

The National Budget FY 2021-22 from Youth Perspective

Presented by:

South Asian Network on Economic Modeling (SANEM)

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Outline

- Background and rationale
- Profile of youth
- Key policies for youth in the budget
- Youth during Covid-19
- Youth sensitivity of proposed budget
- Recommendations

Background (1/2)

- Bangladesh is currently experiencing the window of opportunity for utilizing the demographic dividend, which will close around 2040.
- Since 2020, the COVID-19 pandemic has induced education, income, employment, and health related challenges on youth.
- There might be increase in unemployment, proportion of NEET youth population, crime in society, early marriages and domestic violence; all with an aging workforce and declining level of national output.
- Long term intergenerational effects including inadequate skill formation, lack of nutrition, unwanted pregnancies etc. might be taking place which require more data to assess appropriately.

Background (2/2)

- Overall, the country's pathway towards sustainable economic recovery and social cohesion, both are vulnerable due to the pandemic's effect on the youth.
- Therefore, if policies do not address the constraints of youth development, the demographic dividend cannot be realised.
- The budget FY2021-22 should address the short to mid term challenges facing the youth.
- This study attempts to assess the proposed national budget 2021-22 from youth perspective in the COVID context and present the expectations.

Youth in development plan

Projection from 8FYP	FY2021	FY2022
Real GDP growth (%)	7.40	7.70
Additional domestic employment (million)	1.43	1.52
Additional overseas employment (million)	0.58	0.61
Additional total employment (million)	2.01	2.13
Additional labor force (million)	1.49	1.53
Excess employment (million)	0.52	0.60

Source: 8FYP

Profile of youth

Even in pre-Covid period-

- Only **44%** of working age youth population were in labour market.
- **29.8%** of total youth population were NEET (Not in Education, Employment, and Training). Among 21-29 years age cohort, the rate is around **36%**.
- Youth unemployment rate is **10.6%** which is much higher than the national unemployment rate of 4.2%.
- **89%** of the total employed youth are engaged in informal sector.
- Bangladesh is among the top 10 countries in the world for child marriage.
- Female labour force participation rate (around **36%**) has been stagnated.

Source: LFS 2016-17

Transmission channels for impact of the pandemic on youth

- Education
- Employment and income
- Health
- Poverty and social safety net
- Gender-based violence

Youth during Covid-19 (1/3)

- At national level, only **22%** participates regularly in online classes (SANEM, 2020).
- In Pre-Covid period, **8.4 million** students' families were below the poverty line.
- With 25% income shock, **19%** additional university students' families will be new poor (Estimation from HIES 16).
- Opening of educational institutions are conditional to vaccination, which will take more time if the rate mentioned in the budget speech prevails (0.25 million per month).
- Level of Covid-19 infection among young people (aged 21-30) in Bangladesh is relatively higher (**27.1%** as of April 21).
- Adolescent friendly health corner (AFHC) have inconvenient service hours for youths (**9 am to 2 pm**).

Youth during Covid-19 (2/3)

7.6% of youths participate in local decision-making with their local governments' engagements.

22.7% of educational institutions regularly take online classes.

57.7% has never availed any digital device for educational purposes.

87.8% married female youths experienced IPV during the pandemic period.

79.7% of the self-employed youths have reported decline in profit.

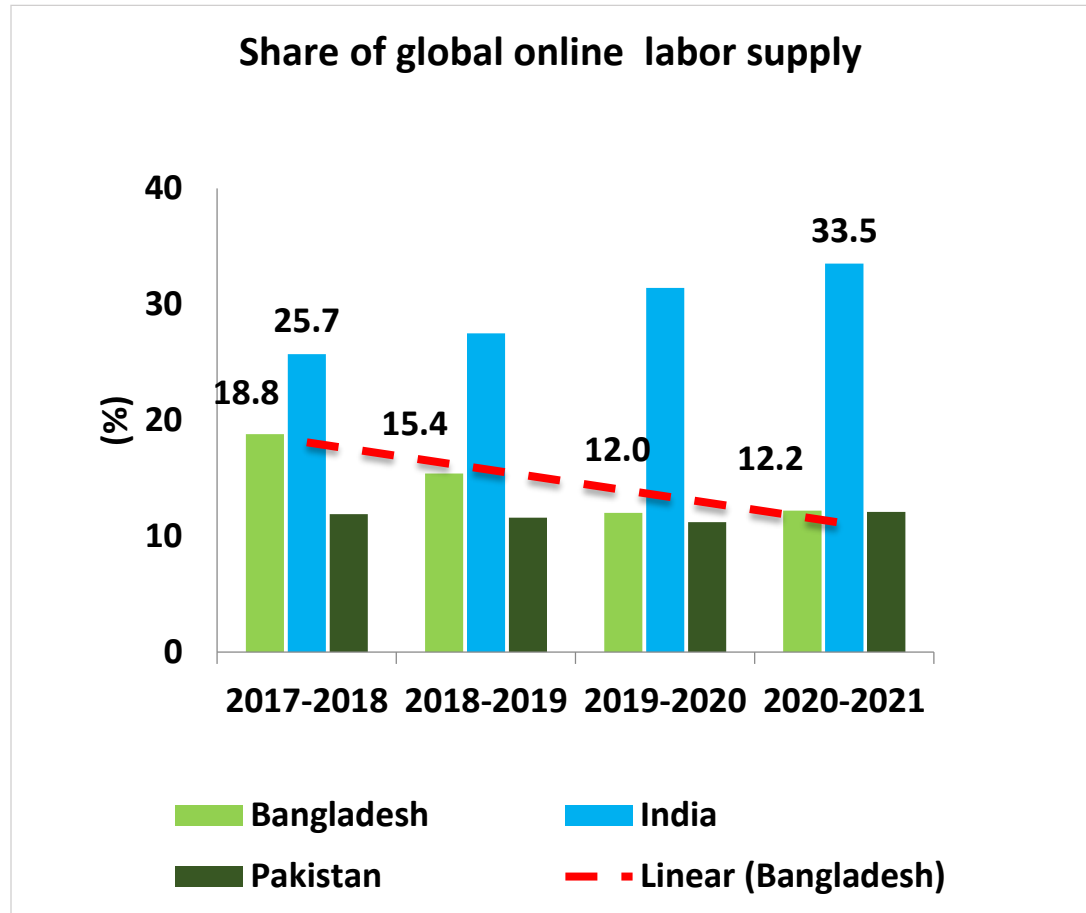
57.4% of wage-employed youths have reported decline in wage.

YDE survey
2020*

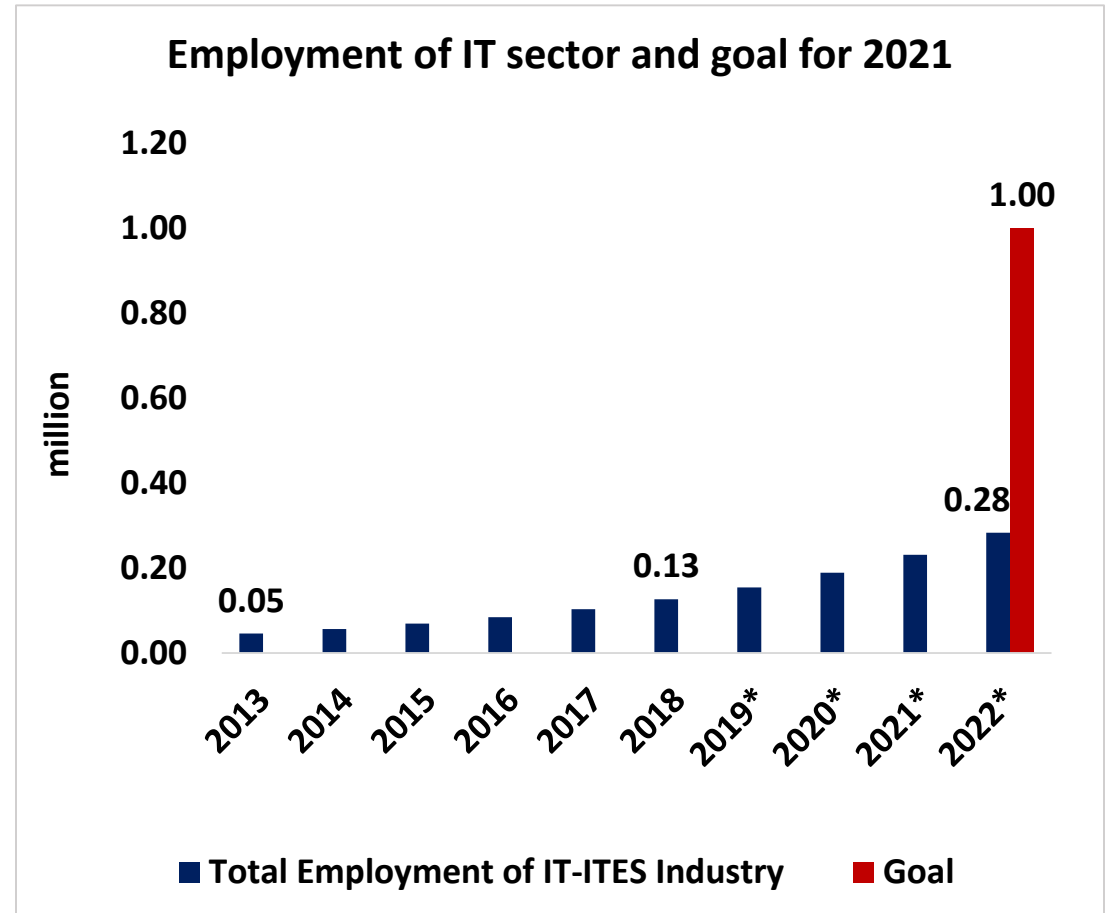
SANEM HH
survey
2020

*conducted in Satkhira, Barguna, Rajshahi and Kurigram upazilla

Youth during Covid-19 (3/3)



Source: ILO, 2021



Source: ICT division, 2019 and budget speech FY 2021-22
*Estimated

Proposed key policies for youth (1/2)

- Online classes through BTV, Bangladesh Betar, Community Radio etc. titled 'Amar Ghare Amar School'
- Soft loans to 41, 501 financially insolvent university-level students
- 'Training of Madrasa Teachers to Enhance Teaching Skills' project is in place to improve quality of madrasa education
- 160 Upazila ICT Training and Resource Centre for Education
- 'Policy Framework' for internship
- Training Centers will be set up at Chattogram and Khulna University of Engineering and Technology.

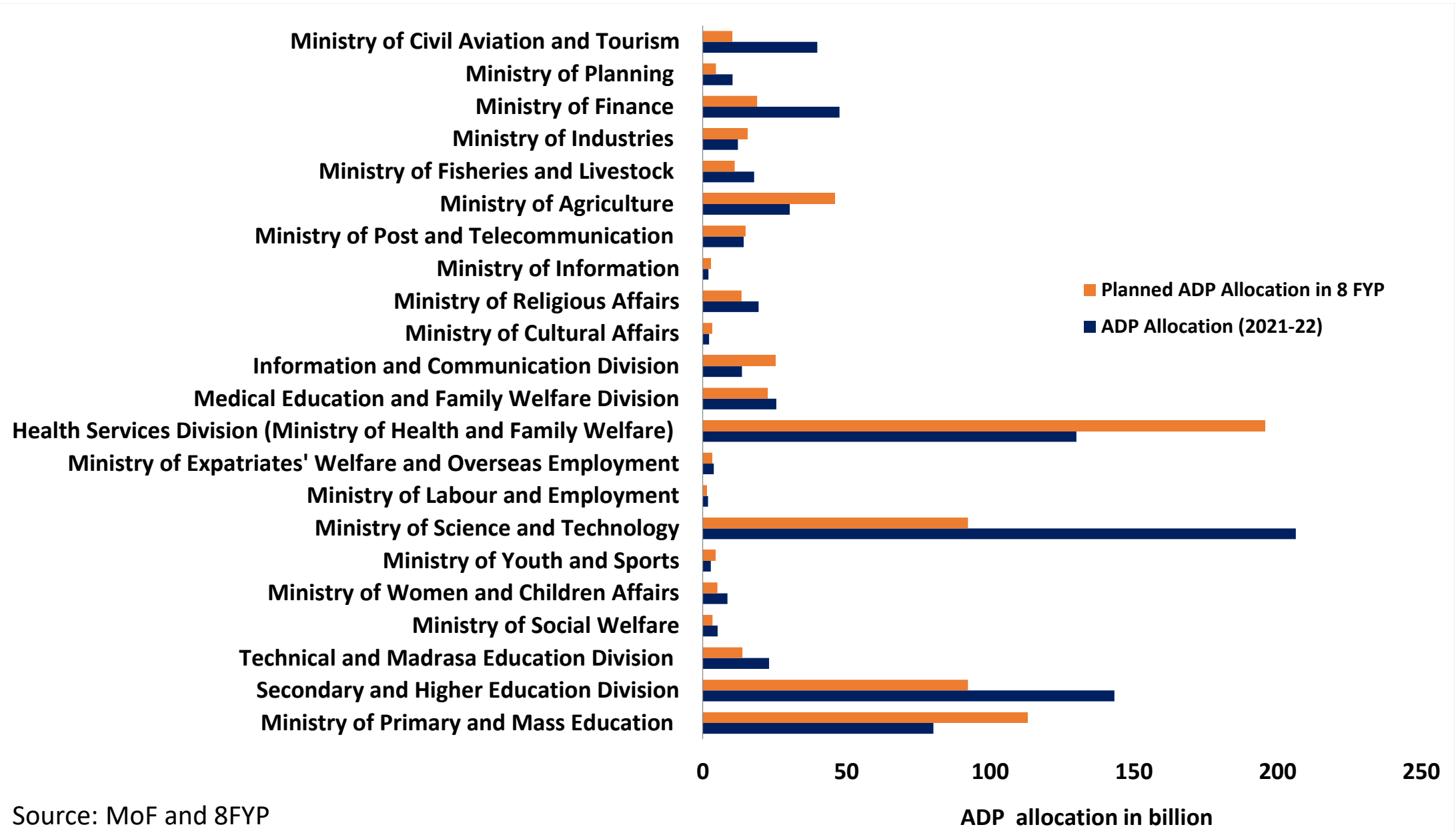
Source: Budget speech 2021-22

Proposed key policies for youth (2/2)

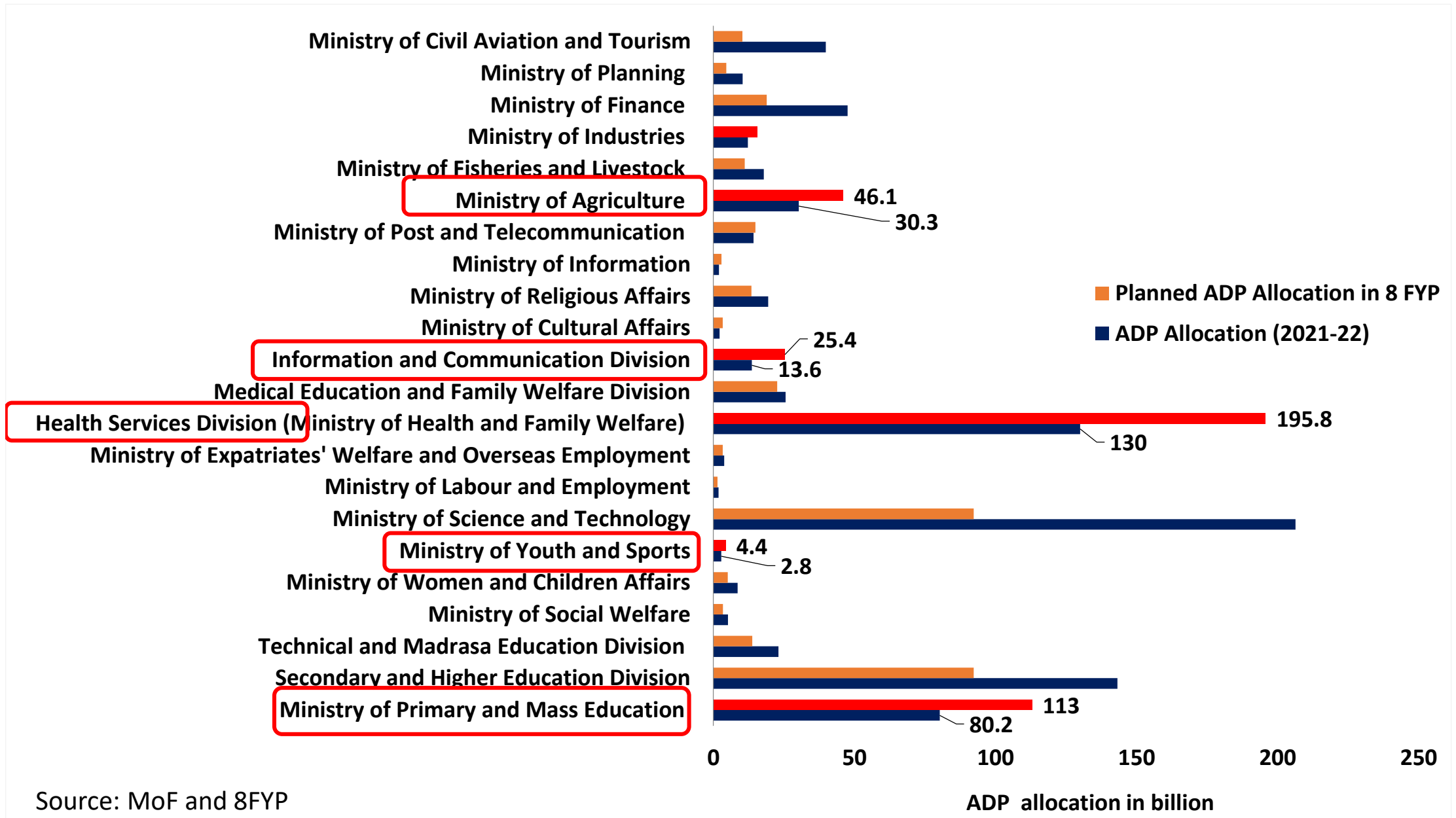
- ‘University Innovation Hubs’ will be set up at 3 universities
- Rural youth and agri-entrepreneurs will be provided training through rural mechanization services
- 1 million employment opportunities for the young people have already been created in the IT sector, and another 1 million will be employed by 2021.
- 979 Adolescent Friendly Health Corners will be established at Union Health and Family Welfare Centers and Maternal and Child Welfare Centers by 2022.

Source: Budget speech 2021-22

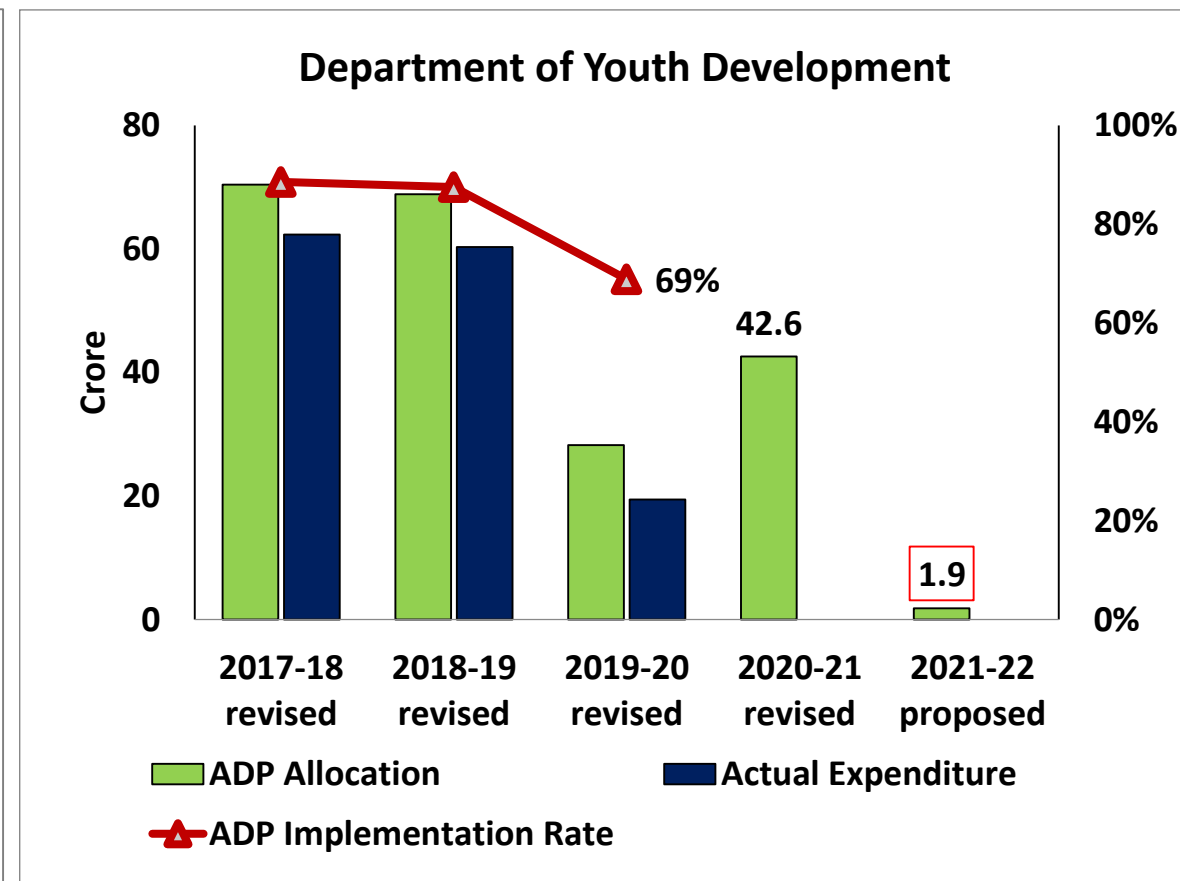
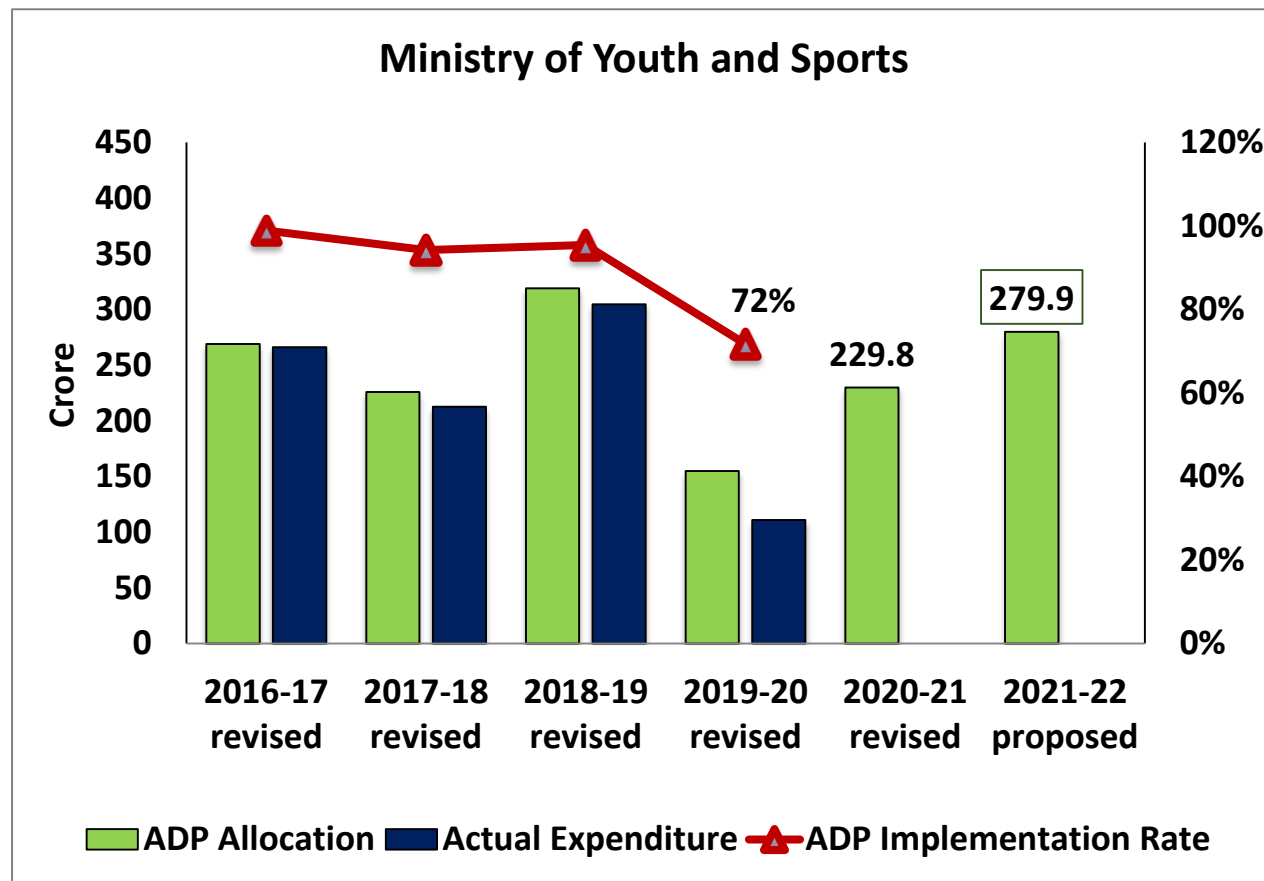
Planned in 8FYP and proposed ADP in FY 2021-22



Planned in 8FYP and proposed ADP in FY 2021-22

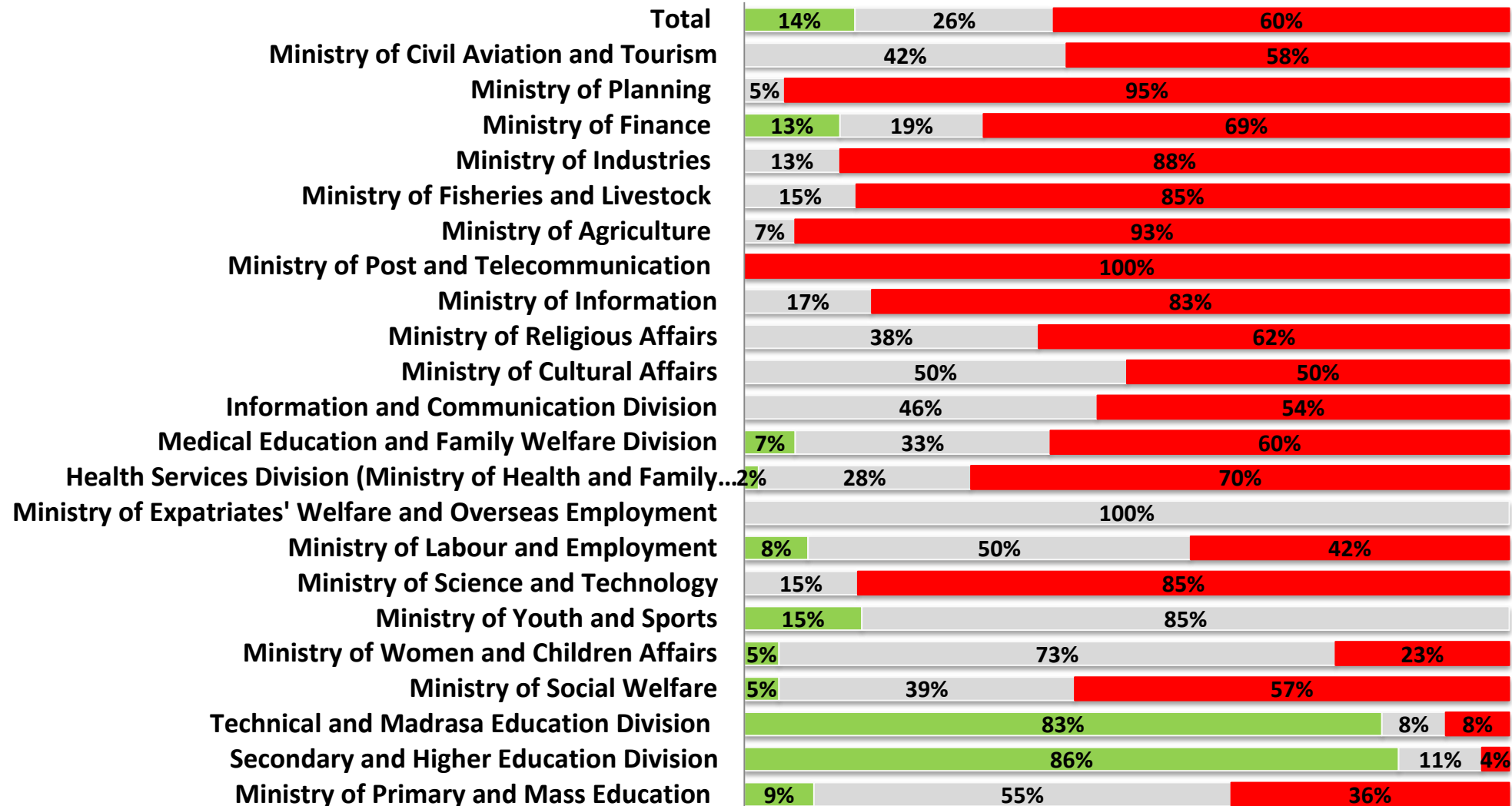


Challenges regarding implementing agencies



Source: MoF & IMED

Youth sensitivity of proposed ADP for FY 2021-22



Source: SANEM's calculation from MoF data

■ Direct ■ Induced ■ Not Youth Focused

Recommendations

- Realisation of “Policy Framework” for apprenticeship
- Unemployment benefit for youths involved in informal sector
- Increased allocation in health and education
- Easier access to stimulus packages for youths involved in SME sector
- Removal of tax on private educational institutes
- Participatory approach of intersectional youths in policymaking process
- Updated data and research to assess the impact of the pandemic on youth and evidence based policy making
- Clear roadmap of poverty reduction, employment generation and inequality reduction
- Rigorous monitoring and evaluation of stimulus packages

Thank You!