

Exploring Economic Growth-Unemployment Dynamic Interplay in the Context of Bangladesh

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Abstract

Drawing on the key theoretical framework of the Law of Okun (1962), this study aims to provide a complete analysis of the complex connection between economic development and the unemployment rate in Bangladesh. A thorough research was carried out using four unique analytical approaches (correlation analysis, regression analysis, an analysis of variance (ANOVA) table, and a coefficient table) to examine the probable link between two variables over the transitory and perpetual term. Okun's coefficient analysis was the major focus of this investigation. Unfortunately, our research has not uncovered any strong empirical evidence linking the aforementioned factors. According to the results, Okun's rule is limited in its capacity to explain the interdependence and relative influence of the variables of interest in the context of Bangladesh. According to the results of the current research, there is no clear evidence of a negative connection between unemployment and GDP progress. This finding still shows the existence of some link between economic expansion and joblessness. It is important to keep in mind, however, that slow economic development is not the only factor contributing to Bangladesh's unemployment problem.

Keywords: economic growth, unemployment, Okun's Law, relationship, Bangladesh

Introduction

In contemporary times, the global community is confronted with significant economic and financial predicaments, encompassing, among other things, the quandary of joblessness and inadequate economic expansion. This is due to the fact that nations' developmental strategies are geared towards augmenting economic affluence and diminishing unemployment rates (Conteh, 2021). Inexplicably, it is anticipated that the aggregate global unemployment figures will escalate to 208 million individuals by the year 2023, accompanied by an unemployment rate of 5.8% as posited by Luca Ventura in his work titled "Unemployment Rates around the World 2023." The persistent issues of population expansion and joblessness continue to pose formidable challenges across all nations, irrespective of their level of economic

advancement. As a nascent nation in the South Asian region, Bangladesh is not immune to the predicament of unemployment. The economy of Bangladesh has undergone a substantial expansion in recent decades, which has resulted in a notable improvement in the standard of living and a reduction in poverty levels. Notwithstanding other factors, it is noteworthy that one of the most pressing predicaments that the economy of Bangladesh confronts is the issue of unemployment, which has exhibited an upward trajectory over the course of time. Evidence from the Labor Force Survey data, the Bangladesh Bureau of Statistics has reported an increase in unemployment during the initial quarter of 2023 (January-March). According to a report by T. (2023), there was an augmentation in the level of unemployment from 2.32 million to 2.59 million in the preceding quarter. As per the International Labor Organization (ILO), individuals who are actively seeking employment but have been terminated or have voluntarily resigned are classified as unemployed (World Bank, 1998:63). The present study investigates the factors contributing to unemployment in Bangladesh. Consistent with Chowdhury and Hossain's (2014) findings, prevalent factors contributing to unemployment in these economies include technological advancements, increased female participation in the labor market, demographic composition, economic conditions, electricity generation (particularly in Bangladesh), and rural-urban migration. The multifaceted phenomenon of unemployment is contingent upon the intricate interplay of various socio-economic structures and the classification of the nation-state in question, be it developed, developing, or underdeveloped, as posited by Soylu, Çakmak, and Okur (2017).

Anghel, Anghelache, and Manole (2017) argue that unemployment as a macroeconomic indicator shows a nation's incapacity to use its abundant labor resources. This observation highlights the existence of a significant population of highly motivated individuals who actively seek employment opportunities and possess the requisite skills and competencies to contribute to the overall productivity output. However, despite their best efforts, they remain unable to secure gainful employment. The computation of the unemployment rate involves quantifying the proportion of individuals who are not currently employed, commonly referred to as the unemployed, expressed as a ratio relative to the entire population of job seekers., known as the labor force, articulated as a percentage. The labor force, commonly referred to as the economically active population, is a composite of individuals who are either employed or unemployed, as defined by the International Labor Organization (2013).

Consequently, quantifying the percentage of individuals without employment necessitates quantifying both the employed and unemployed populations. Phan (2006) posits that economic growth pertains to a rise in the aggregate output of an economy within a specified timeframe. The phenomenon under consideration may be comprehended as a rise pertaining gross domestic product (GDP) or gross national product (GNP) or an augmentation in personal income over a specified timeframe. The phenomenon of economic growth is written off as by a measurable escalation in the aggregate production of commodities and amenities within a specified economic system, as expounded upon by Manh (2014). Drawing upon extant literature, it can be posited that the prevalence of unemployment and GDP growth are salient metrics that are vigilantly tracked by both government officials and the general populace, as they provide a comprehensive overview of a nation's economic progress (Sadiku et al., 2015).

As a prominent macroeconomic issue, the link between unemployment and expansion has been the subject of much theoretical and empirical study. The notion that an elevated Gross Domestic Product (GDP) growth rate engenders a commensurate increase in employment levels and a concomitant reduction in unemployment is an extensively embraced tenet within the realm of the discipline of economics. "Okun's Law" establishes an assembly between advancement of economy and joblessness. Chowdhury and Hossain

(2014) state that expansion and unemployment go hand in hand. The connection is, as was said, a major one in the study of macroeconomics. The evidence for this comes from developed nations. Several academic publications, such as those written by Lee (2000), Farsio and Quade (2003), Christopoulos (2004), and Daniels and Ejara (2009), lend credence to this claim. Although the connection between unemployment and economic development has been studied extensively, not enough attention has been paid to it in emerging nations, especially South Asian ones. This represents a substantial deficiency in the existing body of scholarly works, as the issue of unemployment and its impact on macroeconomic outcomes is of utmost importance. Previous research has unequivocally demonstrated the intricate interdependence between economic growth and unemployment, necessitating policymakers' comprehension of this relationship to devise strategies that foster sustained growth and novel employment prospects. Based on the well-known 'Okun's Law,' this research aims to empirically estimate the connection between economic expansion and the unemployment rate. The research team behind this project also hopes to learn more about how unemployment rates and GDP have changed over the course of the last decade in Bangladesh. Drawing upon the extant scholarly discourse, the ensuing inquiry shall endeavor to elucidate the subsequent research inquiries:

RQ1: What is the connection pattern between economic growth and unemployment?

RQ2: Is 'Okun's Law' appropriate in the context of the Bangladesh economy?

To furnish empirical responses to the aforementioned concerns, this study shall leverage an extensive array of secondary sources, encompassing official governmental publications, erudite journal articles, and databases of statistical information. To obtain valuable insights regarding the association between fiscal development and joblessness, scholars will analyze the collected data utilizing appropriate statistical methodologies.

This research adds to the literature on Bangladesh's complex economic development-unemployment link. This research will help policymakers understand the many causes of unemployment. The discoveries might also lead to long-term economic development and employment creation. This research seeks to further Bangladesh's sustainable development and employment debate. A broad and rigorous study of the correlation between increased economic activity and higher unemployment will accomplish this. The next parts analyze the literature and show study's rigorous methodology. After that, the paper describes the careful examination and nuanced interpretation of empirical data, concluding with a clear conclusion emphasizing imminent survey insinuations.

Literature Review

The complex association between unemployment and economic development has been premeditated for decades. Despite extensive study, politicians disagree on this subject. This study summarizes empirical research on unemployment and economic growth. Arthur Okun pioneered unemployment-economic growth research. Okun's Law, proposed in 1962, contends that unemployment and fiscal progress are inversely related. This widely established theory has helped us grasp the relationships between these two economic factors. The Okun rule, a basic macroeconomic theory, states that unemployment and GDP growth are inversely related over time. Rapid GDP growth lowers the unemployment rate. Low GDP growth raises unemployment. GDP growth equals potential keeps unemployment constant. As Olusadum (2018) suggested, Okun's law was tested. A number of studies, including Kenton (2022), Dankumo et al. (2019), and Pasara and Garidzirai (2020), have found no correlation between unemployment and economic expansion. Pierdzioch et al. (2009) analyzed G7 economic growth and unemployment rates between 1989

and 2007. The study's results support the idea that Okun's rule matches professional economists' forecasts about unemployment and GDP growth. Researchers found a strong link between unemployment and production gap. Wang and Abrams (2007) found an adverse unemployment-economic growth connection. The 1970–1999 study examined 20 OECD nations. Ahmed et al. (2011) studied unemployment and GDP growth in Nigeria from 2000 to 2008. They found that unemployment reduces Nigerian GDP growth by 65.5 percent. Unemployment negatively affects economic growth, according to their findings. The study conducted by Irfan Lal and colleagues (2010) aimed to assess the soundness of Okun's law in select Asian nations by utilizing annualized time series data spanning from 1980 to 2006. In a study conducted by Seyfried (2003), an analysis was performed on the intricate nature of the interplay involving job creation and revenue growth in the top ten most populous states in the United States. The conclusions of the research revealed that while economic growth exhibits a favorable and noteworthy influence on employment growth, certain effects may require a prolonged duration of time to be comprehensively realized. The role of persistence in employment growth is of significant importance. A sustained period of economic growth may be a prerequisite for the realization of discernible effects on the labor market. The study conducted in Belgium by Burggraeve et al. (2015) estimated that a 1% increase in GDP results in a 0.5% increase in employment, as measured by deviation from their respective trends. Empirical findings from a study conducted in Vietnam have demonstrated employment levels and economic expansion have a robust relationship. The outcomes of the study conducted by Manh et al. (2014) indicate that the employment elasticity of economic growth is characterized by negative, upbeat, and positive values of -0.49, 0.55, and 0.66 for the agriculture, manufacturing, and service sectors, respectively. Additionally, the Vietnamese economy as a whole exhibits a notably high employment elasticity of economic growth, with a value of 1.71 during the specified period.

According to the scholarly work of (Bayrak & Tatli, 2018) it has been established that youth unemployment is adversely impacted by inflation, economic growth, and savings. According to Butkus et al. (2019), the phenomenon of unemployment among the younger demographic is subject to variation across different economic sectors. Furthermore, the authors note that the unemployment rate among male youths exhibits a significant correlation with fluctuations in GDP (Butkus et al., 2020). The empirical findings of Farhat et al. (2021) reveal that Asian countries exhibit a statistically significant adherence to Okun's Law, a relationship between changes in unemployment and output. Similarly, the research conducted by Elhorst and Emili (2022) confirms that Dutch provinces also exhibit a statistically significant adherence to the aforementioned law. According to Blinova et al. (2020), alterations in production volume have a major bearing on the unpredictable swings in the Russian jobless rate. Depending on research by Warsame and colleagues (2022), it has revealed the presence of co-integration across the extensive and diminutive term between the macroeconomic indicators of economic growth, inflation, and unemployment rate in the context of Somalia. Added to that, the authors argued that inflation has no long-term effect on unemployment but has a negative link with it in the near run. Ahiadorme (2020) discovered that there is a noteworthy association between unemployment and economic growth in Sub-Saharan African countries in the short term. Changes in unemployment and short-term economic growth are hypothesized to be causally related by Danova and Vozarova (2020). The empirical verdicts of Farhat et al. (2021) have substantiated the legitimacy of Okun's law in the perspective of Southeast Asian nations. As per the findings of Karadzic et al. (2021), the legislative framework proposed by Okun holds relevance in the context of Montenegro. In addition to the examination of foreign literary works, an exploration of the economic landscape in Bangladesh has yielded analogous discoveries to those previously mentioned. Empirical research conducted

in Bangladesh has yielded incongruous findings regarding the interplay between economic development and unemployment. Notably, Ahmed et al. (2018) and Rahman and Uddin (2017), among other scholars, have arrived at the conclusion that economic growth exhibits an inverse correlation with the unemployment rate. However, extant literature has presented divergent results. Siddiqui and Ahmed's (2016) empirical investigation revealed that the purported positive impact of heightened economic affluence on the unemployment rates in Bangladesh needed to be substantiated, particularly concerning the demographic cohorts of young individuals and females. They espoused the adoption of suitable policies and initiatives to surmount the distinctive hurdles encountered by these cohorts in the labor market. According to the findings of Siddiqua et al. (2018), there exists a significant relationship between a country's unemployment rate and its economic status, political stability, and globalization. Dankumo and colleagues (2019) have posited that a significant association exists between political instability, corruption levels, economic growth, and unemployment rates over an extended period. The present study reveals that, aside from political instability, no other factors exert a statistically significant influence on economic growth. It is noteworthy that political instability has been driven that there is a detrimental effect on the economy's expansion. The observations made by Osinubi (2005) suggest that while economic growth is a crucial factor in mitigating joblessness and poverty, it is not an all-encompassing solution. The author posits that not all of the causes of joblessness and impoverishment can be resolved by boosting the economy. Consequently, it is imperative to implement additional policies that facilitate the development of investment programs, thereby fostering employment opportunities, expediting economic expansion, and eliminating poverty and unemployment (Olusadum, 2018).

Methodology

The research underway strives to examine the complex interdependence between the macroeconomic occurrences of joblessness and financial expansion within the confines of Bangladesh. Specifically, this research endeavors to scrutinize the temporal evolution of these two pivotal economic indicators over a decade-long period, commencing from the year 2012. The present investigation is grounded on an exploratory research design. The present study has relied upon secondary sources to gather data, including a diverse array of National and International survey reports, publications by the Bangladesh Bureau of Statistics, Census reports, prior scholarly articles, and news sources. The present investigation entails a comprehensive descriptive and time series analysis of the data pertaining to economic progression and redundancy level. Additionally, the study aims to scrutinize the impact of unemployment on fiscal development by subjecting Okun's Law to rigorous testing. The application of regression techniques is utilized in the examination of the correlation amid joblessness and pecuniary expansion. The statistical software package SPSS version 16 was utilized for the persistence of conducting data analysis.

The extant investigation is predicated upon the utilization of a specific model.

The present study aims to investigate the affiliation concerning the unemployment level and economic growth. The model posits that the unemployment rate is a function of economic advance, represented by means of the parameter β_1 , and an error term ε . The intercept term β_0 represents the baseline level of unemployment in the absence of progressive economic condition. In this research, the link between two variables, economic growth as the independent variable and unemployment rate as the dependent variable, is investigated. The variable "unemp rate" denotes the yearly rate of unemployment, while the variable "ecogwth" represents the annual Gross Domestic Product at a constant price. Similarly, it can be observed

that β_0 represents the intercept of the dependent variable, β_1 denotes the gradient of the independent variable, and ϵ signifies the residual term that accounts for unexplained variability in the model.

In accordance with Okun's Law, the present study posits the following hypothesis:

H1: There is a noteworthy inverse correlation between the rate of unemployment and the level of economic growth.

Data Analysis and Interpretation

Table 1: Descriptive Analysis

Descriptive Statistics		Economic Growth Rate	Unemployment Rate	Annual Change
Mean		6.52%	4.56%	0.4500%
95% Confidence Interval for Mean	Lower Bound	4.30%	-1.07%	-1.07%
	Upper Bound	4.83%	1.97%	1.97%
5% Trimmed Mean		6.61%	4.54%	0.50%
Median		6.59%	4.41%	0.49%
Variance		1.35	.16	5.15
Std. Deviation		1.16%	0.40%	2.27%
Minimum		3.45%	4.12%	-4.43%
Maximum		7.88%	5.41%	4.47%
Range		4.43%	1.29%	8.90%
Interquartile Range		1.19%	0.33%	1.24%
Skewness		-1.98	1.50	-0.26
Kurtosis		5.24	1.32	2.16

Table 2: Economic Growth Rate of Bangladesh from 2012-2022

Year	Economic Growth Rate
2022	7.25%
2021	6.94%
2020	3.45%
2019	7.88%
2018	7.32%
2017	6.59%
2016	7.11%
2015	6.55%
2014	6.06%
2013	6.01%
2012	6.52%

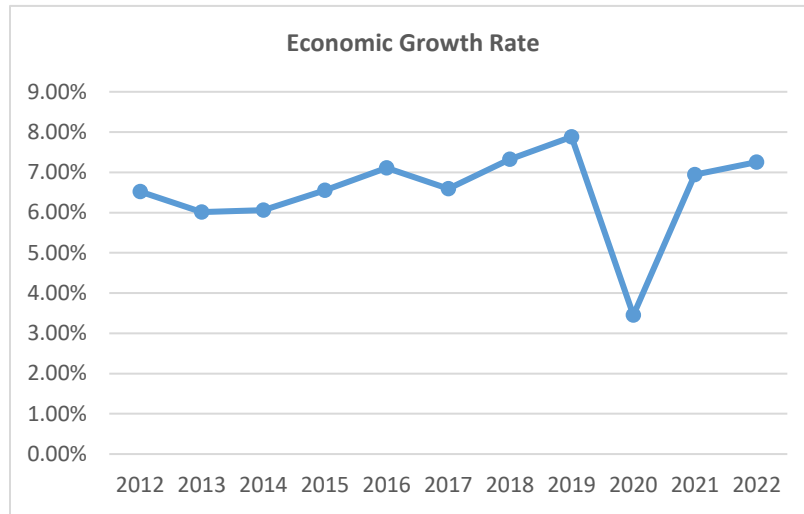


Figure 1: Economic Growth Rate of Bangladesh from 2012-2022

The empirical evidence suggests a generally favourable trend in the rate of economic expansion from 2012 to 2019, albeit with sporadic fluctuations. The observed growth rate underwent a substantial decline in the year 2020, which may be attributed to the global ramifications of the COVID-19 pandemic. Throughout the years 2021 and 2022, the growth rate underwent a resurgence, albeit with a marginal reduction in contrast to the pre-pandemic era.

Table 3: Unemployment Rate of Bangladesh from 2012-2022

Year	Unemployment Rate
2022	4.70%
2021	5.23%
2020	5.41%
2019	4.44%
2018	4.41%
2017	4.37%
2016	4.35%
2015	4.37%
2014	4.38%
2013	4.43%
2012	4.12%

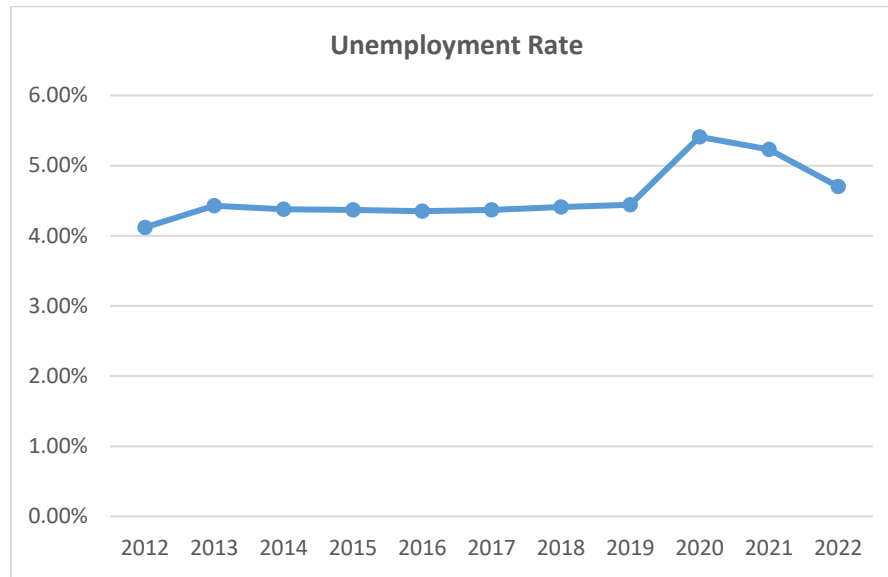


Figure 4.2. Unemployment Rate of Bangladesh from 2012-2022

The empirical evidence indicates a phase of consistent and diminished levels of unemployment between the years 2012 and. The COVID-19 pandemic exerted a significant influence on the socio-economic landscape of 2020, leading to a transient escalation in the unemployment rate. Following the pandemic, there was a gradual recuperation in the ensuing years, as evidenced by a reduction in unemployment rates. However, the rates remained marginally higher than those observed prior to the pandemic.

Table 4: Annual Change in Economic Growth of Bangladesh from 2012-2022

Year	Economic Growth Rate	Annual Change
2022	7.25%	4.47%
2021	6.94%	3.49%
2020	3.45%	-4.43%
2019	7.88%	0.56%
2018	7.32%	0.73%
2017	6.59%	-0.52%
2016	7.11%	0.56%
2015	6.55%	0.49%
2014	6.06%	0.05%
2013	6.01%	-0.51%
2012	6.52%	0.06%

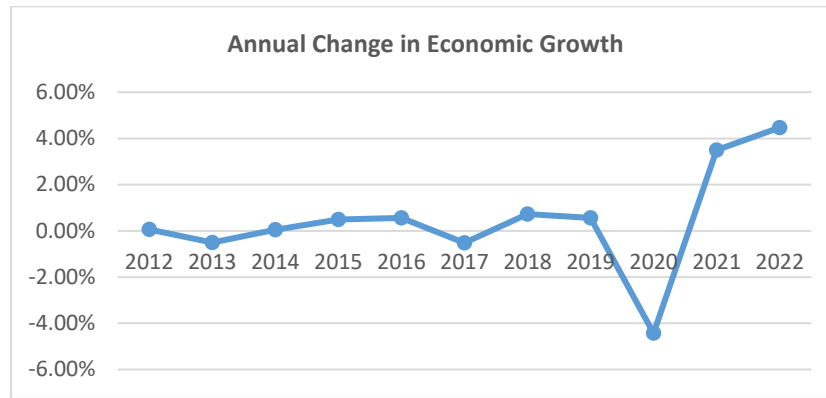


Figure 4.3. Unemployment Rate of Bangladesh from 2012-2022

The empirical evidence indicates a phase of minor oscillations succeeded by a general ascending pattern spanning from 2012 to 2019. The year 2020 experienced a significant decline as a result of the pandemic. During the years 2021 and 2022, a period of economic recovery and growth was observed.

Table 5: Correlations Analysis

		Unemployment Rate	Economic Growth Rate
Unemployment Rate	Pearson Correlation	1	-.542
	Sig. (2-tailed)		.085
	N	11	11
Economic Growth Rate	Pearson Correlation	-.542	1
	Sig. (2-tailed)	.085	
	N	11	11

The tabular representation presented herein elucidates the correlation that subsists between the dependent variable, specifically the Unemployment rate, and the independent variable, which pertains to the Economic growth rate. The empirical evidence suggests the existence of a moderately adverse correlation (-.542) between the unemployment rate and the rate of economic expansion. There exists a negative correlation between the rate of unemployment and the Gross Domestic Product (GDP), whereby an elevation in the latter is concomitant with a reduction in the former. In light of the fact that the p-value surpasses the threshold of 0.05, one may deduce that the correlation observed is devoid of statistical significance.

Regression Analysis

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.542a	.293	.215	0.35295%
a. Predictors: (Constant), Economic Growth Rate				

Table 7: ANOVA Table

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.466	1	.466	3.739	.085b
	Residual	1.121	9	.125		
	Total	1.587	10			

a. Dependent Variable: Unemployment Rate

b. Predictors: (Constant), Economic Growth Rate

Table 8: Coefficients Table

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.777	.636		9.082	.000
	Economic Growth Rate	-.186	.096	-.542	-1.934	.085

a. Dependent Variable: Unemployment Rate

According to Table 6, the Model Summary indicates an R² value of 0.293. This indicates a link between economic development and joblessness, with growth explaining 29.3 percent of the variation in the jobless rate. The remaining proportion of the variation, amounting to 70.7%, can be attributed to additional factors. Table 7 presents the ANOVA table that exhibits the statistical significance of R. Based on the statistical analysis, it can be inferred with 95% confidence that It has been determined that the variables of "Economic Growth rate" and "Unemployment rate" do not exhibit a statistically significant correlation. This conclusion is based on the observation that the calculated p value surpasses the established threshold of 0.05. Coefficients According to the data presented in Table 8, it is discernible that the rate of economic expansion does not exhibit a statistically noteworthy deleterious impact on the rate of unemployment. This is evidenced by the unstandardized coefficient of -.186, t (9) = -1.934, and p-value greater than 0.05.

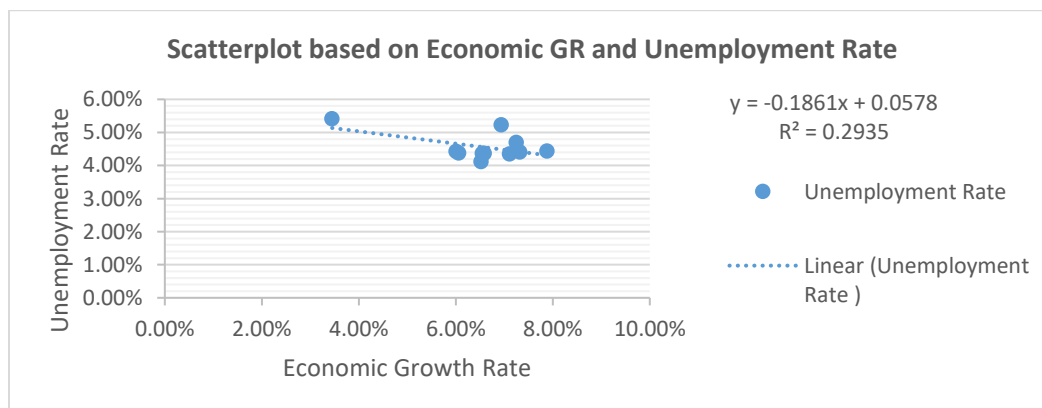


Figure 4.4. Unemployment Rate of Bangladesh from 2012-2022

The graphical representation, commonly known as a scatter plot, evinces a negative correlation between the rate of economic growth and the rate of unemployment. As the rate of economic expansion augments,

a proclivity for a concomitant reduction in the rate of unemployment is observed. The negative correlation that exists between the phenomenon of economic growth and the levels of unemployment suggests that an augmentation in economic growth is concomitant with a reduction in the rates of unemployment.

Findings

In this study, researchers investigate how unemployment and the dynamics of GDP growth interact with one another. In addition, this study uses a comparative analysis to determine whether or not Okun's rule holds weight in the particular circumstances of Bangladesh. The fundamental objective of this study is to identify the factors that contribute to economic development and how this advancement in turn, governs the prevalence of unemployment. The current inquiry used an 11-year sample period, starting in 2012 and ending in 2022, to test the applicability of Okun's rule within the parameters of the investigated nation.

This particular inquiry proffers Table 5, which exhibits the correlation betwixt the reliant variable, specifically the level of the unemployment rate, and the autonomous variable, the Economic growth rate. The empirical results show a statistically significant, somewhat negative connection (-.542) between the unemployment rate and the pace of economic expansion. The available empirical data indicates that a rise in the Gross Domestic Product (GDP) is inversely correlated with the unemployment rate. In light of the fact that the p-value surpasses the pre-established alpha threshold of 0.05, one may deduce that the observed correlation does not achieve statistical significance at the elected level of confidence.

In a regression study, GDP growth served as the independent variable, and the unemployment rate served as the dependent variable. The intent of this investigation was to weigh the impact of a flourishing economy on the jobless rate. The coefficient of determination (R^2) is 0.293, as shown in Table 6 of the Model Summary. Economic growth rate is shown to have a statistically significant link with unemployment rate, with the former explaining around 29.3 percent of the variation in the latter. Seventy-seven percent of the remaining variance is due to causes outside those already accounted for. The statistical significance of the variable R is broken out in detail in Table 7's ANOVA results. It can be concluded with 95% confidence that there is no statistically significant link between the variables "economic growth rate" and "Unemployment rate," as demonstrated by a p-value larger than 0.05, based on the statistical study performed. Coefficients Table 8 shows that the observed economic growth rate does not have a statistically significant negative influence on the unemployment rate. This result is supported by a -.186 unstandardized coefficient, a t-value of -1.934, and a significance level greater than 0.05. It follows from a careful examination of the data that. The current analysis suggests a correlation between the two variables being examined, even though there is a good chance that randomness could affect one or both variables or that other variables could affect the two variables in question and weaken the direct relationship. Nevertheless, the correlation is discernible and merits further exploration.

Upon thoroughly examining and scrutinizing the subject matter, it can be inferred that the following deductions have been made. A correlation exists between the two variables under scrutiny, albeit subject to stochastic fluctuations that may impact one or both variables. Other variables may influence the two, attenuating the direct correlation, although it is still discernible.

Conclusion

The persistent issue of elevated levels of unemployment continues to afflict all nations across the globe. Using Okun's Law as a theoretical framework, the current research intends to give a complete examination of the effects of unemployment on the Bangladeshi economy. This inquiry is predicated on the premise that

there is a negative correlation between economic expansion and joblessness, as stated by this statute. The results of the current investigation place limits on the scope of Okun's rule in Bangladesh, both in terms of the interaction between and the size of the effects of the various factors. In contrast to numerous extant studies wherein a strong and negative relationship is observed, the present investigation yields empirical findings that need to be deemed robust.

This study has demonstrated a correlation between the phenomenon of unemployment and the process of economic development in the context of Bangladesh. The absence of statistical significance in this association, however, indicates that the causative role of sluggish economic progress in Bangladesh's unemployment predicament is merely predominant. Kashem and Islam (2023) posit that the current state of employment generation is impeded by a plethora of predicaments that have impinged upon the industrial sector. The insufficiency of raw materials, escalation of utility expenses such as gas and electricity, and the decline in consumer demand are all factors that contribute to the current situation. The ongoing conflict between the Russian Federation and Ukraine has yielded a deleterious impact on the economic landscape, as evidenced by the emergence of inflationary pressures that have served to exacerbate the prevailing circumstances. Due to these issues, Ricci (1962) asserts that high unemployment rates are a direct consequence of restrictive labor market practices and legislation, such as those that control negotiations between workers, wage regulations, as well as employment environments.

Furthermore, changes to labor market institutions come with high costs for employers, which limits employment opportunities. However, an alternative scholarly perspective posits that the onus of addressing elevated levels of unemployment cannot be solely attributed to the government, as it necessitates the establishment of a favorable milieu and adaptable labor market regulations that incentivize numerous private enterprises and small-scale ventures (Banda et al., 2016). The remarkable economic expansion of Bangladesh in the past decade has been observed to have failed to generate employment opportunities commensurate with the growth, thereby prompting inquiries into the relevance of the growth for a substantial segment of the populace (Byron, 2019). Even with the robustness of the economic expansion, there has been a deceleration in the pace of employment generation. The issue of automation presents a significant obstacle in the manufacturing and services industries, particularly concerning the aforementioned sectors.

Furthermore, a worldwide economic downturn and subsequent depression can significantly increase inflation rates, thereby exerting a detrimental impact on the economic landscape of nations. Presently, a considerable number of nations situated in Southeast Asia are undergoing a remarkable surge in inflation. Henceforth, policymakers must prioritize the enhancement of their monetary and fiscal frameworks to address the issue of inflation effectively. One potential solution involves increasing trade openness and enhancing export capabilities, which has been shown to promote currency stability and reduce the likelihood of currency crises. Inflation can be effectively managed by bolstering a country's capacity and willingness to repay external debt (IMF, 2002). In the specific context of Bangladesh, Raihan (2022) has identified several measures that may effectively mitigate the pressing issue of high unemployment rates. These measures include implementing pro-employment policies by the government, which can provide ample job opportunities for the growing workforce.

Additionally, fostering an environment that supports a thriving private sector can lead to long-term investments in job creation. Short-term training programs can also be initiated to assist informal workers in acquiring market-relevant skills. Furthermore, the education and skills training system must be aligned with the demands of the future economy. Strengthening labor market institutions, which can leverage data, is

also crucial. Lastly, migration policies that offer skilled workers opportunities are a viable solution. The imperative for developing nations, such as Bangladesh, to cultivate investment policies that enhance efficacy and engender opportunities for their labor force is a salient consideration in the pursuit of bolstering economic growth (Mujitapha et al., 2023).

Beyond that, the results expounded in this investigation constitute a significant augmentation to the extant body of scholarly works and provide insight into potential avenues for future research. In addition to its empirical contribution, this study serves to aid governmental bodies and policymakers in refining and optimizing their policy decisions pertaining to sustainable economic practices. Finally, it is of utmost importance to acknowledge the possibility of further inquiry into diverse macroeconomic determinants, including the rate of inflation, financing costs, expansion of the monetary system, and exchange rate fluctuations. It is plausible that a negative correlation between the unemployment rate and economic growth rate may ensue in both the short and long term, owing to a confluence of factors.

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