivers of Bangladesh's successful transition to lower-middle-income status, as evidenced by its GNI per capita of $2,227, which greatly exceeds the UN threshold of $1,222.
2. The necessity of diversifying the economy: Bangladesh is still largely reliant on a small number of important industries, despite remarkable economic increases. The nation must improve value addition, diversify its economy, and tackle its climatic and infrastructure issues if it is to maintain long-term prosperity.
3. Favorable Advancements in Human Development: The Human Assets Index (HAI) score of 75.4 reflects good performance in health, nutrition, and basic education, demonstrating effective grassroots programs and gender-equity measures.
4. Inadequate Quality in Health and Education Services: Even while access has increased, there are still issues with healthcare and education quality. Malnutrition continues, and many pupils lack critical skills after finishing school, underscoring the need for systemic quality improvements.

5. The ability to deal with financial instability: Bangladesh's robust export industry, diverse agricultural and sizable population base all contribute to its high EVI score of 25.2, which indicates significant resilience to external shocks.
6. Climate Change Is Still a Serious Risk: Despite the nation's strong EVI performance, livelihoods, infrastructure, and food security are all at risk from climate-related disasters like floods, cyclones, and sea level rise.
7. A moderate level of human development with scope to grow: Bangladesh is in the medium human development category, just below its peers, with an HDI score of 0.661. To surpass the 0.70 threshold, more funding must be allocated to inclusive growth, health coverage, and high-quality education.
8. Infrastructure and Innovation Gaps Limit Global Competitiveness: Bangladesh's GCI ranking of 105 out of 141 indicates that it lags behind in terms of innovation ecosystems, infrastructure, and regulatory inefficiencies, which hinder its ability to move up global value chains.
9. Adverse Business Conditions: Significant regulatory and bureaucratic obstacles, such as convoluted registration processes, sluggish contract enforcement, and inadequate property management, are indicated by the Ease of Doing Business ranking of 168/190.
10. High Corruption Levels Threaten Progress: Bangladesh's CPI ranking of 147 out of 180 indicates widespread problems with governance. Lack of transparency, inefficient anti-corruption measures, and weak regulatory bodies deter investment and erode public confidence.
11. Major Environmental Damage: Bangladesh, which has an EPI ranking of 177/180, is confronted with serious environmental issues that endanger both economic development and public health, including excessive air pollution, poorly managed waste, and unbridled industry.
12. The necessity of comprehensive policy changes: In order to maintain and advance Bangladesh's growth trajectory, the research emphasizes the necessity of integrated reforms that prioritize innovation, institutional strengthening, environmental protection, and quality enhancements across economic, human, environmental, and governance variables.

CONCLUSION

Bangladesh's graduation to graduation from the LDC category is a milestone that is a testament to the decades of economic growth, human development, and resilience against hardship. The record is quick to point out; however, that graduation alone does not constitute long-term success. Structural vulnerabilities—like weak governance, unbalanced industrial competitiveness, and environmental degradation—exist to constrain the country's long-term future. To move ahead with more than mere quantitative growth, Bangladesh must turn towards qualitative transformation now by improving institutional capacity, fostering innovation, improving education and health quality, and embracing efficient adaptation towards climate change. Good governance and economic diversification will be the prime factors in attracting investment and sustaining inclusive growth. Lastly, Bangladesh's destiny is to balance fast-paced industrialization with environmental sustainability and social justice and make sure that its outstanding development trajectory evolves into an exemplar of resilience, inclusiveness, and global competitiveness.

RECOMMENDATIONS

1. Further strengthen economic diversification and industrial upgrading:

Bangladesh's economy is exposed to outside influences because to its substantial reliance on the RMG sector and diversifying into other industries is crucial for long-term prosperity. Musharrat Azam and Samiha Azam (2023) demonstrate that export diversification significantly boosts Bangladesh's economic growth using data spanning from 1995 to 2020. In a similar vein, the World Bank suggests that in order to boost industries like electronics, agro-processing, and pharmaceuticals, trade and FDI restrictions be relaxed, SEZs be upgraded, and duty-free access to inputs be made possible. According to Hosna Ferdous Sumi and Masrur Reaz (2019), light-engineering, leather, and plastics are high-potential non-RMG industries that need specific governmental support. The authors highlight the necessity of tax incentives, industrial clusters, and strong infrastructure in

Economic Zones to support value addition, backward linkage development, and global competitiveness in order to achieve this diversification.

2. Improve Quality of Human Capital

Although Bangladesh has extended access to education and health facilities, the quality of learning and public health remains insufficient; studies by Chowdhury, Nobi & Islam (2021) and CPD (2024) stress outdated curricula, limited teacher training, and poorly linked vocational programs. Khan (2024) and The Daily Star (2023) underline that modernized curricula, enhanced STEM and digital-literacy education, and upgraded technical training are necessary for developing a Fourth-Industrial-Revolution-ready workforce. While nutrition research by Davidson, Kropp, and Rahman (2025) shows that targeted nutrition programs significantly enhance dietary diversity, health research by Omura et al. (2025) shows that skill-based school health education improves hygiene practices—highlighting the need for universal health coverage and strengthened nutrition initiatives.

3. Enhance Governance and Institutional Capacity

Improving governance has become essential for Bangladesh's sustainable development, as persistent corruption and weak institutions continue to hinder progress. While Nurunnabi and Ullah (2020) demonstrate that e-governance and digital record-keeping greatly reduce rent-seeking in public administration, Rahman (2023) indicates that digitization government services increases transparency and decreases bureaucratic discretion. Ullah and Rahman's (2022) governance assessments highlight the need for an independent anti-corruption commission, transparent procurement, and greater judicial independence in order to boost investor trust and service delivery in the face of politicization and poor accountability systems.

4. Improve the Doing Business Environment and Regulatory Framework

Research shows that business reforms in Bangladesh require streamlined digital systems: Ahmed, Hasan, and Hossain et al. (2024) find that one-stop digital licensing reduces delays but still suffers from fragmentation and informal payments. Strengthening legal certainty is also crucial—Mannan (2019) argues that enforceable property rights and clearer contract laws are necessary to attract both domestic and foreign investors. Additionally, expanding Public–Private Partnerships in logistics, energy, and technology can improve infrastructure and innovation, as shown by Rahman et al. (2022) in evidence linking well-structured PPPs to increased private investment and better service delivery.

5. Encourage Innovation, Technology, and Infrastructure Development

Establish national innovation funds and R&D tax credits that stimulate research in favor of digital transformation and industrial modernization. Ensure investment in transport connectivity, efficiency of ports, and reliable power supply that decreases the cost of doing business and sustains export growth. Encourage university-industry collaboration to promote applied research, product innovation, and entrepreneurship.

6. Ensure Environmental Sustainability and Climate Resilience

Integrate climate adaptation and mitigation policies into all development planning to address vulnerabilities from floods, cyclones, and sea-level rise. Strengthen environmental regulation and enforcement by upgrading the Department of Environment with modern monitoring tools and trained personnel. Promote green industries, renewable energy adoption, and waste management reforms to improve air and water quality, especially in urban areas. Increase investment in climate-smart agriculture and community-based resilience projects in coastal and flood-prone regions.

7. Advancing Inclusive Growth and Gender Equality Encourage women's participation beyond the RMG sector through financial inclusion, access to credit, and skill development programs. Impose gender-sensitive labor laws that ensure workplace safety, fair wages, and social protection for women workers. Emphasize reducing rural–urban disparities by decentralizing development through investment in regional infrastructure, healthcare, and education.

8. Deepen Regional and Global Integration Strengthen regional cooperation through the BIMSTEC, SAARC, and ASEAN frameworks in terms of expanded market access and trade facilitation. Improve cross-border infrastructures with India, Nepal, and Bhutan to facilitate sub regional connectivity and greater energy trade. Negotiate trade agreements that will lead to Bangladesh gaining favorable market access from the EU and North America in the post-LDC-graduation period.

9. Build Policy Coherence and Implementation Efficiency Establish a National LDC Graduation Implementation Commission with the purpose of monitoring post-graduation challenges and ensuring coordinated policy implementation across ministries. Move toward evidence-based policymaking through integrating the national statistics with global databases to support effective planning and evaluation. Enhance fiscal discipline and public expenditure management to ensure transparency, accountability, and efficient resource allocation.

10. Promote Sustainable Urbanization and Environmental Governance

Implement smart urban planning to reduce congestion, air pollution, and growth of unplanned slums in large cities like Dhaka and Chattogram. Expand mass transit systems, green zones, and waste recycling, with improvement in livability and ecological resilience. Impose pollution control standards on industries and equally introduce penalties for non-compliance.

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