

Impact of Inclusive Growth on Sustainable Development in Bangladesh

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ABSTRACT

This paper presents the impact of inclusive growth on attaining sustainable development in Bangladesh. Over time, many changes happened rapidly in the world economy and economic systems to reach the development facilities of the deprived people living in the world. For this, the United Nations and world leaders have undertaken long-term perspective plans like the Millennium Development Goals and the Sustainable Development Goals to reduce the disparities of economic hardship of the deprived people. Based upon MDGs, the Government of the People's Republic of Bangladesh has undertaken Sustainable Development Goals (SDGs) for inclusive economic growth to benefit the people living in Bangladesh. The study is mainly based on secondary data. During analysis of the collected data, it is seen that the Government of Bangladesh has undertaken many steps for inclusive economic growth to provide facilities for people but, in many areas, the government has become successful and, in some areas, not. The economic development of Bangladesh has been moving towards sustainability because the deprived section of people has started improving their lives and to some extent started entering into development opportunities available in Bangladesh.

Keywords: Inclusive Economic Growth, Millennium Development Goals; Sustainable Development Goals, Equality of Opportunity, Deprived People, The United Nations

INTRODUCTION

Inclusive growth is a concept that provides equitable opportunities for economic participants during economic growth with benefits incurred by every section of society (2015)¹. Inclusive growth insists on the direct links between macroeconomic and microeconomic determinants of the economy and economic growth. The microeconomic aspects pay the importance of structural transformation for economic diversification and competition. The macroeconomic aspects throw light on the changes in the monetary aggregates of countries' GNP, GDP, factors' productivity, and aggregate factors' output (2009)².

Growth is said to be inclusive when growth is sustainable in the long run, broad-based in the sectors, and inclusive among most sectors of a country. It focuses on the equity of opportunity with access to markets, resources, and an unbiased regulatory environment for businesses, and individuals (2011)³.

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Sustainable economic development refers to inclusive growth (2009)⁴. It is sometimes difficult to maintain as economic growth may raise negative externalities, such as a rise in corruption, a major problem in a developing country. Nevertheless, the inclusive growth approach takes a longer-term perspective- focusing on employment, increasing the incomes of the poor, and excluded groups, and raising their standard of living.

LITERATURE REVIEW

To find the research clues, a review of the literature is required. A few reviews of pieces of literature are stated below.

A paper (2014)⁵ reported and published inclusive growth, inclusive development, or inclusive social development. It mentioned the links between growth and equal opportunities for the people living in a society. Emphasis was given to inclusive growth and inclusive development.

A report (2014)⁶ clarified that unequal opportunity harms growth and well-being. Though rewarding hard work and skills may create a certain degree of income inequality, it may be a positive sign for economic growth in the long run all citizens have equal access to quality education, health care, and other public goods and services. The report also pointed out that inequality of opportunity may be particularly damaging, which undermines intergenerational social mobility weakens incentives to invest in knowledge, and in turn, holds back potential growth.

A paper (2013)⁷ pointed out that there is a relationship between entrepreneurship, economic development, and inclusive growth. Entrepreneurship plays an important role in economic development which may extend to a balanced and broad-based economic development.

A report (2014)⁸ focused on options for improving the overall population's income and consumption possibilities. Emphasis was given to supply-side instruments that can lead to an increase in the perception output of goods and services for the long run potential scope for making all citizens better off materially.

Considering the importance of inclusive growth for sustainable development and following the vacuum of the research, the present paper has been undertaken.

Objectives of the study:

The objectives of the study *inter alia* are:

- i) To understand the inclusive growth
- ii) To assess the impact of inclusive growth
- iii) To examine the sustainable development in Bangladesh
- iv) To provide modest suggestions for improving inclusive growth and sustainable development in Bangladesh.

METHODOLOGY OF THE STUDY

The study has been conducted based on secondary data. The data have been collected from the different published documents. These are publications from the Bangladesh Bank, the Ministry of Finance of the People's Republic of Bangladesh, the World Bank, the Asian Development Bank, Different published journals, and so on. Analysis of the collected data has been done using percentages and a tabular form.

Scope of the study:

With time, the world economy has developed much in GDP, but the distribution of resources remains unequal among the participants of economic growth. In a report (2020)⁹ top 1% of adults hold half of the world's net wealth, the top 10% of adults hold 85% of net wealth, and the bottom 90% hold the remainder of the world's total net wealth.

But, in Bangladesh, the top 10% of the people share 27% of the total income, and the bottom 40% share 21% of the total income. The remainder of the people share the balance of the total income.¹⁰ To reduce the unequal distribution of wealth in the world, the United Nations has undertaken two perspective goals- one focused on 2015, called Millennium Development Goals (MDG), and two focused on 2030, called Sustainable Development Goals (SDG).

Millenium Development Goals (MDG):

The United Nations worked with civil societies, and other partners to build momentum on MDGs with the target of 2015.¹¹ It had eight goals:

Goal 1: Eradicate extreme poverty and hunger

Goal 2: Universal primary education

Goal 3: Provide gender equality and empowerment of women

Goal 4: Reduce child mortality

Goal 5: Improve maternal health

Goal 6: Combat HIV/AIDS, Malaria, and other diseases

Goal 7: Ensure environmental sustainability

Goal 8: Develop a global partnership for development.

Findings of Millenium Development Goals:

Achievement of Millenium Development Goals:

Goals	World's Achievement	Bangladesh's Achievement
Goal 1: Eradicate Extreme Poverty	1: In 1990 about 1.9 billion people in the developing world lived on less than \$1.25 a day. In 2015, it became 836 million. Working middle-class living on more than \$4 a day almost tripled in 2015, which was just 18% of the 1991 workforce in developing countries. Undernourished people in developing countries were 23.3% in 1990 and 12.9% in 2015.	Below the national upper poverty line, 2122 k.cal was 56% in 1990, and 29% in 2015. The poverty gap ratio was 17% in 1990 and 8% in 2015. Underweight children under 5 years of age were 66% in 1990 and 33% in 2015. The proportion of the population below the minimum level of dietary energy was 28% in 1990 and 14% in 2014
Goal 2: Universal Primary Education	2: Primary School enrolment in developing countries was 91% in 2015 and 8.3% in 2000. Out-of-school age was 57 million in 2015 and 100 million in 2000. The literacy rate (age group 15-24) was 83% in 1990 and 91% in 2015.	Enrolment of students at primary schools was 60.5% in 1990 and should be 100 in 2015.
Goal 3: Gender Equality and Women Empowerment	3: Developing countries achieved the target of eliminating gender disparity in primary, secondary, and tertiary education. Paid workers of women outside the agricultural sector were 41% in 2015 and 35% in 1990. Vulnerable women employed 9% in 2015 and 13% in 1991. Women's parliamentary representation was nearly 90% in 174 countries over the past 20 years.	The girls' to boys' ratio in primary education was .83 in 1990 and should be 1 in 2015, secondary education was .52 in 1990 and should be 1 in 2015, tertiary education was .37 in 1990 and should be 1 in 2015. Women's employment in the non-agriculture sector was 19.1% in 1990 and should be 50% in 2015. In the national parliament, it was 12.7% in 1990 and should be 33% in 2015.
Goal 4: Reduce Child mortality	4: The less than 5 child mortality rate was 43 per thousand in 2015 and 90 in 1990	The under-5 mortalities ratio per thousand was 146 in 1990 and should be 48 in 2015.
Goal 5: Maternal	5: The maternal mortality rate declined by 45% in 2015.	The maternal mortality ratio per thousand was 574 in 1990 and should be 144 in 2015.

Health	Skilled health-assisted childbirth was 71% in 2015.	Skilled health-assisted childbirth was 5% in 1990 and should be 50% in 2015.
Goal 6: Combat HIV/AIDS, Malaria, and other diseases	New HIV infections were 2 million in 2013 and 3.5 million in 2000. The malaria infection rate fell by 36% in 2013 and the mortality rate by 58%. Between 2000-2013, tuberculosis prevention, diagnosis, and treatment interventions saved an estimated 37 million lives, and the mortality rate fell by 45%.	HIV prevalence among the population per 1,00,000 was 0.005 in 1990 and should be at a halting stage in 2015. The prevalence of malaria per 1,00,000 was 43 in 1990 and should be at the halting stage in 2015.
Goal 7: Ensure Environmental Sustainability	Ozone-depleting substances were eliminated in 1990 and are expected to recover by the middle of this century. Improved drinking water sources for the global population was 91% in 2015, and 76% in 1990. Slum dwellers in developing regions fell 29.7% in 2014 and 39.4% in 2000.	The forest-occupied land was 9% in 1990 and should be 20% in 2015. Per capita, metric ton of CO ₂ emissions was 0.14 in 1990 and should be 0 in 2015. Improved drinking water sources were 89% in 1990 and should be 100% in 2015. For sanitation 21% in 1990 and 60% in 2015.
Goal 8: Develop a Global Partnership for development	Developed countries increased official development assistance by 66% in 2015. Duty-free import from developing to developed countries was 79% in 2014 and 65% in 2000. Developing countries' external debt services to export revenue was 3% in 2013 and 12% in 2000.	To develop further an open, rule-based, predictable, and non-discriminatory trading and financial system. To address the special needs of least developed countries. To address debt problems of developing countries through national and international measures to make debt sustainable in the long run.

Source: Amanullah, A. M., Millenium Development Goals: A Blueprint for Building a Better World for Children Everywhere in the 21st Century, East West University, Dhaka, Bangladesh, Arafath, J., Challenges Ahead to Sustainable development in Bangladesh: A Concern for Future Generation, International Journal of Sustainable Development Research, No. 8, Vol. 2, pp.33-40, 2022.

Sustainable Development Goals on Focused 2030:

The post-2015 UN Development Agenda was prepared to address the problems that were not achieved during MDG's period consisting of 17 Sustainable Development Goals. These goals replaced the Millennium Development Goals and are considered ambitious and aspirational [2015]¹². The goals are as follows¹³:

I. No Poverty

II. Zero hunger

III. Good health and well-being

IV. Quality Education

V. Gender equality

VI. Clean water and sanitation

VII. Affordable and clean energy

VIII. Decent work and economic growth

IX. Industry, innovation, and infrastructure

- X. Reduced inequality
- XI. Sustainable cities and communities
- XII. Responsible consumption and production
- XIII. Climate action
- XIV. Life below water
- XV. Life on Earth
- XVI. Peace, justice, and strong institutions
- XVII. Partnerships for the goals.

The goals prioritize inclusivity for the poorest and most vulnerable people to reach global development and should leave no one behind.

Findings of the Sustainable Development Goals for 2030:

Achievement of Sustainable Development Goals on Focused 2030 in Bangladesh

The following strategies have been undertaken by the Government of the People's Republic of Bangladesh to achieve the SDGs [2022]¹⁴:

- I. Faster, inclusive, sustainable, and resilient economic growth;
- II. Coverage and effectiveness of social safety net progress;
- III. Migration and remittance have been key drivers of economic growth, the economic transformation of less well-off households, poverty reduction through positive impact on rural wages, and entrepreneurship development in rural areas;
- IV. To reduce gender discrimination;
- V. To undertake micro-credit programs;
- VI. One house, one farm project: A model for poverty alleviation;
- VII. Providing quality health service
- VIII. Addressing Nutrition Issues;
- IX. Ensuring quality health service;
- X. Primary and secondary education development program;
- XI. Creating an enabling environment for women's advancement and gender-responsive budget;
- XII. Increase power generation capacity;
- XIII. Well-maintained transport and communication;
- XIV. Improved information and communication technologies;
- XV. Employment generation and enhancing labor productivity;
- XVI. Improvement of housing, slum housing, and road infrastructures;
- XVII. Ensuring sustainable production in agriculture, manufacturing, and the energy and power sector;
- XVIII. Protection for helga
- XIX. Special biosphere reserve, etc.

Economy of Bangladesh

The government of the People's Republic in Bangladesh has been actively working towards the country's economic development since its independence on 16 December 1971. A small land area of 147570 square kilometers, the country is located in South Asia, where about 180 million people live. It ranks as the eighth most populous country in the world. The economy is at the early stages of development and consists of the agricultural, industrial, and service sectors. Table 1 shows the sector-wise contributions to the Gross Domestic Product (GDP).

Table 1 Sector-wise GDP change in percentage during 2018-2022

Year	Agriculture	Industry	Service	Total GDP
2018	14	33	53	100
2019	13	34	53	100
2020	13	35	52	100
2021	13	34	53	100
2022	12	36	52	100

Source: Bangladesh Economic Survey 2022, Ministry of Finance, Government of the People's Republic of Bangladesh

Table 1 highlights that while the agricultural sector's contribution to GDP decreased in earlier years, the industry and service sectors have been steadily increasing their contribution with time.

Bangladesh has abundant natural resources, including gas, coal, limestone, hard rock, glass, and ceramic clay. Gas, limestone, and coal are currently being extracted, while the extraction of other resources is ongoing.

Investing in productive employment opportunities for the workforce and exploring material resources is crucial for any country's development. However, such investment is dependent on effective resource mobilization. In Bangladesh, the economy was primarily based on agriculture. However, due to the limitations of cultivable land and a large workforce, the government has shifted its focus towards the manufacturing and service sectors. This change in strategy has led to a significant improvement in the country's macroeconomic indicators. By adopting liberalization policies to attract foreign direct investment, Bangladesh has created a competitive environment for trade and commerce.

The percentage of people living below the poverty line has decreased from 73.5% of the total population in 2010 to 14.8% in 2016. The per capita GDP was recorded at \$1521 in 2017. Presently, Bangladesh has an inflation rate of 5.7% and a predicted growth rate of 8.13%, as per the Economic Outlook 2019 report.

Factors for Economic Development in Bangladesh

The government's plans, policies, and timely implementation can ensure economic development. The factors that hinder the process of economic development must be identified at the very beginning to prepare effective plans and policies. Despite the significant achievement of MDGs in the country as stated before, the country's economy is still facing many challenges.

Poverty, unemployment, illiteracy, and resource constraints have influenced an adverse balance of payments in Bangladesh. Currently, about 24% of the population lives below the poverty line, with an unemployment rate of 4.5% and an illiteracy rate of 42%.

Economic activities of the economy are closely related to each other. One activity may affect the others, making the whole economy interrelated. For economic development, the identified problems need to be addressed simultaneously on a priority basis.

Productivity is a crucial factor in the economic development of any country that emphasizes optimum and effective utilization of human and material resources available in the country to increase productivity, which in turn creates more job opportunities. It also affects the cost of living, per capita income, GDP growth rate, education, technological development, know-how, and resource generation.

Increasing the optimum level of productivity requires significant investment in areas such as equity capital, advanced technology, managerial expertise, and other resources.

In a developing country like Bangladesh, there are continuous resource constraints, underdeveloped technology, inadequate managerial skills, illiteracy, and unequal distribution of wealth. So, setting millennium

development goals may serve as a long-term perspective plan for economic development ensuring equal opportunities for all participants during economic activities for sustainable development of the country.

DISCUSSION, CONCLUSION, AND SUGGESTIONS

Sustainable Growth in Bangladesh

It is clarified from the information presented above that Bangladesh has made significant progress in achieving many of the MDGs and sustainable goals. However, progress is not uniform across the country, and there are still many gaps among people that need to be addressed. Millions upon millions of people are being left behind, particularly those who are poor, female, disabled, aged, or living in remote areas. To reach benefits to the most vulnerable people, targeted efforts need to be made. The following challenges need to be addressed:

- Gender inequality still exists.
- Climate change and environmental degradation pose a significant threat to the progress made, and the poor are the most affected.
- There are significant disparities between the rich and poor households, as well as between rural and urban areas.
- Millions of people are still living in poverty and hunger without access to basic services.
- Conflicts remain a threat to human development.

Conclusion and suggestions:

Over time, the global economy has become gradually integrated into global policymaking. The world economy, in general, and the economy of Bangladesh in particular, has developed tremendously. However, inclusive development has not made it easy for people to access the labor market, resources, and regulatory environment, leaving a huge number of individuals behind. The United Nations introduced the Millennium Development Goals, focused on 2015, and the Sustainable Development Goals, focused on 2030, to promote economic equality. Bangladesh's Government also adopted these goals to ensure that economic development benefits are equally accessible to all.

The paper provides the following modest possible suggestions:

- i. The Underprivileged section of people should be identified clearly.
- ii. The goal-wise target should be set up to increase economic well-being.
- iii. Monitoring the implementation status as per the goal-wise target.
- iv. Feedback analysis should be taken as corrective measures to achieve sustainable development of the economy.

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