

HUMAN CAPITAL DEVELOPMENT IN BANGLADESH

Challenges, Opportunities,
and Policy Implications

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Abstract

Human capital—the stock of skills, education, health, and abilities embodied in the workforce—is a central pillar of sustainable economic growth and social development. In the context of Bangladesh, the paradox of high GDP growth alongside persistent skill gaps, unemployment among educated youth, and poor health indicators highlights the need for a strategic overhaul in human capital development. This paper examines the current state of human capital in Bangladesh, identifies structural and institutional challenges, and proposes forward-looking policy interventions to harness the country's demographic dividend and avoid the middle-income trap. Drawing on global evidence and Bangladesh-specific data, the paper highlights the importance of quality education, vocational training, early childhood development, and technological innovation in driving inclusive and sustainable growth.

1. Introduction: The Role of Human Capital

Human capital refers to the stock of knowledge, skills, competencies, and health embodied in individuals that enhance their productivity and economic potential. The concept was popularized by Gary Becker (1964), who likened investment in education and training to investment in physical capital. Human capital plays a vital role in determining a nation's capacity to innovate, adapt, and grow in a dynamic global economy.

From a theoretical standpoint, the endogenous growth models of Lucas (1988) and Romer (1990) emphasize that sustained long-run economic growth cannot be explained solely by increases in physical capital. Instead, it is driven by the accumulation of human capital and the advancement of ideas, learning, and innovation. Lucas (1988) argued that human capital accumulation generates positive externalities across sectors, while Romer (1990) highlighted the role of knowledge spillovers and technological progress as key engines of growth.

In practical terms, investment in human capital—through quality education, preventive and curative healthcare, and workforce training—is now widely recognized as a cornerstone of inclusive development. Countries with high levels of human capital tend to have better

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employment outcomes, higher per capita income, lower inequality, and greater resilience to economic shocks (Hanushek & Woessmann, 2008; OECD, 2019a).

Bangladesh has achieved significant macroeconomic progress over the past two decades, maintaining annual GDP growth rates averaging 6–7% and reaching 8.2% in FY2019 before the COVID-19 pandemic (World Bank, 2020a). However, its achievements in human capital formation remain modest and uneven. Persistent gaps in education quality, limited technical and vocational training, inadequate maternal and child healthcare, and poor nutrition undermine the country's long-term growth prospects and social cohesion.

This paper seeks to explore Bangladesh's human capital performance in the context of global benchmarks and best practices. Using empirical data and composite indices, we assess the country's strengths and weaknesses, identify policy gaps, and propose strategic recommendations to accelerate human capital development and promote sustainable, inclusive growth.

2. Measuring Human Capital

Assessing human capital is complex, as it involves not only years of schooling or life expectancy but also the quality and functionality of those inputs. In recent years, several global efforts have emerged to measure human capital more comprehensively and comparably across countries.

The World Bank's Human Capital Index (HCI), launched in 2018, is a composite measure designed to quantify the economic productivity of the next generation. It evaluates what a child born today can expect to achieve, in terms of productivity, by age 18 compared to a benchmark of complete education and full health. The HCI is composed of three components:

- Survival: Probability of a child surviving to age 5 (based on under-5 mortality rates).
- Schooling: Expected years of schooling and harmonized test scores adjusted for learning quality.
- Health: Measures include the prevalence of stunting in children and adult survival rates.

In its 2018 report, the World Bank ranked Bangladesh 106 out of 157 countries, with an HCI value of 0.48. This means a child born in Bangladesh today is projected to reach only 48% of their full potential if current education and health conditions persist (World Bank, 2018). The report highlighted that while Bangladesh has made progress in basic education and child survival, challenges remain in learning outcomes, stunting, and health system quality.

In parallel, the World Economic Forum's Global Human Capital Index (GHCI) offers a broader life-cycle perspective on human capital. It evaluates countries across four thematic dimensions:

1. Capacity (past educational attainment),
2. Deployment (current participation in the labor force),
3. Development (enrollment in formal education and skills development),

4. Know-how (breadth and depth of specialized skills in the workforce).

These indicators are analyzed across five age cohorts: 0–14, 15–24, 25–54, 55–64, and 65+, providing insights into intergenerational human capital trends. In the 2017 GHCI, Bangladesh was ranked 111 out of 130 countries, with an overall score of 49.2, indicating that more than 50% of its human capital remains underutilized (WEF, 2017). Particularly concerning are low scores in female labor participation, skills utilization, and vocational training coverage.

Globally, the WEF notes that only 62% of human capital potential is realized, implying a untapped reservoir of talent. In countries like Bangladesh, the gap is even wider, especially among youth and women, due to low-quality education, informal labor markets, and inadequate skills development mechanisms (WEF, 2017; ILO, 2022a and 202b).

These indices underscore the urgent need for Bangladesh to adopt a life-course approach to human capital, addressing not only school enrollment and survival but also learning quality, skill alignment, health equity, and labor market inclusion.

3. Why Human Capital Matters

Human capital—comprising the health, education, skills, and cognitive capacities of individuals—is one of the most critical determinants of long-term economic performance and inclusive development. A growing body of empirical research demonstrates that investment in human capital yields significant returns at both the individual and national levels.

First, human capital is positively correlated with economic growth, as demonstrated by Barro and Lee (2013), who found that countries with higher levels of educational attainment tend to grow faster over the long run. Their cross-country panel data analysis suggests that improvements in average years of schooling are strongly associated with higher per capita GDP growth, particularly when coupled with quality enhancements in education.

Second, labor productivity is directly influenced by human capital development. According to the OECD (2019b), investment in education and skills not only increases individual employability and wages but also boosts aggregate productivity across sectors. The report emphasizes that knowledge-intensive economies rely heavily on the skill levels of their workforces to drive innovation and competitiveness.

Third, human capital plays a pivotal role in poverty reduction. Hanushek and Woessmann (2008) argue that cognitive skills, rather than mere years of schooling, are the key drivers of improved labor market outcomes and reduced inequality. In developing countries, quality education can increase the income-generating capacity of the poor, thereby lifting them out of poverty and contributing to a more equitable society.

Furthermore, cross-country econometric evidence consistently shows that increasing average schooling levels has measurable macroeconomic impacts. According to Psacharopoulos and Patrinos (2018), a one-year increase in average schooling is associated with a 3–4% rise in GDP

per capita. This return is even higher in low- and middle-income countries, where educational access and quality are still evolving.

The impact of health and nutrition, especially during the early years, also has long-term economic implications. Nobel laureate James Heckman (2006) highlights the "Heckman Curve," which shows that early childhood interventions—particularly those that enhance health, nutrition, and cognitive stimulation—generate the highest returns to human capital investment. Children who receive adequate care and stimulation during their early years tend to have better educational attainment, higher productivity, and greater lifetime earnings.

In sum, the evidence is clear: human capital is not merely a social good but an economic imperative. Countries that fail to invest in the health, education, and skills of their populations risk falling into low-growth, high-inequality traps. In contrast, nations that prioritize human capital development are more likely to achieve sustained growth, social mobility, and resilience in the face of economic or technological disruption.

4. The Bangladesh Paradox

Bangladesh has often been hailed as a development success story, with its economy growing at an average annual rate of 6–7% since the early 2000s. This growth peaked at 8.2% in fiscal year (FY) 2019, just before the COVID-19 pandemic (World Bank, 2020a). However, recent years have seen a marked slowdown, with GDP growth falling to around 3% in FY2024, largely due to ongoing political instability, macroeconomic imbalances, and weak private investment (ADB, 2024).

This slowdown has brought renewed attention to the structural weaknesses in Bangladesh's development model—particularly its lagging performance in human capital development. Despite impressive gains in economic growth and poverty reduction, Bangladesh continues to face a set of interrelated challenges that limit the potential for inclusive, productivity-driven growth.

- **Educational Attainment and Skills Deficits:** According to the *Bangladesh Labour Force Survey 2022* (BBS, 2022), nearly one-third of the labor force has no formal education or has attained only primary education. This lack of foundational skills hampers productivity and reduces the capacity of workers to adapt to technological change and sectoral shifts.
- **Mismatch Between Education and Employment:** Bangladesh suffers from a severe disconnect between its education system and labor market needs. The *Labour Force Survey* and *ILO* reports reveal that youth unemployment remains high, estimated at around 30%, especially among university graduates. Many young people are unable to secure formal or decent jobs, reflecting the low relevance and quality of tertiary and vocational education (ILO, 2023; World Bank, 2023a).
- **Informality and Low-Productivity Employment:** A significant proportion of new jobs continue to be created in the informal economy, particularly in low-skill sectors such as agriculture, construction, and informal services.

These jobs are typically low-paying, lack job security, and offer limited opportunities for advancement or skill development (World Bank, 2023a).

This coexistence of high economic growth and poor human capital indicators underscores a central paradox: Bangladesh's growth has been driven largely by factor accumulation—notably in low-wage labor-intensive sectors like ready-made garments (RMG) and overseas remittances—rather than by productivity gains or knowledge-based growth (Rahman et al., 2022). The country risks being trapped in a low-skill, low-productivity growth path unless strategic investments are made in education, health, and skills development.

A useful metric to assess the scale of Bangladesh's youth development challenge is the NEET rate—the share of young people aged 15–29 who are *Not in Education, Employment, or Training*. This indicator, used by the ILO, World Bank, and UNESCO, captures the extent to which a country's youth population is disengaged from the labor market and learning systems. In Bangladesh:

- 30–40% of youth are NEET, with much higher rates among women (up to 50%), indicating large-scale exclusion from economic participation (ILO, 2023).
- Causes include: (a) low-quality and outdated curricula in schools and universities, (b) lack of demand-driven skills training, (c) limited employment opportunities, and (d) inadequate career counseling and school-to-work transition systems (UNESCO, 2021a; World Bank, 2023a and 2023b).

The high NEET rate reflects not only a waste of demographic potential but also a major constraint to sustained economic progress and social stability. Reducing NEET and closing the skills gap will require a coordinated effort across education, labor, and private sector stakeholders.

5. Key Challenges

Bangladesh's demographic dividend, rapid urbanization, and steady economic growth present a unique opportunity to accelerate inclusive development. However, the country faces several structural and systemic barriers to maximizing the potential of its human capital. These challenges are primarily rooted in weak educational and vocational systems, low public investment, and inefficient school-to-work transitions.

5.1 Structural Challenges

- **Labor Market Mismatch:**

Each year, approximately 2 million young people enter the labor force in Bangladesh, yet the formal economy absorbs barely half of them (ADB, 2020). A significant proportion ends up in informal or underemployed roles. This persistent labor market mismatch stems from the disconnect between what the education system delivers and what the economy demands. Employers report difficulty in finding workers with relevant soft skills, digital literacy, or problem-solving capabilities, even as many graduates remain unemployed or underemployed.

This disconnect undermines productivity growth and contributes to high youth unemployment and NEET (Not in Education, Employment, or Training) rates.

- **Low Human Capital Investment:**

Bangladesh's public expenditure on education remains alarmingly low, at around 2.1% of GDP, compared to 3.7% in India, 5.3% in Vietnam, and 4.3% in Malaysia (UNESCO, 2023a). This level of investment is among the lowest in South Asia and falls far short of the UNESCO-recommended benchmark of 4–6% of GDP. The underinvestment affects every level of the education system—limiting infrastructure development, teacher training, curriculum modernization, and quality assurance mechanisms.

- **Skill Shortages in the Workforce:**

According to the Bangladesh Bureau of Statistics (BBS, 2022), approximately 60% of the workforce has not completed secondary education, severely limiting their ability to move into higher-value employment. Moreover, only 4% of the labor force receives any form of vocational or technical training, reflecting the systemic neglect of Technical and Vocational Education and Training (TVET). This leaves a large segment of the population without the skills required to participate meaningfully in an evolving labor market increasingly shaped by technology and green transitions.

5.2 Educational and Vocational Gaps

International comparisons further underscore the depth of Bangladesh's education and training deficiencies. The table below highlights where Bangladesh stands relative to its peers in Asia:

Indicator	Bangladesh	India	Vietnam	Malaysia
Avg. Years of Schooling	5.1	6.7	7.8	10.1
Vocational Enrollment (%)	4.0	8.0	12.0	17.0
Education Spending (% of GDP)	2.1	3.7	5.3	4.3

Source: UNESCO ((2023a) Institute for Statistics; World Bank EdStats (2023b)

These figures reveal three critical weaknesses:

1. Short average schooling years limit foundational knowledge and lifelong learning capacity.
2. Extremely low vocational enrollment undermines workforce readiness for technical and industrial jobs.
3. Chronic underfunding constrains the quality and reach of the education system.

5.3. Major Educational Hurdles

In addition to structural deficiencies, qualitative shortcomings further constrain the education-to-employment pathway:

- **Irrelevance to Labor Market Needs:**
High-growth sectors such as information and communication technology (ICT), renewable energy, healthcare, and logistics are facing talent shortages. However, the current education and TVET systems do not align with these emerging demands.
- **Theoretical and Rote-Based Curriculum²:**
School and university curricula remain heavily theoretical and outdated, focusing on rote memorization rather than cultivating practical, analytical, digital, and problem-solving skills. This leads to a growing skills gap that hinders employability and innovation capacity.

Addressing these challenges requires bold reforms in human capital policy—boosting public investment, aligning education with labor market needs, expanding and modernizing TVET, and fostering private sector partnerships. Without such measures, Bangladesh risks squandering its demographic dividend and facing a widening gap between economic potential and human capability.

6. Prospects for Human Capital Enhancement

To unlock the full potential of its population and sustain long-term economic growth, Bangladesh must prioritize comprehensive human capital reforms. This includes scaling up investments in education, technical skills, and early childhood development. Global experience and empirical research indicate that such investments yield high returns in productivity, earnings, and social mobility (Heckman, 2006; World Bank, 2020c).

6.1 Quality Education and Technical Training

Strengthening the education and skills ecosystem is central to enhancing human capital and improving labor market outcomes.

- **Raise Education Spending to 5% of GDP**

Bangladesh currently allocates about 2.1% of GDP to education, one of the lowest levels in South Asia (UNESCO, 2023a). Raising this to 5% of GDP, in line with the UNESCO-recommended benchmark of 4–6%, would allow the country to address critical gaps in infrastructure, teacher training, digital learning, and curriculum reform. Countries like Vietnam and Malaysia, which have invested over 4% of their GDP in education, have reaped significant gains in school completion, cognitive skills, and workforce readiness (World Bank, 2021a).

- **Reform Secondary Education to Emphasize STEM and Soft Skills**

Bangladesh’s secondary education remains largely theoretical and exam-focused. A reorientation is needed toward science, technology, engineering, and mathematics (STEM) along with soft skills such as communication, teamwork, and problem-solving. Research shows that students

² A rote-based curriculum is an educational approach that emphasizes memorization through repetition without necessarily focusing on deep understanding or critical thinking.

with stronger foundational skills in STEM are more adaptable to evolving labor market demands, particularly in digital and green sectors (OECD, 2018).

- **Expand TVET with Industry Partnerships**

TVET (Technical and Vocational Education and Training) remains underutilized in Bangladesh, with only 4% of the workforce receiving vocational training (BBS, 2022). Successful global models—such as Germany’s dual apprenticeship system and Singapore’s Institute of Technical Education—demonstrate the importance of linking training programs to industry demand. Expanding TVET and forming partnerships with private sector employers can improve job matching, reduce skills mismatches, and enhance productivity (ILO, 2022a, 2022b and 2022c).

- **Train Teachers for Competency-Based, Digital-First Pedagogy**

To modernize learning, teachers must be equipped to shift from rote-based to competency-based, learner-centered approaches. This requires large-scale in-service training, with a focus on digital tools, interactive learning, and 21st-century teaching methods. According to UNESCO (2022), digital pedagogy is essential for resilience and inclusion in the post-COVID era, particularly in countries where school closures exposed infrastructure and teaching gaps.

6.2 Early Childhood Development (ECD)

Investment in early childhood lays the foundation for long-term cognitive, emotional, and physical development, with substantial returns to human capital accumulation.

- **Address High Rates of Stunting**

In Bangladesh, 36% of children under age five are stunted, a result of chronic undernutrition and poor maternal health (NIPOORT, 2021). Stunting impairs brain development, delays school readiness, and reduces adult earnings by as much as 22% over a lifetime (Grantham-McGregor et al., 2007). Addressing stunting is not only a health issue but an economic imperative.

- **Expand the 1,000-Day Nutrition Program**

Evidence suggests that interventions during the first 1,000 days of life—from conception to age two—have the highest impact on physical and cognitive development (UNICEF, 2023a and 2023b). Programs targeting maternal nutrition, exclusive breastfeeding, complementary feeding, and micronutrient supplementation are among the most cost-effective ways to enhance long-term learning outcomes and reduce intergenerational poverty.

- **Invest in Universal Preschool Access**

Better access to quality early childhood education (ECE) significantly improves school readiness, learning outcomes, and social behavior. Yet, preschool coverage in Bangladesh remains limited and uneven. Investing in universal ECE, especially in rural and marginalized areas, is critical. Scalable models such as BRAC’s Play Labs, which integrate play-based learning with community delivery, and community Early Childhood Teaching (ECT) Centers have shown positive impacts on child development, especially among low-income families (BRAC Institute of Educational Development, 2022).

6.4 Advancing universal preventive healthcare

Bangladesh faces persistent challenges in advancing both preventive and curative healthcare, particularly in rural areas where the majority of its population resides. Public expenditure on health remains below 1% of GDP, one of the lowest in South Asia, leaving most citizens dependent on out-of-pocket spending or informal providers. The emphasis has traditionally been on curative services, often urban-based, with limited focus on disease prevention, early diagnosis, and health promotion. This imbalance results in high burdens of preventable illnesses such as malnutrition, diarrheal diseases, and maternal and child health complications. Rural health infrastructure—community clinics, union health centers, and upazila hospitals—often lacks adequate staffing, essential medicines, and diagnostic capacity, leading to a reliance on unqualified practitioners. Weak governance, insufficient financing, and inequities in access further constrain the system’s ability to provide quality healthcare.

Despite these challenges, there are promising opportunities to strengthen preventive and curative healthcare in tandem. Bangladesh has already made notable gains in immunization, fertility reduction, and life expectancy, showing that cost-effective, community-based interventions can succeed with political commitment and donor support. Expanding preventive services—such as maternal nutrition, non-communicable disease screening, and health education—through community clinics and digital platforms could significantly improve long-term productivity and reduce future curative costs. At the same time, investments in upgrading rural health facilities, introducing digital healthcare, and fostering public-private partnerships can enhance access to quality curative care. A balanced strategy that integrates prevention into the core of the health system, while ensuring affordable curative services, would not only reduce health inequities but also support human capital development and inclusive economic growth in Bangladesh.

The future of Bangladesh's economic competitiveness and social cohesion depends on its ability to invest in human capital—early, equitably, and at scale. Integrating education reform, skills training, and early childhood development into a unified human capital strategy will not only enhance individual capabilities but also ensure inclusive, sustainable growth for generations to come.

7. Way Forward: Strategic Recommendations

To realize the full potential of Bangladesh’s demographic dividend and prepare the population for an evolving global economy, an integrated human capital strategy is essential. This strategy must focus on governance reform, financial innovation, digital transformation, and multi-stakeholder partnerships. The following policy directions aim to address structural bottlenecks and promote inclusive, resilient human capital development.

7.1 Human Capital Governance and Financing

- **Create a Human Capital Development Authority (HCDA):**

Bangladesh currently lacks an institutional mechanism for coordinated oversight of human capital development across sectors such as education, health, skills, and employment.

Establishing an HCDA—a high-level, inter-ministerial body akin to Singapore’s Skills Future

Council—could facilitate policy coherence, data integration, and joint programming. Such coordination is essential to ensure that investments across ministries (Education, Health, Labor, ICT, etc.) reinforce each other rather than operate in silos (World Bank, 2020c).

- Establish a Human Capital Fund (HCF):

A dedicated Human Capital Fund could mobilize and pool resources from the government, private sector, and development partners. This pooled financing model would support strategic investments in:

- Market-relevant skills (e.g., ICT, caregiving, construction, and green jobs),
 - Preventive and reproductive health services, and
 - Quality education innovations, including digital platforms and teacher training.
- Global precedents include Rwanda’s Human Capital Development Strategy and Ghana’s Education Outcomes Fund (OECD, 2021).

- Introduce Income-Contingent Student Loans (ICLs):

To expand access to tertiary education while maintaining fiscal sustainability, Bangladesh can adopt income-contingent loan schemes, where repayment is linked to graduates’ future earnings. Such models—successfully implemented in Australia and the UK—protect low-income borrowers from financial hardship and encourage enrollment in higher education (Barr, 2010; Chapman, 2006). This would complement existing stipend and tuition subsidy programs.

- Offer ICLs for Migrant Worker Training and Employment:

Over 12 million Bangladeshi migrant workers contribute significantly to national income through remittances. However, most are in low-skilled occupations. Income-contingent loans targeted at overseas employment preparation—including language training, certification, and placement—could enhance workers’ bargaining power, safety, and income potential (ILO, 2022b and 2022c; BMET, 2023).

7.2 Digital Transformation and AI Integration

- Expand Internet-Based Schooling via Digital Platforms:

Bangladesh should scale up online and blended learning, especially in underserved regions. Platforms such as Kishor Batayon, MuktoPaath, and Shikkhok Batayon provide foundational digital infrastructure but require investment in connectivity, content diversity, and interactive design. The COVID-19 pandemic has demonstrated the urgency of building resilient e-learning systems (UNESCO, 2021b).

- Introduce AI-Based Adaptive Learning Systems:

AI-enabled personalized learning platforms can cater to students’ diverse learning needs and pace. Systems like China’s Squirrel AI or USA’s Khan Academy demonstrate how adaptive learning technologies improve outcomes in mathematics, science, and literacy. These systems are particularly effective for low-resource learners and can help bridge performance gaps (World Bank, 2023c).

- **Build on India’s EKSTEP Model:**

Bangladesh can adapt models like EKSTEP, India’s open-source platform that supports foundational learning through mobile apps, community facilitators, and state-level integration. EKSTEP reaches over 200 million learners and offers scalable lessons for digital inclusion and equity (Nandan Nilekani Foundation, 2020).

7.3 Public-Private Partnerships (PPPs)

- **Promote PPPs for TVET Reform and Certification Standards:**

Public-private partnerships are essential to realign TVET curricula with industry standards. Examples include Malaysia’s National Dual Training System and Germany’s dual apprenticeship model. In Bangladesh, PPPs can ensure that TVET centers deliver both certified competencies and practical exposure to high-demand sectors such as manufacturing, construction, ICT, and care work (ADB, 2021).

- **Engage Industry Bodies (e.g., BGMEA, BASIS):**

Sectoral associations such as BGMEA (Bangladesh Garment Manufacturers and Exporters Association) and BASIS (Bangladesh Association of Software and Information Services) should be formally engaged in designing sector-specific short courses, internships, and job placement services. Their participation will align training supply with actual labor demand, enhancing employability and productivity (World Bank, 2021b).

- **Leverage NGOs for Service Delivery in Remote Areas:**

Nongovernment organizations like BRAC, UCEP (Underprivileged Children’s Education Program), and TMSS (Thengamara Mohila Sabuj Sangha) have extensive grassroots networks and proven track records in education, skills, and health services. These organizations can serve as last-mile delivery partners, particularly in hard-to-reach rural or char areas, where public systems are weak or absent (BRAC, 2022; UCEP Bangladesh, 2021).

A new human capital compact for Bangladesh requires bold governance reforms, innovative financing instruments, and smart partnerships that blend public intent with private and community capabilities. Digital tools, adaptive learning, and targeted investment must work in synergy to unlock Bangladesh’s next stage of inclusive development.

8. Conclusion

Bangladesh has made remarkable strides in economic development over the past two decades, achieving sustained GDP growth, expanding its manufacturing base—particularly through the ready-made garments (RMG) sector—and reducing poverty at a historic pace. These accomplishments have propelled the country toward lower-middle-income status and positioned it as a model for development in the Global South.

However, beneath this economic success lies a critical and unresolved challenge: human capital formation remains weak and uneven. Despite gains in primary education and basic healthcare, large segments of the population—especially youth and women—remain undereducated, underemployed, and under-skilled. More than one-third of the labor force lacks secondary

education, and youth unemployment and NEET rates remain alarmingly high. At the same time, public investment in education and health lags behind international norms, severely limiting the quality and reach of services.

Without urgent and substantial investments in human capital—especially in education, preventive healthcare, and skills development—Bangladesh risks falling into the so-called middle-income trap, where growth stagnates due to a lack of productivity, innovation, and institutional capacity. This trap threatens to erode the competitiveness gains the country has made in labor-intensive sectors and to widen socioeconomic disparities between urban and rural areas, and between genders and income groups.

To overcome this constraint, a whole-of-society approach is needed. The government must lead by significantly increasing education and health budgets, reforming outdated curricula, strengthening TVET systems, and institutionalizing a national human capital governance framework. The private sector—particularly in high-growth industries such as ICT, green energy, and healthcare—must collaborate on curriculum design, apprenticeship programs, and upskilling initiatives. Meanwhile, development partners and multilateral institutions must provide catalytic financing, technical assistance, and evidence-based policy support.

Innovation is also key. Digital technologies, AI-based adaptive learning, and digital health platforms can help Bangladesh leapfrog traditional service delivery challenges and reach underserved populations with quality services. Lessons from global models such as India's EKSTEP, and Australia's income-contingent student loan schemes can be adapted to the Bangladeshi context.

In conclusion, human capital is not just a social priority—it is an economic necessity and strategic imperative. Only through a sustained and coordinated commitment to investing in people can Bangladesh realize its Vision 2041 of becoming a prosperous, inclusive, and knowledge-driven upper-middle-income country. The time to act is now—before the window of opportunity presented by the demographic dividend closes.

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