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Attracting more investment is key to tackling post-Covid unemployment

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Our country is facing an unprecedented challenge in dealing with the post-Covid unemployment problem, despite steady economic growth over the past few years.

The unemployment rate in Bangladesh increased from 3.38 percent in 2010 to 5.3 percent in 2020, according to Statista. More specifically, it jumped to 5.3 percent in 2020—the first year of the pandemic—from 4.22 percent in 2019. A World Bank report published in 2019 revealed that 32 percent of public university graduates and 44 percent of private university graduates were without jobs in the country.

A survey by the Bangladesh Institute for Development Studies (BIDS), conducted between February and June this year, found that 66 percent of the graduates of National University are unemployed. Those (21 percent) who could manage a job have an average salary of Tk 30,000. Seven percent are still pursuing post-graduation, and only three percent have become entrepreneurs.

Another survey jointly conducted by the Centre for Policy Dialogue (CPD) and Oxfam in Bangladesh found that 61.57 percent of working people had lost their jobs in March and April last year due to Covid-related shutdown. Even though 15 percent of them returned to their work in a month, the majority of them remained unemployed for a long time. The poor and marginalised people faced, and still face, an even higher risk of loss of livelihood.

The pandemic has had a long-term negative impact on women's employment in Bangladesh. A survey conducted by Brac Institute for Governance and Development (BIGD) revealed that one-third of the young working women in the country were out of jobs as of January 2021, when economic activities resumed in Bangladesh.

Several reports have shown that, due to Covid-19, income generation among the working class has fallen remarkably, and the country now has 24.5 million new poor.

Over the past two decades, our working-age population has increased significantly—from 58 percent to 68 percent. About 30 percent of the population is between 15 and 30 years. If the government trains and employs them appropriately,

they can open up new economic opportunities. However, if we cannot utilise them, they will become a burden on the economy, especially when our country is already facing a crisis due to the pandemic.

On the one hand, millions of young university graduates are waiting to enter the job market. On the other hand, numerous people are losing their jobs and daily incomes. Our government jobs are limited, and the private sector is not large enough to provide employment opportunities to such a large number of people. How should we, then, address this pivotal issue?

A functional approach to expand the job market, foster economic growth and eradicate unemployment would be to attract foreign and domestic investments in various sectors, which is only possible if we create a business-friendly environment. If the government takes necessary initiatives to upgrade the country's position in global business indicators like the Ease of Doing Business (EDB) and the Global Competitiveness Index (GCI), it will boost investor confidence. Once the investors have confidence in our system, they will create new jobs.

In the World Bank's Ease of Doing Business 2020 ranking, Bangladesh ranked 168th among 190 countries. Likewise, in the World Economic Forum's Global Competitiveness Index (GCI) 2019, Bangladesh was positioned at 105th among 141 countries.

Whereas foreign investors have invested billions of dollars in countries like Vietnam, India, and Indonesia, we have struggled to retain reinvestments from the already existing companies. Investors often complain that the bureaucracy in Bangladesh is too convoluted and creates hurdles in business operations. The policies and terms for obtaining approval papers, utility connections, property handling and other relevant business operations create delays and hidden costs that are avoidable.

Besides the bureaucratic hassle, corruption and poor infrastructure, and the lack of skilled labour are some other issues that create an investor-averse environment. As our universities and academics are not closely connected to industries, which is how it is in the developed countries, university curricula offer a set of skills that are often irrelevant to modern workplaces.

Moreover, the increasing use of technology and artificial intelligence is a new threat to job security. A company that previously hired hundreds of people can now run its business successfully using advanced software operated by only a few. Consequently, ensuring employment for a mass population is getting challenging day by day.

While the economy has been hit hard by Covid-19, job opportunities have decreased, and the number of unemployed youths has increased, entrepreneurship can be the panacea for all economic ills.

Therefore, we should redesign our education system to empower our youth and create entrepreneurs. The entrepreneurial skills—like taking responsibility, owning a task, management, planning and strategising, leadership, teamwork, problem-

solving, critical thinking, financial knowledge, and developing emotional intelligence—should be taught at all levels of higher education, regardless of what the academic programmes are. Simultaneously, foreign policies should focus more on attracting foreign investors. Overall, we must revisit our business policies and improve the ease of doing business in Bangladesh to attract both foreign and local investments.

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