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SANEM, launched in January 2007 in Dhaka, is a non-profit research organization registered with the Registrar of Joint Stock Companies and Firms in Bangladesh. It is also a network of economists and policy makers in South Asia with a special emphasis on economic modeling.

SANEM aims to promote the production, exchange and dissemination of basic research knowledge in the areas of international trade, macro economy, poverty, labor market, environment, political economy and economic modeling. It seeks to produce objective, high quality, country- and South Asian region-specific policy and thematic research. SANEM contributes in governments' policy-making by providing research supports both at individual and organizational capacities.

SANEM has maintained strong research collaboration with global, regional and local think-tanks, research and development organizations, universities and individual researchers. SANEM promotes young researchers from Economics, Business and Social Sciences to undertake independent research works on contemporary issues. SANEM has an internship program in place for fresh university graduates. SANEM arranges regular training programs on economic modeling and contemporary economic issues for both Bangladeshi and other South Asian participants.

--- About SANEM

# Summary Discussion: SANEM-ActionAid Webinar on Implementing Budget FY 2020-21: Youth Development Context

Saturday  
27 June 2020

# Implementing Budget FY 2020-21: Youth Development Context

## Introduction

With the slogan "Economic Transition and Pathway to Progress", a Tk 5,68,000 crore national budget for the FY2020-21 was announced on 11 June 2020, which is expected to mitigate the adverse socio-economic impact of the COVID-19 pandemic. Analysis of the proposed budget through a youth-centric lens is required to assess the strength of policy instruments dedicated to youth development. Hence, to present the youth focused analysis of the proposed national budget to the country's policymakers, researchers, academicians, ministry personnel and relevant stakeholders, South Asian Network on Economic Modeling (SANEM) in partnership with ActionAid Bangladesh held a webinar titled "Implementation of the Budget for the Fiscal Year 2020-21 in the Context of the Development of the Young People", on 27 June 2020, at 11 am.

## Presentation Summary

The presentation showed that 91% of the employed females are engaged in the informal sector while it is 88% for the employed males. The percentage of NEET youth is 36% for the 20-24 age cohorts. The presentation pointed out that more than half of the unemployed youth have completed higher secondary education. The major areas of concerns for the youth are: health coverage, social safety nets, gender-based violence, education and training, income and employment, and poverty. The short-term and long-term effects of the ongoing pandemic have added and will continue to ramify new dimensions to the already existing crises in these areas.

Unlike many countries, the rate of COVID infection among the youth of Bangladesh is higher. Nationwide closure of educational institutions has affected 37 million students, setting a background that might cause lower literacy rate and higher dropout rate. Returned migrant youth workers are struggling to secure employment in the domestic economy due to lack of enabling environment for SMEs and self-employed informal sector workers. Besides, according to World Bank, informal and self-employed workers would experience income loss of three months and remittances would fall by 25%. Around 1.7 million youths in Bangladesh may lose jobs due to the pandemic, according to ILO. Nationwide lockdown has exposed a great number of young women to domestic violence, as MJF reported in June 2020 that violence against women and children has increased by 31%.

The budget 2020-21 has introduced provisions for employment opportunity in ICT sector, food aid for the poor and low-income worker, facilitating underprivileged women's access to information technology, loan facility for unexpectedly unemployed group, expansion of social safety net programs and stimulus package to tackle the pandemic. But there are some shortcomings, such as: limited budgetary allocation in health and education, lack of allocation for the newly poor and unemployed youth, no enhancement of projects which are directly youth centric, no policy instruments for mental health or increased cases of GBV, no framework for ensuring digital facilities for extreme poor students, and no cash transfer program for informal sector employees.

## Discussion Summary

Only 0.05% of the budget was allocated for the 50 million youth of Bangladesh. The allocation might be less effective unless right strategies are inducted to equip the youth with the tools, skills, and resources they require. Serious reform is needed in educational and vocational framework to facilitate youth entrepreneurship. Credit flow in the SME sector should be increased further. Small businesses in rural areas will get subsidized loans of BDT 30 billion from the BDT 200 billion stimulus package announced by the government to support small and medium enterprises (SMEs) affected by the pandemic. Women entrepreneurs will receive at least 5% of the package. Cottage and micro enterprises which were out of the banking channel can also take out loans under the package, if they can produce a considerable written financial statement of their businesses. Medium enterprises that were out of the banking channel will have to obtain at least marginal rating, instituted by the Guidelines on Internal Credit Risk Rating System, to get loans under the newly announced package. Of the total amount under the package, the share of micro and small enterprises will be 70% and the remaining 30% will go to medium industries. However, the red-tapes around every steps to obtain the stimulus package would most likely result in underutilization of the fund. The central bank can play a crucial role in protecting SMEs by abating the requirements. To ensure inclusive growth, the budget should have focused on human resource development. Utilizing the young population in diverse sectors along with RMG and remittance is a vital issue. There is an opportunity to train and employ youths in the 14,000 community clinics across the country. The absence of an accurate database is one of the major barriers towards development initiative for youths in Bangladesh. A long-term plan should be undertaken to reap the benefits of demographic dividend. Proper implementation of the budget and capacity building should be emphasized. Ministry of youth and sports may create a monitoring cell to oversee the implementation process. Although, the representatives of the government present in the webinar mentioned that the newly formed 'Youth Development Council' would make it easier for the concerned 22 ministries to supervise the process.

## Policy Recommendations

- Annual Development Project(s) should be youth centric.
- Participation and representation of the youth in the budgetary decision making arena, especially regarding the youth transmission channels, can bring effective change towards utilizing demographic dividend.
- Allowance for unemployed youth and special guideline/policy for employed youth in informal sector are needed.
- Provision of technology, training and financing is required for the youth led enterprises and potential entrepreneurs.
- Residential facilities, better communication, prevention of child marriage and early pregnancy is important for the female youth.
- Concrete, transparent and flexible loan facilities are required for the extreme poor.
- Good governance and inter-ministry co-ordination are necessary preconditions for effective implementation of the budget and addressing the issues faced by the young people.

## Panelists



### CHIEF GUEST

**MR. NAHIM RAZZAQ**  
Member of Parliament  
Shariatpur 3 Constituency, and Convener  
Young Bangla – National Youth Platform



### SPECIAL GUEST

**DR. ATIUR RAHMAN**  
Professor  
Department of Development Studies  
University of Dhaka



### CHAIR

**MS. FARAH KABIR**  
Country Director  
ActionAid Bangladesh



### MODERATOR

**DR. SAYEMA HAQUE BIDISHA**  
Research Director, SANEM  
and Professor, Department of Economics  
University of Dhaka



### SPECIAL REMARKS

**DR. SELIM RAIHAN**  
Executive Director, SANEM  
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### DISCUSSANT

**MR. NAZMUL AHSAN**  
Manager-Young People  
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### DISCUSSANT

**MR. MAHTAB UDDIN**  
Research Fellow, SANEM  
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### DISCUSSANT

**MR. HUSSAIN M ELIUS**  
CEO and Co-founder  
Pathao