Trade-led poverty reduction: A case study on Bangladesh

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Bangladesh is one of the successful countries in the world that is reducing poverty more quickly. Many factors including women’s education and people’s natural talent are helping, but trade, by creating employment, especially for women, appears to be a dominant factor. Trade and trade-related activities brought many women as entrepreneurs of small and medium sized enterprises.

Bangladesh’s total trade in 1980 was only $2.72 billion, which witnessed a 2005 percent growth in 2012 amounting to $57.27 billion within a time span of 32 years. During the same period, the poverty rate of Bangladesh came down from 73.3 percent to 29.3 percent. The result of a multiple time series regression model shows that export, trade-to-GDP ratio, etc. reduced poverty rate in Bangladesh. The export of garments created a large manufacturing sector in the country, which provided jobs to more than 3 million people, majority of whom are women. A further research can be done in the future to see how women education and women employment in the manufacturing sector is driving the economy and society of Bangladesh.

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