

WEBINAR

Youth Perspective on Covid-19 Crisis in Bangladesh
Response through Stimulus Package, National Budget and Planning

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Presented by

South Asian Network on Economic Modeling (SANEM)

Research Team

- Dr. Selim Raihan, Executive Director, SANEM
- Zubayer Hossen, Research Economist, SANEM
- Eshrat Sharmin, Research Associate, SANEM
- Mir Ashrafun Nahar, Research Associate, SANEM
- Fabiha Bushra Khan, Research Associate, SANEM

Outline of Presentation

1. Background and Objectives
2. Profile of Youths
3. Impact of Covid-19 Crisis on Youths
4. Response through Stimulus Package, National Budget and Planning in Bangladesh
5. Recommendations

1. Background and Objectives

Background and Objectives (1/2)

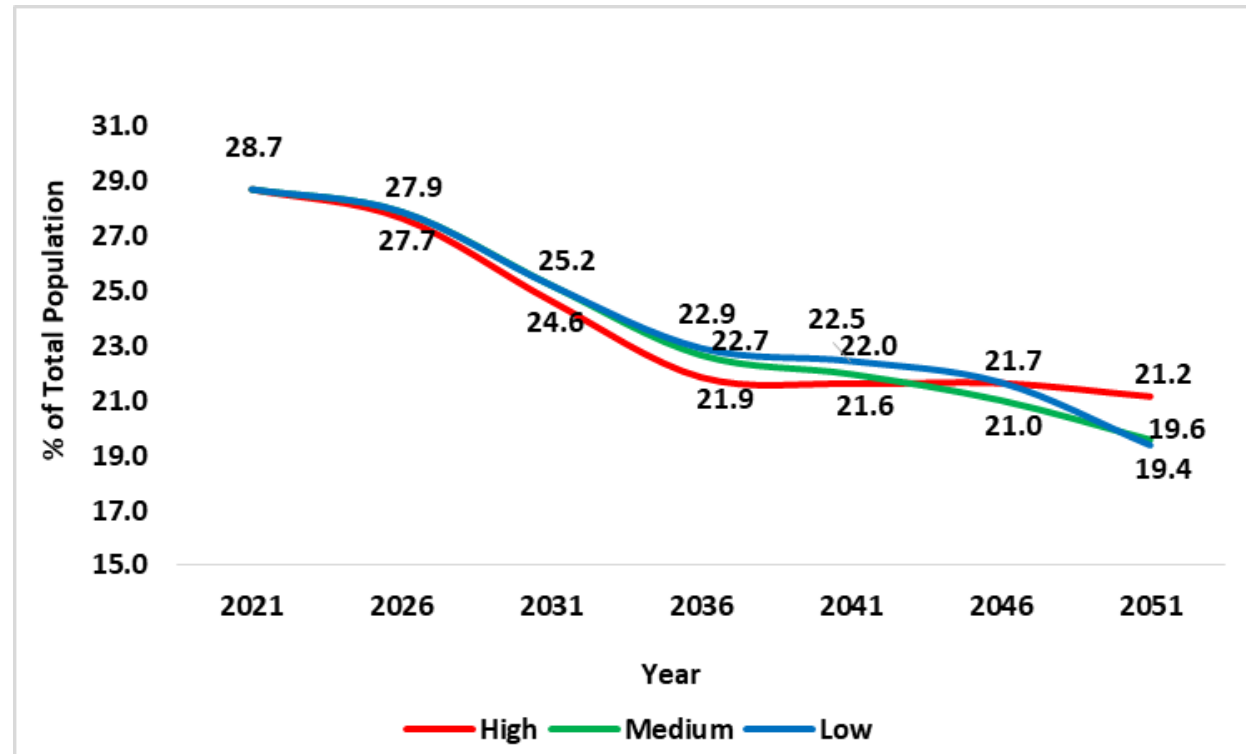
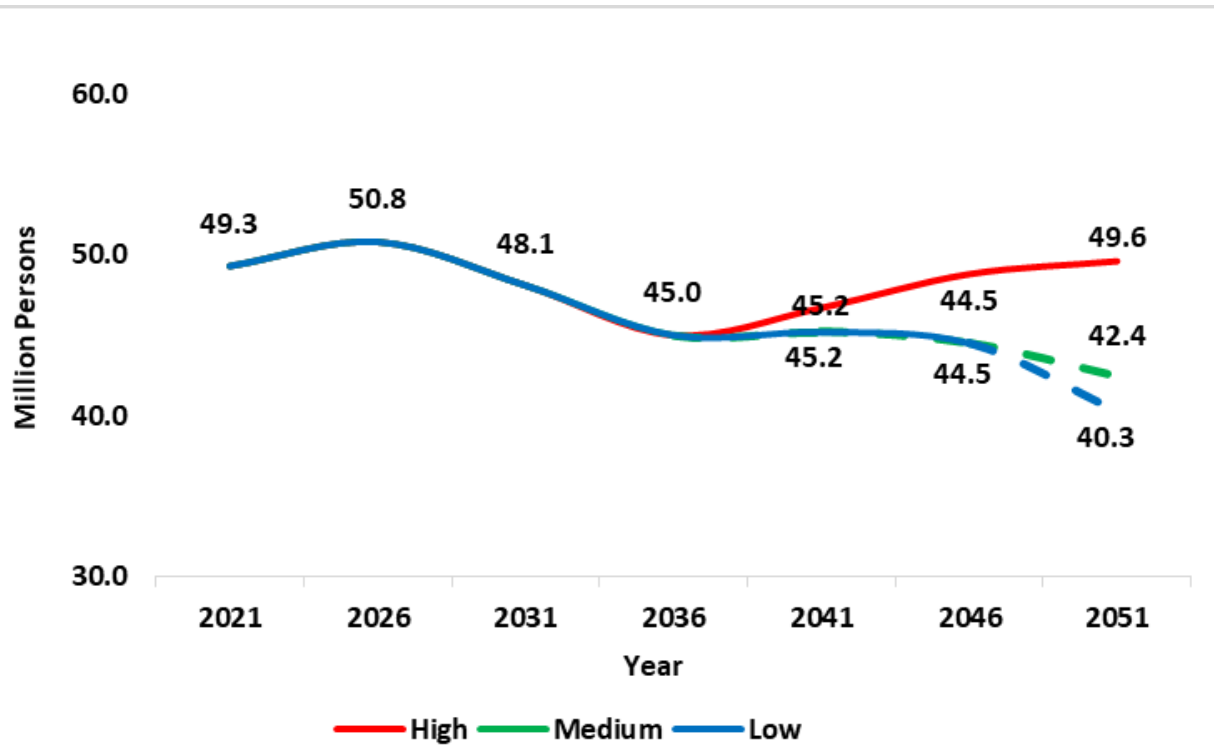
- The Covid-19 epidemic is affecting people of all ages and backgrounds. The youths are not out of it.
- In Bangladesh, where the opportunities for skill development of the youths are in many cases limited, such pandemic has further complicated the situation.
- With the stagnation in education and the uncertainty of the future, youths are going through a hard time.
- In recent times, most of the start-ups, run by young entrepreneurs, have come to a standstill, hurting the youths engaged in this sector at various levels.

Background and Objectives (2/2)

- There is a huge number of educated unemployed in Bangladesh. This crisis is expected to worsen the situation.
- Tackling these issues requires a concerted effort, sound planning, and effective implementation.
- This study aims to understand the impact of the Covid-19 crisis on youths; assess the youth sensitivity of stimulus package, budget allocation, and five-year plan; and recommend policies to address the gap.
- However, while the national youth policy 2017 considers 18-35 years as the age group of youths, following the Labour Force Survey, this study considers 15-29 years as the relevant age group.

2. Profile of Youths

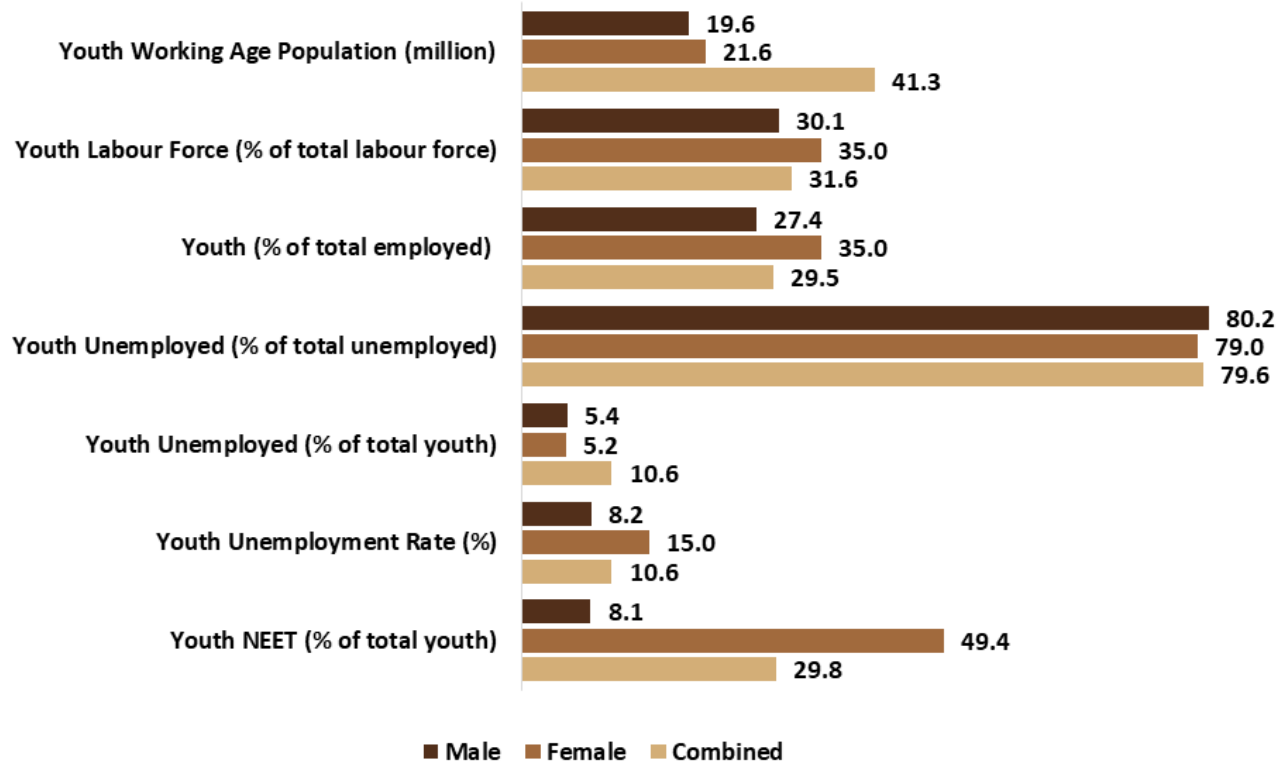
Projection of Youth Population Aged 15-29



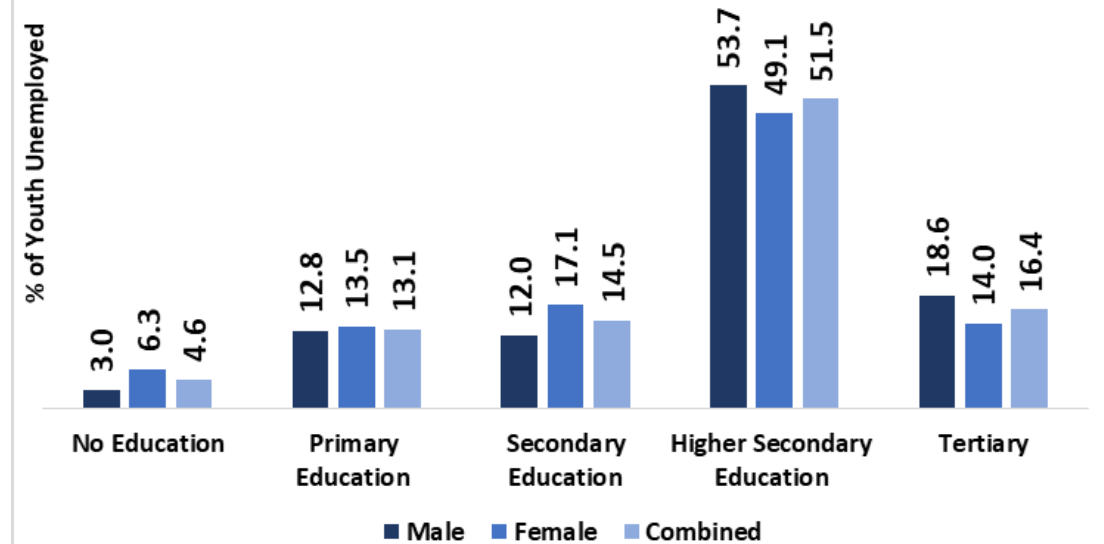
Data Source: Bangladesh Bureau of Statistics

Characteristics of Youth Population

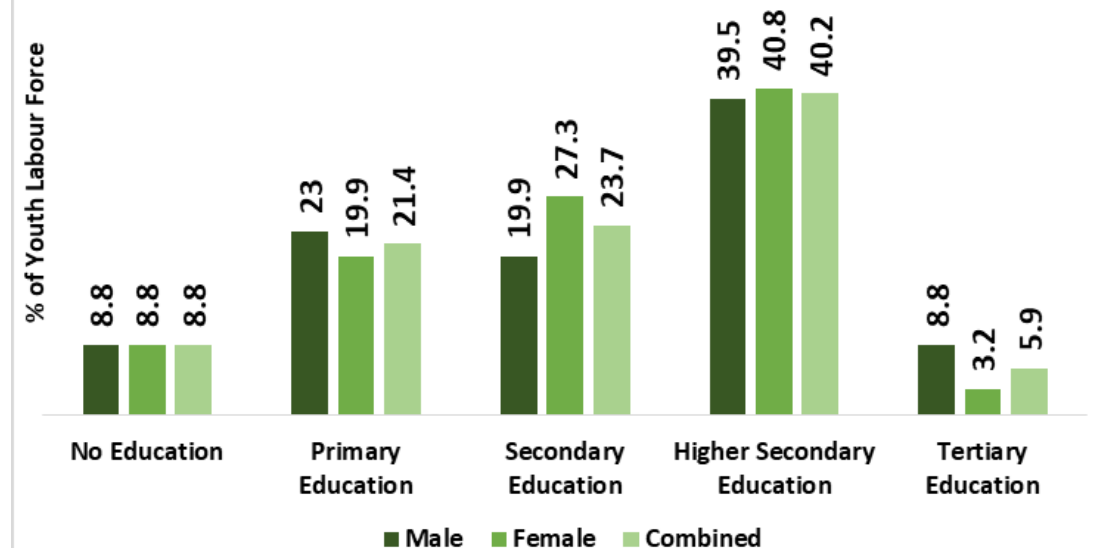
Labour Market Profile of Youth



Education Status of Unemployed Youth



Education Status of Youth Labour Force



Data Source: The Labour Force Survey 2016-17

3. Impact of Covid-19 Crisis on Youths

Transmission Mechanism: How is Covid-19 Affecting the Youths?

- Health
- Education
- Employment
- Income
- Poverty
- Domestic Violence

Health

- The Covid-19, like most of the affected countries, threatens millions of lives in Bangladesh.
- Many countries, particularly the European countries have experienced that older people are at highest risk from Covid-19.
- In Bangladesh, it has been observed that the rate of getting infected by Covid-19 is higher for youths.
- Until today, approximately 26% of the country's total Covid-19 patients are in the age bracket of 21–30 years.
- This shows that the youths are also highly vulnerable to Covid-19.

Education

- Educational institutions in Bangladesh have been closed since March 17 in an attempt to contain the spread of deadly Covid-19.
- This nationwide closure is affecting approximately 37 million students across the country.
- The learning is being interrupted as only a handful of educational institutions could adopt online teaching methods.
- All kinds of competitive examinations are on hold.
- As the days pass by with no immediate solution to stop the outbreak of Covid-19, the chances of rise in drop outs increase.
- If the closure lasts for a longer period, along with a short-term impact on the continuity of learning, it will engender far-reaching economic and societal consequences.

Employment

- The current massive economic disruption is hurting the 20 million youth labour force of Bangladesh.
- Around 89% of total employed youths in the country are engaged in informal employment.
- The Covid-19 crisis is affecting the employment of youths adversely as the nation observes closure of firms/factories and reduced production.
- Due to this epidemic, many youths might get unemployed or underemployed.
- Youths who work in overseas might lose their jobs.
- Many youths might see further reduction in quality of jobs.
- The share of youths not in education, employment or training (NEET) might upsurge.

Income

- The ongoing crisis might lessen the future earning prospects and welfare of youths.
- Uncertain domestic job opportunities and reduction in access to work might lead to reduced future earnings.
- Many youths working in ICT sector (e.g. freelancing jobs) might see drop in income.
- Income losses for informal economy workers are likely to be massive.
- Youths operating SMEs and self-employed will also feel the hit in terms of losing incomes.
- In a way, this will increase already soaring inequality of income.

Poverty

- Bangladesh has been compelled to impose a lockdown, resulting in people staying at home and restraining economic activities.
- The slowing down of economic activities is expected to have a disastrous impact on the poverty level of the country.
- According to Bangladesh Bureau of Statistics (BBS), 20.5% of the population, or around 34 million people, are poor.
- An ongoing research of SANEM reveals, with a negative income shock of 25%, the poverty rate will be 40.9%,
- This means, another 20.4% of the population or 33 million will fall into poverty.
- The research also divulges, about 8.7 million youths will fall into poverty.

Domestic Violence

- As the country is going under stay-at-home order, there is a fear on the possible rise of violence against women and girls at home.
- On April 15, the country saw its first domestic violence fatality since the lockdown began.
- A 28-year old wife was murdered by her husband with a sharp weapon at home in Sadar upazila of Feni district.
- According to Ain o Salish Kendra (ASK), between January and March 2020, 13 women were murdered by their husbands.
- Manusher Jonno Foundation (MJF) reported, more than 300 incidences of domestic violence and 36 rape incidents occurred in March in three districts alone.

4. Response through Stimulus Package, National Budget and Planning in Bangladesh

Youth and Stimulus Package (1/2)

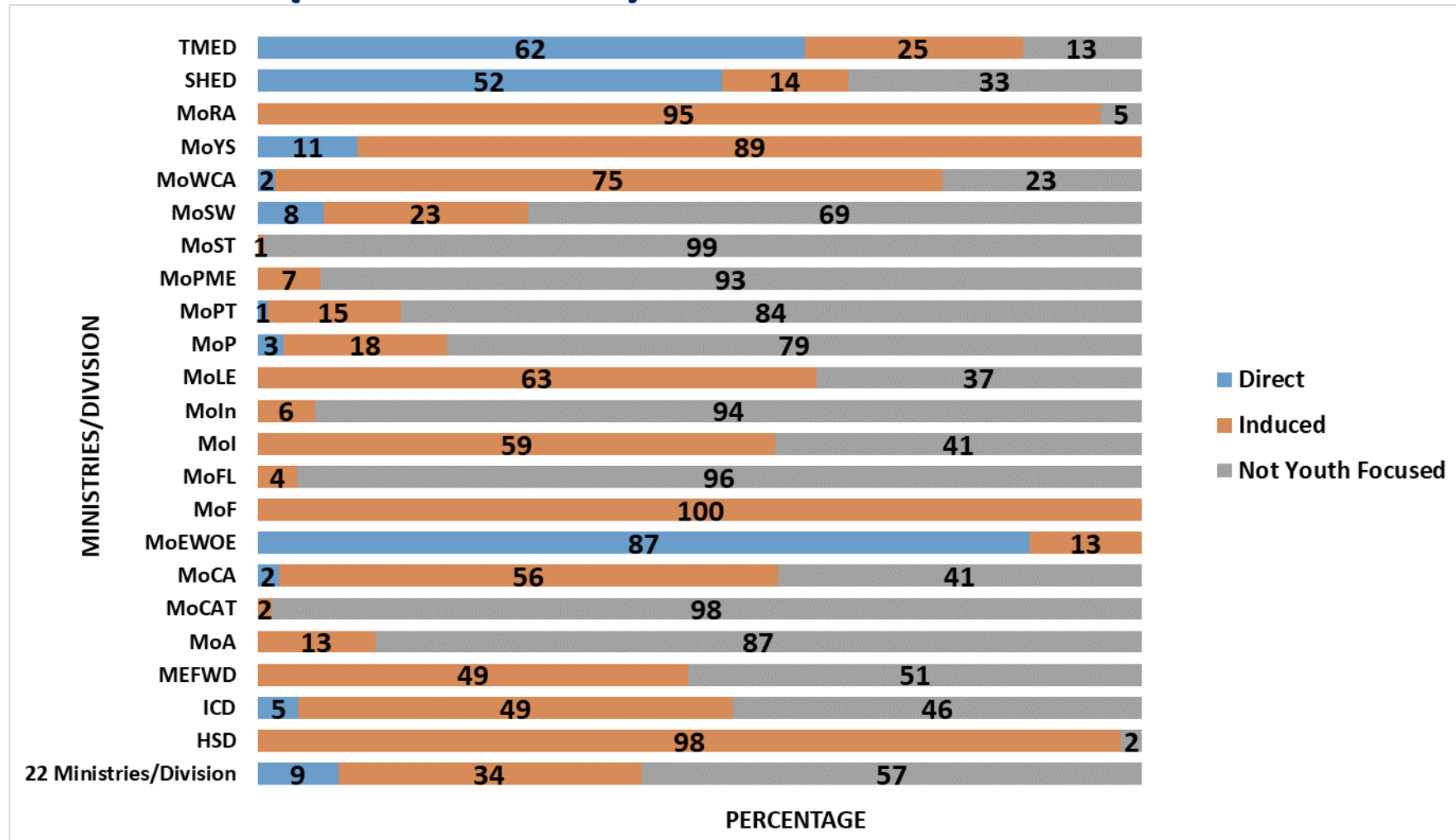
The stimulus package, announced by the Government of Bangladesh (GoB), neither provides any direct allocation nor gives any specific direction for the youths. Nevertheless, the following allocations and policy guidelines might benefit the youths.

- BDT 50 billion stimulus was announced for **paying salaries** in RMG industry.
- BDT 50 billion agriculture stimulus was announced for the **small and medium farmers**, including **poultry** and **dairy** sectors.
- GoB announced 5 million **extra ration cards**.
- **Cottage, small, and micro enterprises** will be allocated 70% of the SMEs stimulus. **Trading** sector, Small businesses in **rural areas** and **women** are included in the SMEs stimulus.

Youth and Stimulus Package (2/2)

- **Export Development Fund (EDF)** will be enhanced by an additional BDT 127.50 billion with decreased interest rate.
- A new credit facility of BDT 50 billion as **Pre-shipment Credit Refinance Scheme** will be introduced.
- GoB announced that none will be considered a **loan defaulter** till June.
- The limit of financial transaction via **mobile banking** has been increased.

Youth Sensitivity of Proposed ADP in the last Fiscal Year (2019-20)



Data Source: Finance Division, Ministry of Finance

Youth Development Goals during Seventh Five Year Plan (FY 2016-20)

Goals/objectives

- Accelerate economic growth and create productive employment opportunities through transforming youths into human resources.
- Organize the youths through voluntary youth organizations.
- Motivate the youths to take part in community development for revitalizing the rural economy.
- Involve the youth in socio-economic activities, e.g. disaster management, primary health care, environmental improvement, resource conservation and awareness building.
- Provide life skill and skill development training to empower the youths and ensure their participation in decision making process.

Targets

- Provide training to 19,25,150 youths.
- Out of them, involve 5,96,000 youths in self-employment activities.
- Offer training to 75,000 youths for temporary employment under National Service Programme.
- Establish seven divisional offices along with infrastructures for Youth Training Centres.
- Transform Sheikh Hasina National Youth Centre as Centre of Excellence.

Strategies

- Improve the link between training and job markets.
- Strengthen the institutional capacity and infrastructures.
- Sufficient resource allocation for human resource development.
- Strengthen the public-private partnership programme.
- Create the employment and self-employment opportunities.⁹

5. Recommendations

Recommendations (1/2)

- Provide health coverage and engage most vulnerable youth group in the health care packages to meet up their basic needs.
- Inclusive education - Public Private Partnerships to widen access to distance learning tools free of cost, expand capacity of networks without demand surges. Education requiring robust social protection expansions.
- Extend social safety net to include unemployed youths (social assistance, public employment programmes), create employment retention schemes, tax reliefs or interest free loans to SMEs operated by youths.

Recommendations (2/2)

- Motivate and engage youth in skill development programmes (development of ICT sector, vocational training) to grab income sources.
- Introduce the strategy to tracking the real poor and help them through proper channels like cash transfers, interest free loans, debt relief.
- Allocations to launch emergency helplines, finance relevant organizations to develop shelters and support services, train police on how to respond and protect victims considering social stigma around this issue

Thank you!

Abbreviation

Ministries/Divisions	Abbreviation
Health Services Division	HSD
Information and Communication Division	ICD
Medical Education and Family Welfare Division	MEFWD
Ministry of Agriculture	MoA
Ministry of Civil Aviation and Tourism	MoCAT
Ministry of Cultural Affairs	MoCA
Ministry of Expatriates' Welfare and Overseas Employment	MoEWOE
Ministry of Finance	MoF
Ministry of Fisheries and Livestock	MoFL
Ministry of Industries	MoI
Ministry of Information	MoIn
Ministry of Labour and Employment	MoLE
Ministry of Planning	MoP
Ministry of Post and Telecommunication	MoPT
Ministry of Primary and Mass Education	MoPME
Ministry of Science and Technology	MoST
Ministry of Social Welfare	MoSW
Ministry of Women and Children Affairs	MoWCA
Ministry of Youth and Sports	MoYS
Ministry of Religious Affairs	MoRA
Secondary and Higher Education Division	SHED
Technical and Madrasa Education Division	TMED