



Enhancing the Participation of Community-based Organizations (CBOs) and Civil Society Organizations (CSOs) in Democratic Governance in Bangladesh



Employment Implications of Stimulus Packages

Challenges for Recovery

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Dhaka: 5 November 2020

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1. Context
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3. Are the stimulus packages employment sensitive?
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5. Road ahead towards attaining SDG 8
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Context

- ❑ In any disaster of the type of COVID-19 pandemic, livelihood and employment opportunities become the first victims
- ❑ Since the first detection of COVID-19 in March 2020, Bangladesh has experienced stoppage and slowdown of economic activities which resulted in the loss of employment and income for a large number of people in the workforce
- ❑ The new realities arising from the COVID-19 have put a significant number of those in the labour market at risk of losing employment opportunities
- ❑ Citizen's Platform for SDGs, Bangladesh in June 2020 indicated that due to COVID-19, about 1.3 crore (13 million) jobs were at risk, which is approximately 20% of the domestic labour force
- ❑ A CPD estimate indicated that (upper) poverty rate could be as high as 35.0%, (24.3% in 2016) as a result of COVID-19 with the consequence that, an additional 1.75 crore (17.5 million) people could have fallen into poverty

- Within this aggregate scenario, there are several segmented dynamics which, perhaps, provide a more clear picture of the ground reality
 - For instance, PPRC and BIGD, in April 2020, reported that between February and first week of April 2020, about 54% and 72% primary income earners in rural and urban slum households respectively became economically inactive
 - IFC, based on their survey on 4- 15 June 2020, recorded that in terms of employment, 70% of MSME workers were in a vulnerable position as they were employed in businesses that were either temporarily closed or are only partially open
 - WB, from a telephone survey during 10 June-10 July 2020, found that about 68% respondents from Dhaka and Chattogram experienced job losses
 - Rabbani et al., from their survey on RMG workers during 30 June-13 July 2020, reported that 77% of the respondents found it difficult to feed all member of their households

- SANEM based on a firm level survey in July 2020, stated that only one-third of the surveyed firms acquired the stimulus packages announced by the government
- ADB and ILO, in August 2020, reported that around 1.1 to 1.7 million youth in Bangladesh may lose jobs in 2020 due to the COVID-19 pandemic
- BILS found that about 300,000 RMG workers lost their jobs between April and July; however, this figure was severely contested by BGMEA
- PPRC and BIGD reported that 17% of the survey respondents who had a job in February 2020, became unemployed in June
- Difficulties faced by returnee migrants, female workers were repeated in a number of studies
- Citizen's Platform's recent survey among youth suggested that about 28% young people left study to support their families

- ❑ In the backdrop of a very low point during the general holidays in April and May 2020, early signs of a turnaround of the Bangladesh economy are becoming increasingly visible
- ❑ COVID-19's impact on the disadvantaged and marginalised groups from the vantage point of employment and income calls for further attention
- ❑ BBS through a telephone survey found that unemployment rate increased to 22.4% in July from 2.3% in February; although it came down to 4% in September
- ❑ Nevertheless, average income of a household was still 20.2% lower in September compared to February according to BBS
- ❑ How the pandemic has affected those in the labour market (as well as the potential entrants in the labour market) remains a critically important question to be considered in this context

- ❑ For a labour-endowed country such as Bangladesh, decent employment (as is conceptualised in SDG 8) has emerged as a key concern, alongside health, in view of COVID-19
- ❑ Lack of employment and income followed by the consequent adjustments at the individual and household levels will have important implications for attainment of a number of other SDGs
- ❑ From a policy perspective, it is also necessary to assess the effectiveness of public policy interventions (e.g. stimulus packages, SSNPs) in view of safeguarding employment interests, particularly of the disadvantaged participants in the informal segment of the labour market
- ❑ A key objective of this dialogue is to discuss the outcomes and implications of public policy interventions on employment dynamics induced by the COVID-19 pandemic in Bangladesh



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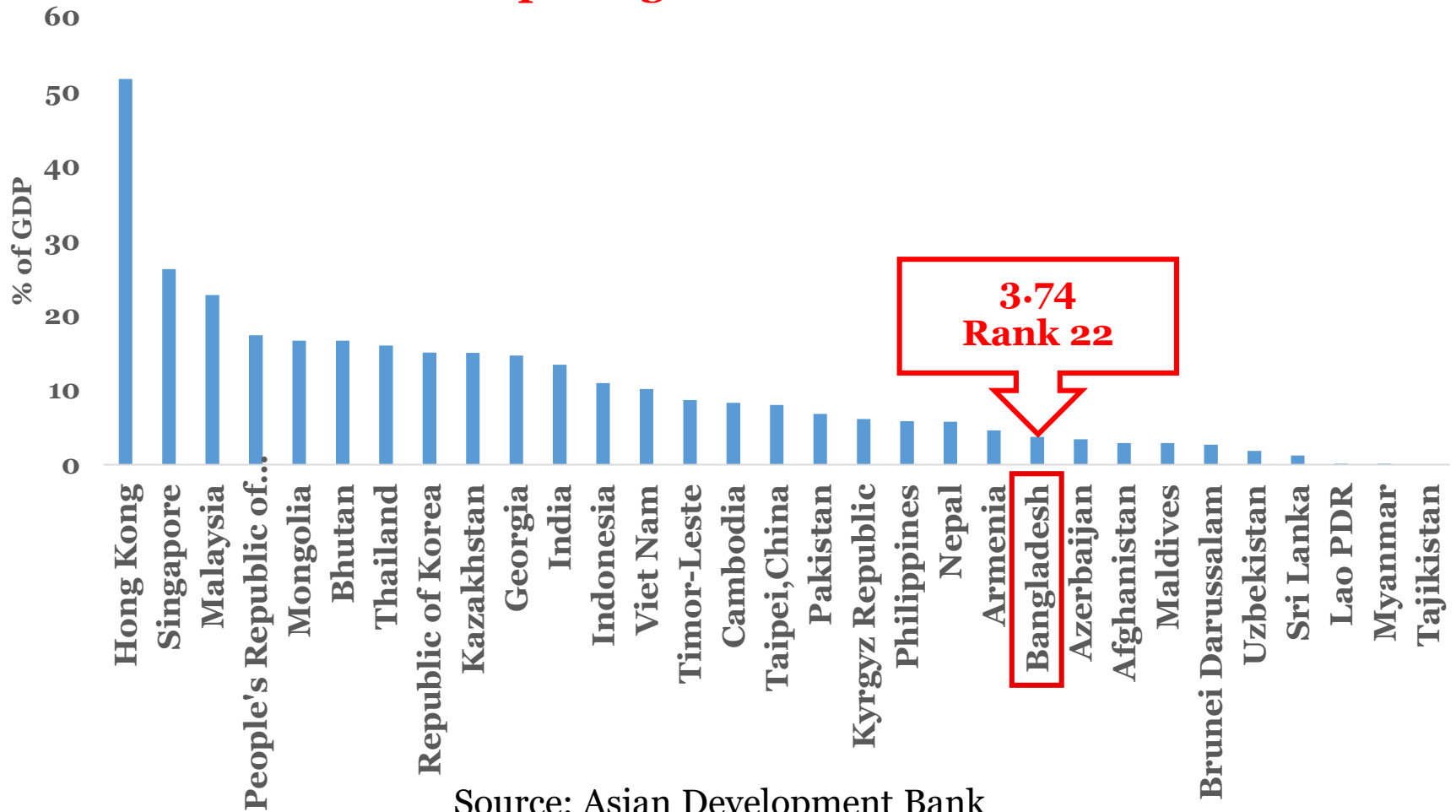


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Policy responses

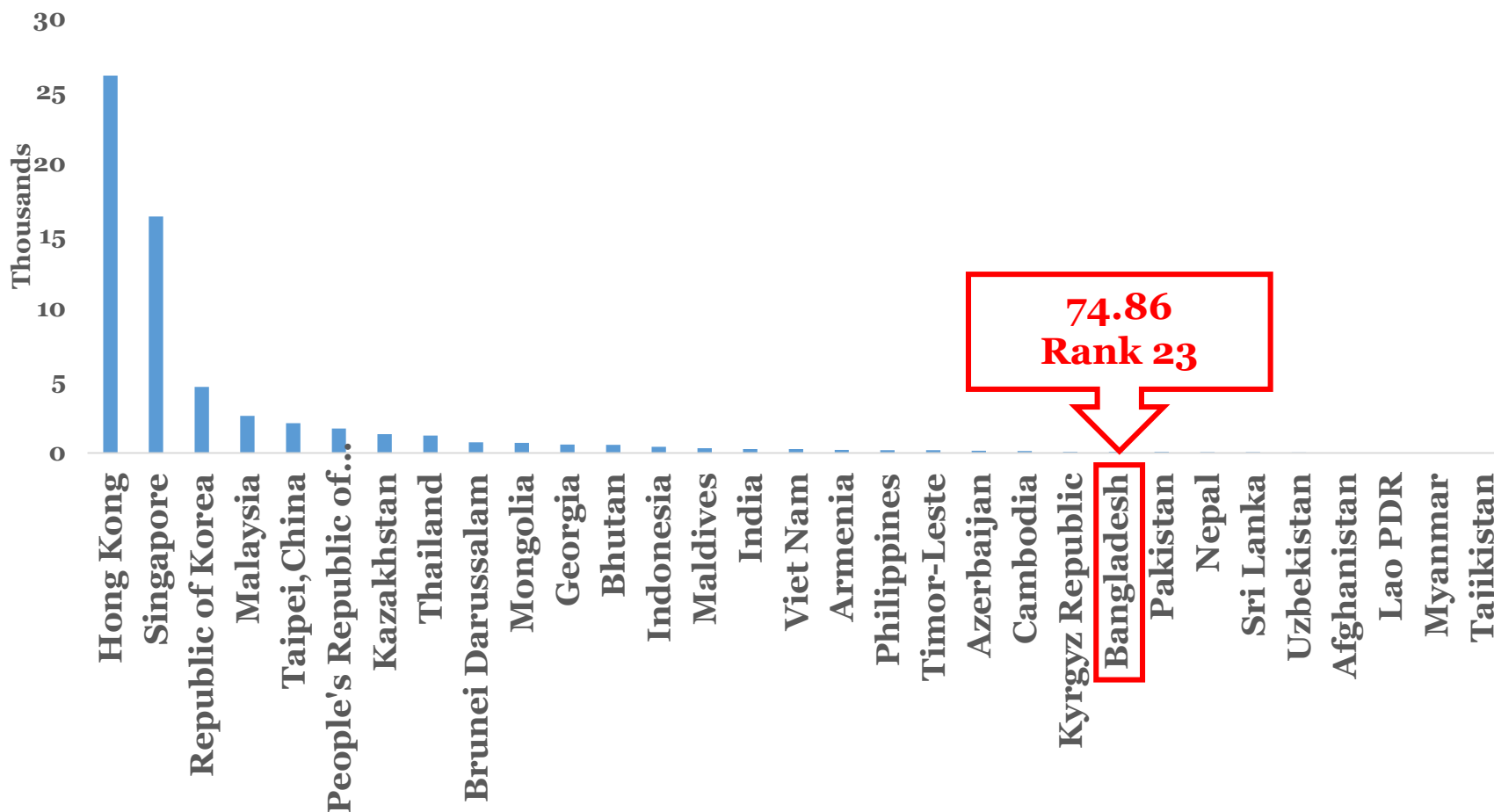
A cross-country comparison in Asia

Ranking of 31 Asian countries based on size of Stimulus packages as % of GDP



Source: Asian Development Bank

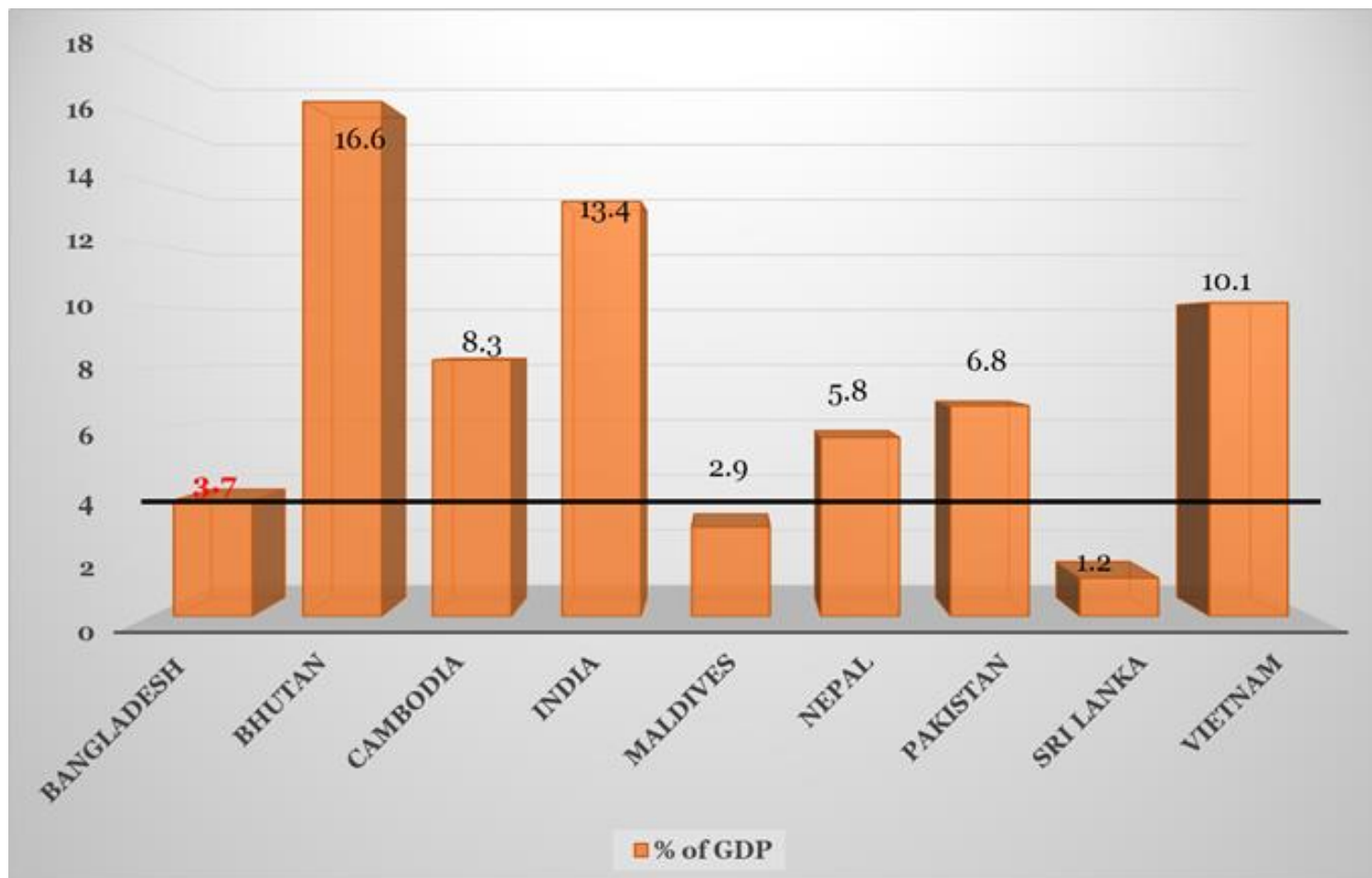
Ranking of 31 Asian Countries based on Package per capita in USD



Source: Asian Development Bank

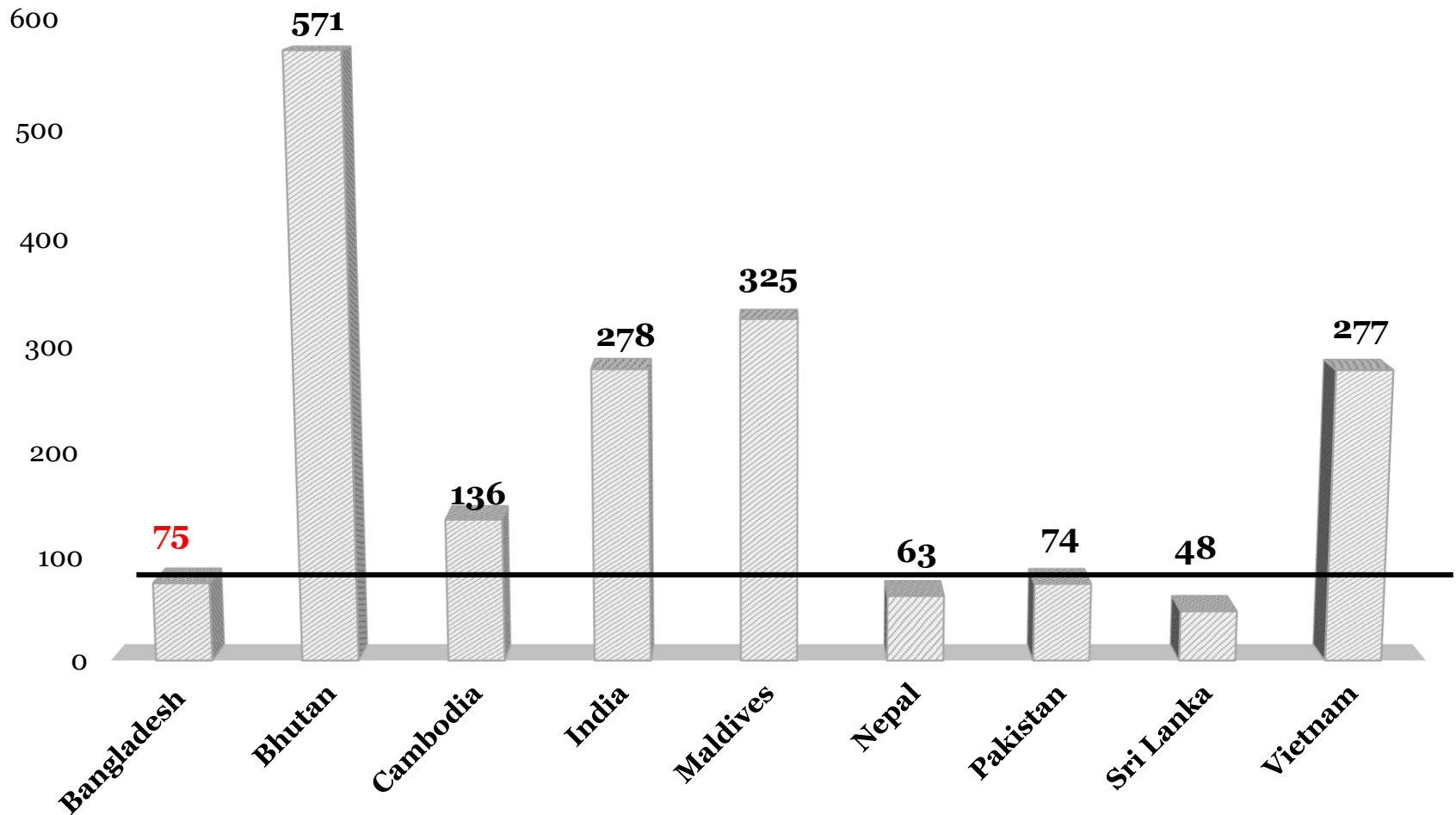
☐ Cross-country comparison among 9 South-Asian nations (total package in \$ mln)

Bangladesh	Bhutan	Cambodia	India	Maldives	Nepal	Pakistan	Sri Lanka	Vietnam
12,078	431	2,210	376,389	168	1,755	15,774	1,035	26,503



Source: Asian Development Bank

PACKAGE PER CAPITA IN USD



Source: Asian Development Bank

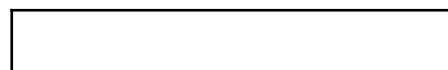
Cross-country analysis of 9 South Asian Nations (ADB database) Share of policy measures-specific support as a percentage of total package size

Measure	Bangladesh	Bhutan	Cambodia	India	Maldives	Nepal	Pakistan	Sri Lanka	Vietnam
01 - Liquidity Support	37.0%	0.0%	0.0%	42.0%	3.0%	0.0%	4.0%	0.0%	0.0%
02 - Credit creation	24.4%	0.0%	0.0%	15.2%	0.0%	100.0%	17.9%	78.3%	0.0%
03 - Direct long-term lending	4.9%	0.0%	0.0%	0.0%	0.0%	0.0%	32.4%	0.0%	51.3%
04 - Equity support	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
05 - Government support to income/revenue	33.8%	100.0%	9.5%	42.3%	97.02%	0.0%	45.9%	21.7%	48.7%
10 - No breakdown	0.0%	0.0%	90.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%



Other measures

Measure	Bangladesh	Bhutan	Cambodia	India	Maldives	Nepal	Pakistan	Sri Lanka	Vietnam
01 - Liquidity Support									
02 - Credit creation									
03 - Direct long-term lending									
04 - Equity support									
05 - Government support to income/revenue									
06 - Budget reallocation									
07 - Central bank financing government									
10 - No breakdown									
11 - Other Economic Measures									
12 - Non-Economic Measures									



Measures missing



Measures were discussed
but not yet implemented



Measures were taken but
can not be expressed in
monetary terms



Mixture of non-monetized
measures and non-
implemented measures

Brief description of the COVID-19 Macroeconomic Measures provided by the Asian Development Bank (ADB)

Measure	Short description
01 - Liquidity Support	Support the normal functioning of the money markets and short-term finance
02 - Credit creation	Encourage private credit creation
03 - Direct long-term lending	Long-term direct lending to businesses, households, and state/local/regional governments, and forbearance
04 - Equity support	Equity claims on the private sector (equities, primary and/or secondary, ETFs, etc.)
05 - Government support to income/revenue	Healthcare-related additions and non-healthcare-related additions to non-national government income (households, businesses, state/local/regional government)
06 - Budget reallocation	Redirecting or reallocating previously budgeted spending
07 - Central bank financing government	Direct lending or government reserve drawdown, secondary purchase of bonds
08 - International Assistance Received	Swaps and clearing arrangements (borrower) and International loans and grants (recipient)
09 - International Assistance Provided	Swaps and clearing arrangements (lender)
10 - No breakdown	Amounts from measures that cannot be clearly allocated according to their purposes (e.g., amounts that are intended to cover several measures)
11 - Other Economic Measures	
12 - Non-Economic Measures	

- ❑ Bangladesh has received about USD 3.9 billion as international assistance
- ❑ However, compared to other Asian LDCs (Bhutan, Cambodia, and Nepal) Bangladesh received less considering comparative scales of per capita and as % of GDP
- ❑ Even developing countries such as Maldives, Pakistan and Sri Lanka fared better!
- ❑ Has Bangladesh received the international assistance the country deserves?

Country	Per capita international assistance received in USD	International assistance received as % of GDP
Bangladesh	23.9	1.2
Bhutan	64.3	1.9
Cambodia	52.0	3.2
India	4.2	0.2
Maldives	1210.1	10.8
Nepal	51.0	4.7
Pakistan	23.7	2.2
Sri Lanka	110.7	2.9
Vietnam	5.2	0.2



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Are the stimulus packages employment sensitive?

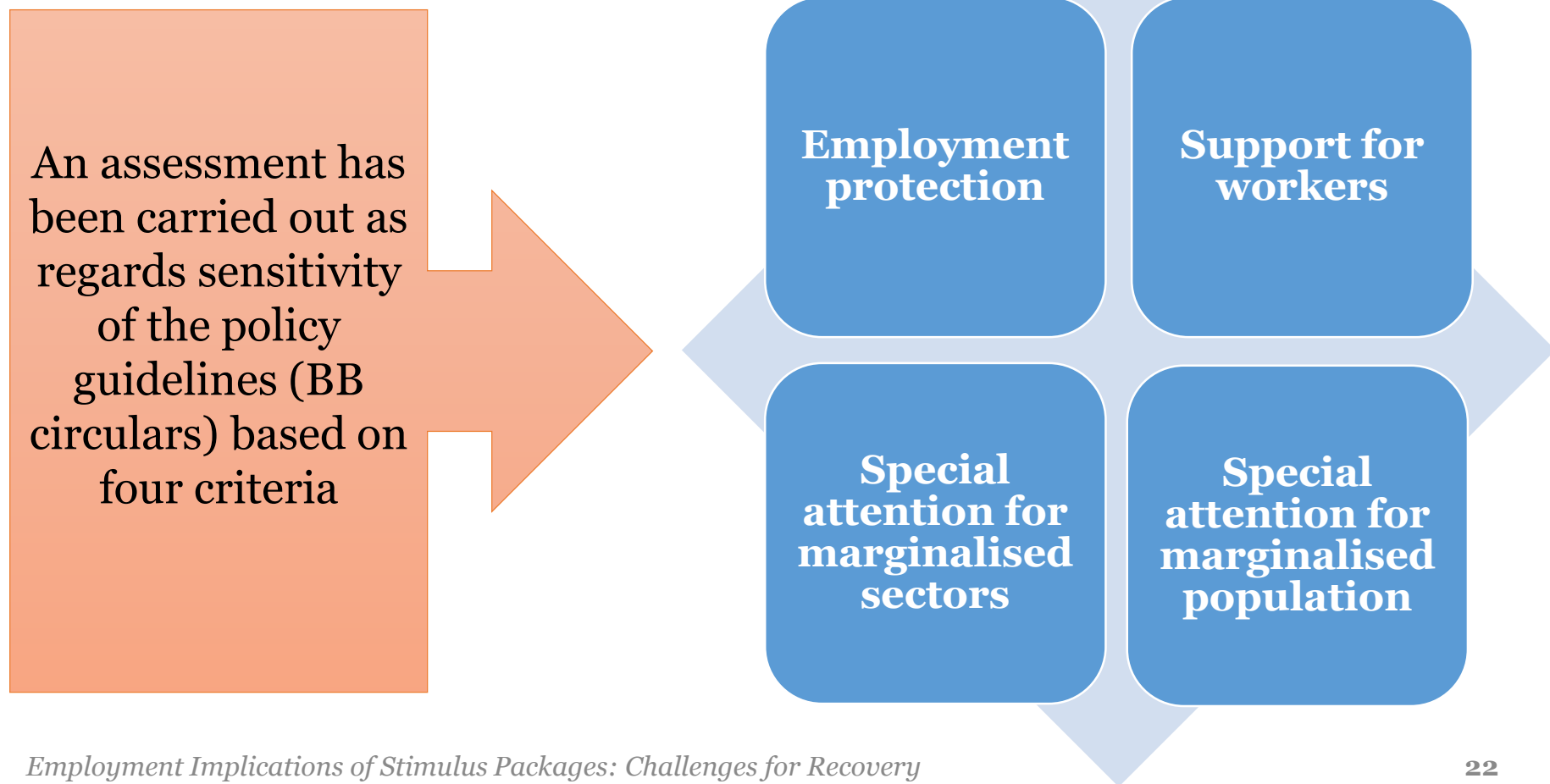
Sl. No.	Name of the Package	Crore (Tk)
1.	Special Fund for Salary support to export-oriented manufacturing industry workers	5,000
2.	Working Capital loans provided to affected industries and service sector	40,000
3.	Working Capital loans provided to SMEs, cottage industries	20,000
4.	Expansion of facility provided through Export Development Fund (EDF) by Bangladesh Bank	12,750
5.	Pre-Shipment Credit Refinance Scheme	5,000
6.	Special Honorarium for doctors, nurses, medical workers	100
7.	Compensation in case infection/death	750
8.	Free Food Distribution	2,503
9.	OMS of rice at 10 taka/kg	251
10.	Cash Transfer to targeted poor people	1,258

Are the stimulus packages employment sensitive?

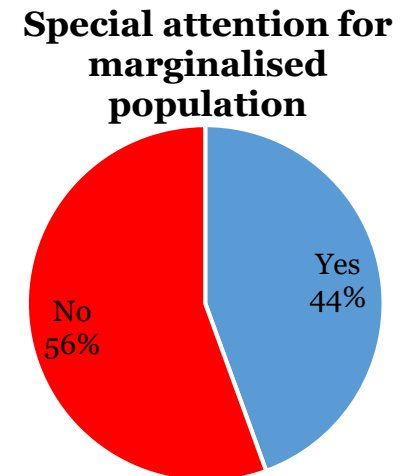
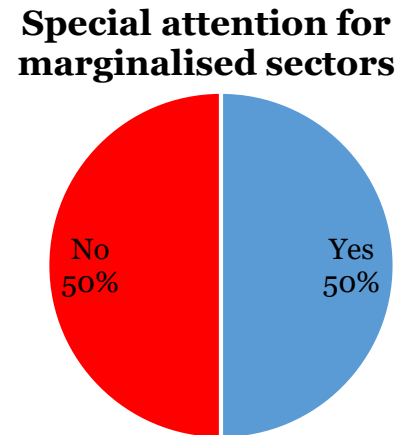
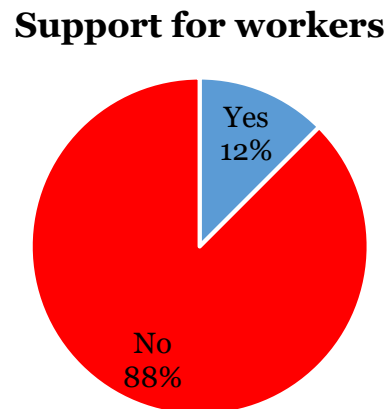
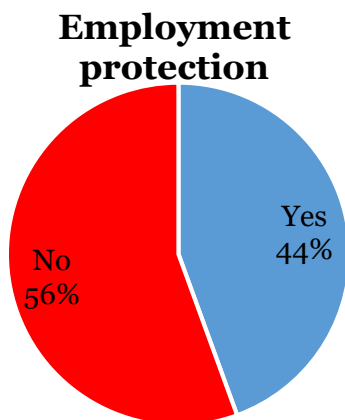
Sl. No.	Name of the Package	Creore (Tk)
11.	Expansion of Cash Allowance Programs	815
12.	Construction of home for homeless people	2,130
13.	Additional procurement of paddy/rice (2.0 lac ton)	860
14.	Support for farm mechanization	200
15.	Subsidy for agriculture	9,500
16.	Agriculture Refinance Scheme	5,000
17.	Refinance scheme for professional farmer and small traders	3,000
18.	Employment creation through four state-owned entities	2000
19.	Subsidy for commercial bank's suspended interest of April-May, 2020	2000
	Total (in Creore Tk.)	113,117

Source: Adapted from Budget FY2021 Documents

- ❑ Since the government is subsidising the interest (almost half in most case) of the loans, the money should have been given to firms on the condition that they will provide pay-roll protection to protect employment



- ❑ **More than half** of the stimulus packages had no mention of employment generation/protection in their aims or objectives
- ❑ Only **one out of nine** packages (Special Fund for salary support to export-oriented manufacturing industry workers) had guideline for pay-roll protection of the workers
- ❑ **Half** of the circulars had extended some attention to marginalised sectors and population/areas



Are the stimulus packages employment sensitive?

SI no	Name	Employment protection	Direct support for workers	Special attention for marginalised sectors	Special attention for marginalised population
1.	Special Fund for salary support to export-oriented manufacturing industry workers	No	Yes Direct salary support to workers	NA	No
2.	Working Capital loans provided to affected industries and service sector	No	No	No	No
3.	Working Capital loans provided to SMEs, cottage industries*	Yes Targeted to keep the workforce at their workplaces	No	Yes <ul style="list-style-type: none"> 70% loans of Banks' yearly target to the cottage, micro and small enterprises 70% to production and services and 30% for business (trading) sub-sectors 	Yes <ul style="list-style-type: none"> Disburse a minimum of 15% loans of banks' yearly targets to businesses in villages and marginal areas Disburse a minimum of 5% loans of banks' yearly target to female entrepreneurs

Are the stimulus packages employment sensitive?

Sl no	Name	Employment protection	Direct support for workers	Special attention for marginalised sectors	Special attention for marginalised population
4.	Expansion of facility provided through Export Development Fund (EDF) by Bangladesh Bank	No	No	No	No
5.	Pre-Shipment Credit Refinance Scheme	No	No	No	No
6.	Agriculture Refinance Scheme**	No	No	Yes Horticulture, Fisheries, poultry, dairy and livestock	Yes Affected borrowers will be able to enjoy an additional credit facility up to 20% under the scheme

*BB has extended the deadline for executing the stimulus package for CMSMEs further by one more month till November 30, 2020.

As per the latest manual of BB, **any entrepreneur of CMS category can avail of a collateral-free loan between Tk 2 lakh and Tk 50 lakh as working capital**

** The deadline for executing the stimulus package has been extended till December 31, 2020

Are the stimulus packages employment sensitive?

Sl no	Name	Employment protection	Direct support for workers	Special attention for marginalised sectors	Special attention for marginalised population
7.	Agricultural loan at 4% concessional interest rate in the crop sector	Yes Partially. Targeted to keep the production and supply of crops by farmers stable.	No	Yes Crops sub-sector	No
8.	Refinance Scheme for the COVID-19 affected low income professionals, farmers and holders of small and marginal businesses	Yes Targeted to continue the economic activities of marginalised people at rural areas.	No	NA	Yes <ul style="list-style-type: none"> • Low income professionals, farmers and holders of small businesses • Priority to extreme poor, disadvantaged population, helpless/oppressed women
9.	Employment generation programs (through Palli Sonchoy Bank, Karmasangsthan Bank, Expatriate Welfare Bank and PKSE)	Yes Aimed at distributing loans toward creating employment	NA	NA	Yes Youths, rural poor and returnee expatriates

Table: Implementation status of stimulus packages

Name	Initial allocation	Current allocation	Disbursed till Oct 20	Implementation rate	Number of recipients
	Crore Tk.			Per cent	
Special Fund for Salary support to export oriented manufacturing industry workers	5,000		5,000	100.0	Not available
Working Capital loans provided to affected industries and service sector	30,000	40,000	28,313	70.8	2,533 ^a
Working Capital loans provided to SMEs, cottage industries	20,000		5,674 ^b	28.4	32,173 ^b
Expansion of facility provided through Export Development Fund (EDF) by BB	12,750		10,312	80.9	2,379 ^a

Source: Bangladesh Bank

Note: ^a Till October 30, 2020; ^b Till October 22, 2020; ^c Till October 29, 2020; ^d Received refinance from BB (Tk. 431.19 crore. out of 647.87 crore. Male: 6,214, Female: 94,012, Other: 1); ^e No fund available from Ministry of Finance till now

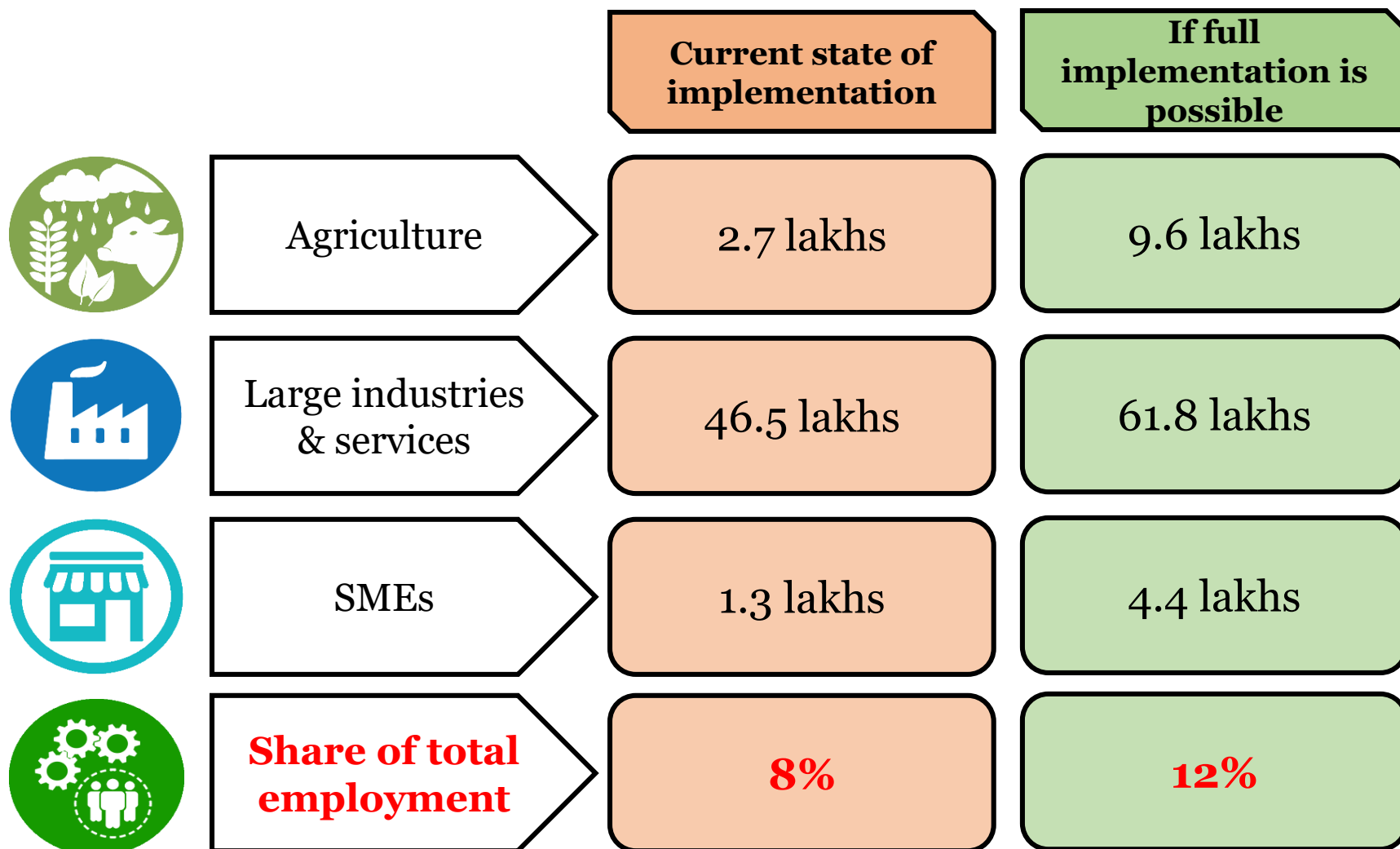
Table: Implementation status of stimulus packages (contd.)

Name	Initial allocation	Current allocation	Disbursed till Oct 20	Implementation rate	Number of recipients
	Crore Tk.			Per cent	
Pre-Shipment Credit Refinance Scheme	5,000		49	1.0	Not available
Agriculture Refinance Scheme	5,000		2,256 ^c	45.1	89,517 ^c
Refinance scheme for professional farmer and small traders	3,000		648	21.6	100,227 ^d
Employment creation through four State owned entities	2,000		0 ^e	0.0	

Source: Bangladesh Bank

Note: ^a Till October 30, 2020; ^b Till October 22, 2020; ^c Till October 29, 2020; ^d Received refinance from BB (Tk. 431.19 crore. out of 647.87 crore. Male: 6,214, Female: 94,012, Other: 1); ^e No fund available from Ministry of Finance till now

Employment reach of the stimulus packages



Source: Authors' estimates based on Agriculture census 2019, Economic Census 2001 & 2003 and 2013, Labour Force Surveys and Bangladesh Bank Data

- ❑ Implementation of stimulus packages intended for SMEs, farmers and small traders has been surprisingly low; on the contrary, disbursement from the stimulus package targeting the large industries and the service sector was faster
 - Better preparedness and more organised nature of the large industries and the service sector were major contributing factors to this end
 - IFC (2020) found that about 76% of the MSMEs were not aware of the packages, while the remaining 24% failed to avail any support due to, inter alia, lack of awareness, eligibility, difficult application procedure
 - Reluctance of lenders to promote the packages as well as their cautious stance due to the fragile health of the SMEs have been mentioned as barriers
- ❑ The extension of deadline for execution of the stimulus package for SMEs to 30 November 2020 will be useful
 - However, Bangladesh Bank's latest stance on not providing refinancing facility for SME loans without collateral over Tk. 5 lakh could be detrimental to this initiative

- ❑ Bangladesh Bank recently raised the annual ceiling of the loans for trade-based CMSMEs from 20% to 30%
 - This could perhaps boost the implementation of the stimulus intended for SMEs as trading dominates the CSME sector
- ❑ Working Capital loans provided to affected industries and service sector has been raised to Tk. 40,000 crore from Tk. 33,000 crore in order to assist foreign entrepreneurs working in EZs, EPZs and hi-tech parks
 - This loan should be provided with certain conditions. Since public money will be spent to subsidise half of the interest of the loans, an appropriate condition could be a pay-roll protection programme to keep employment unscathed
- ❑ Only 45% of the Tk. 5,000 crore stimulus package for agriculture could only be implemented till October 2020
 - Collateral issues and bureaucratic complexities in the banks could perhaps be linked to this



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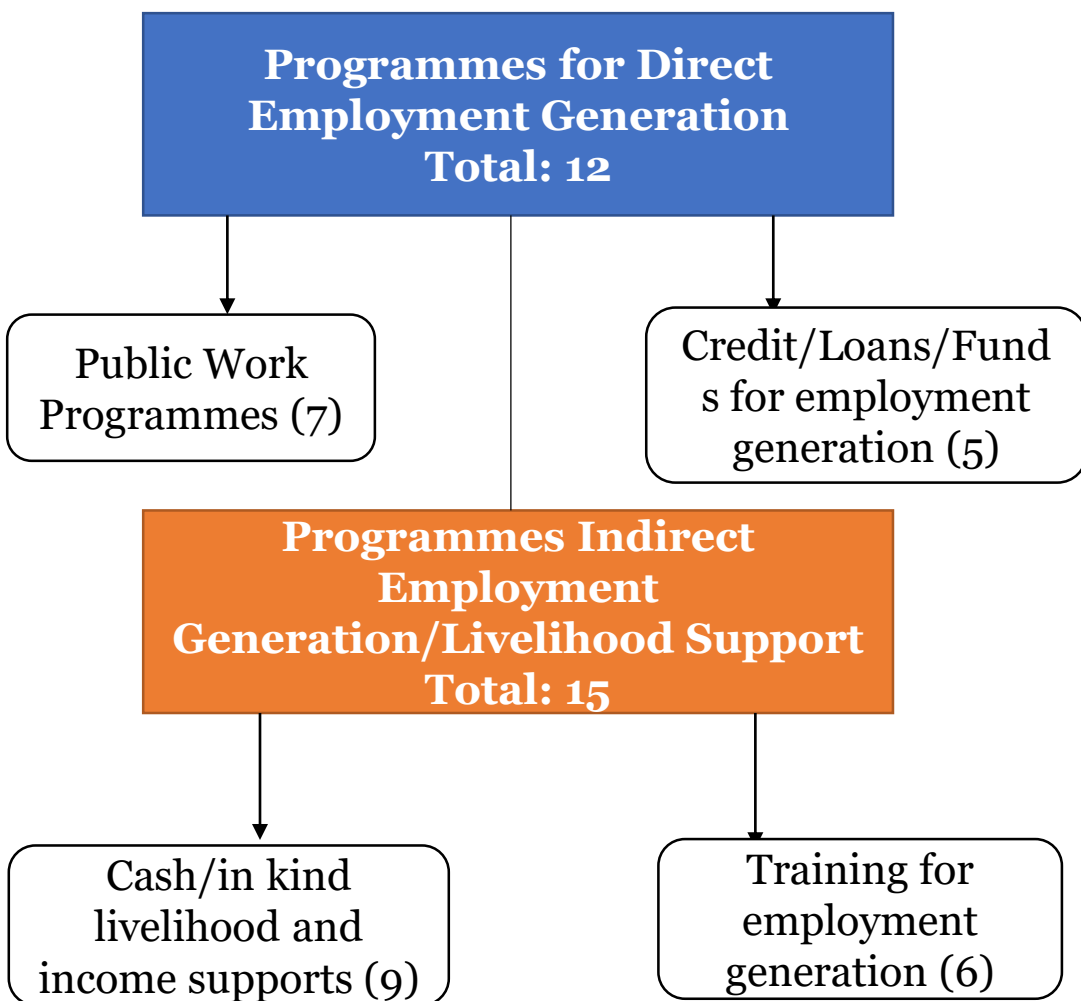
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Social safety net measures for protecting employment

Clustering of safety net programmes related to employment generation and livelihood support

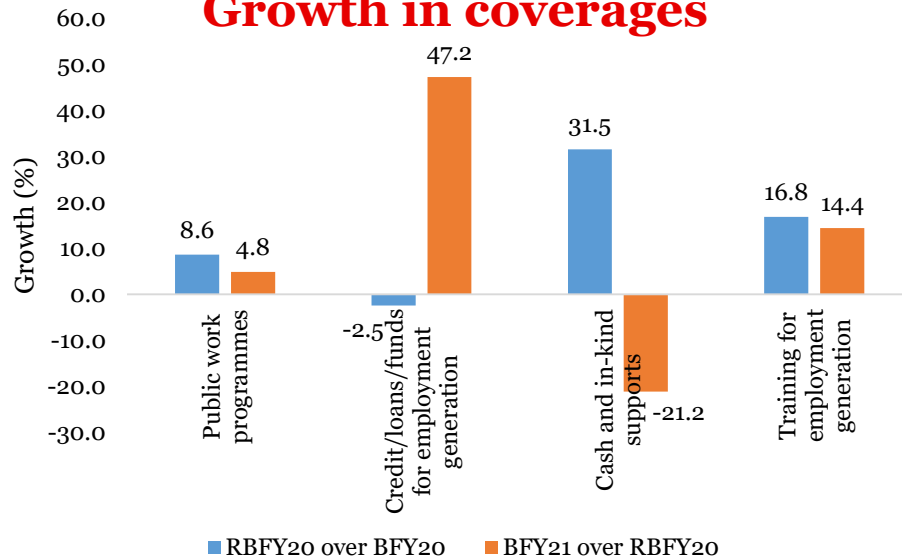


- A total of 27 safety net programmes associated with employment generation or livelihood support were taken into consideration
- To avoid double counting, monetary instruments such as “Refinancing scheme for low income farmers/ small traders”, “Employment generation programs (through Palli Sonchoy Bank, Karmasangsthan Bank, Expatriate Welfare Bank and PKSF)”, “Interest subsidy for Small (including cottage industries) Industries and Service Sector Enterprises affected by Corona Virus” were excluded from the assessment
- We also excluded “Agricultural subsidy” and “Agricultural rehabilitation” from the assessment

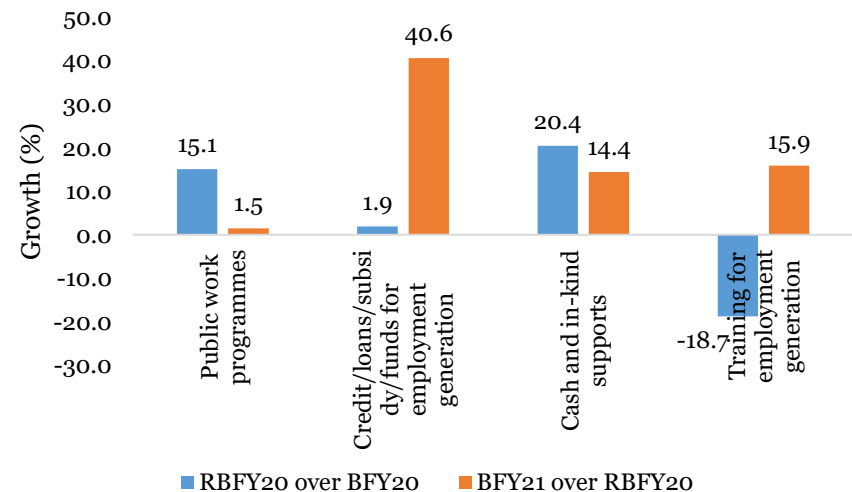
More focus on resumption than recovery of employment through safety nets?

- ❑ Growth figures of both coverages and allocation of the four types of programmes show that GoB focused more on indirect supports such as livelihood support and employment-related training particularly during the early phase of COVID-19
- ❑ Support for direct employment generation-related activities such as the public work programmes registered marginal growth
- ❑ However, monetary supports such as credit/loans recorded notable growth in the later phase of COVID-19 (during budget FY2021). But, inclusion of such credit type monetary supports into the safety nets is questionable in the first place

Growth in coverages



Growth in allocation



Social safety net measures for protecting employment

SL. No	Description	Implementing Ministries/ Divisions	Growth (%)			
			Coverage		Allocation	
			RBFY20 on BFY20	BFY21 on RBFY20	RBFY20 on BFY20	BFY21 on RBFY20
Public work programmes/programmes for direct employment generation						
1	Employment Generation Programme for the ultra- Poor(EGPP)	MoDMR	0.0	0.0	0.0	0.0
2	Food For Work (FFW)	MoDMR	0.0	0.0	-8.2	-5.7
3	Work For Money (WFM)	MoDMR	44.7	20.0	84.1	8.7
4	Rehabilitation and Alternative Employment Generation for Beggars	MoSW	0.0	25.0	0.0	25.0
5	Income Generating Activities (IGA) for Women at Upazila Level	MoWCA	20.0	-36.1	20.9	-37.3
6	Integrated Livestock development to improve the socio-economic and quality of life of the Backward Minorities living in the plain-land	MoFL	Newly introduced in RBFY20 No coverage target			668.3
7	Increase the cotton cultivation in Chittagong Hill Tracts and alleviation of poverty of farmers	MoCHTA	Newly introduced in FY21			

Social safety net measures for protecting employment

SL. No	Description	Implementing Ministries / Divisions	Growth (%)			
			Coverage		Allocation	
			RBFY20 on RBFY20	BFY21 on RBFY20	RBFY20 on BFY20	BFY21 on RBFY20
Credit/loans/subsidy/funds for employment generation						
1	Micro-credit for Women Self employment	MoWCA	0.0	0.0	0.0	0.0
2	Interest free micro-credit programme for RSS, RMC & Urban Centre	MoSW & FD	-13.8	300.0	-21.6	247.3
3	Providing working capital to improve the socio-economic condition of weavers and modernization of handlooms	FD	Newly introduced in RBFY20 No coverage target			38.9
4	Special assistance fund for women development & women entrepreneurs	FD	No coverage target		0.0	0.0
5	Assistance fund for the small farmer and poultry farmers	FD	0.0	0.0	0.0	0.0

Social safety net measures for protecting employment

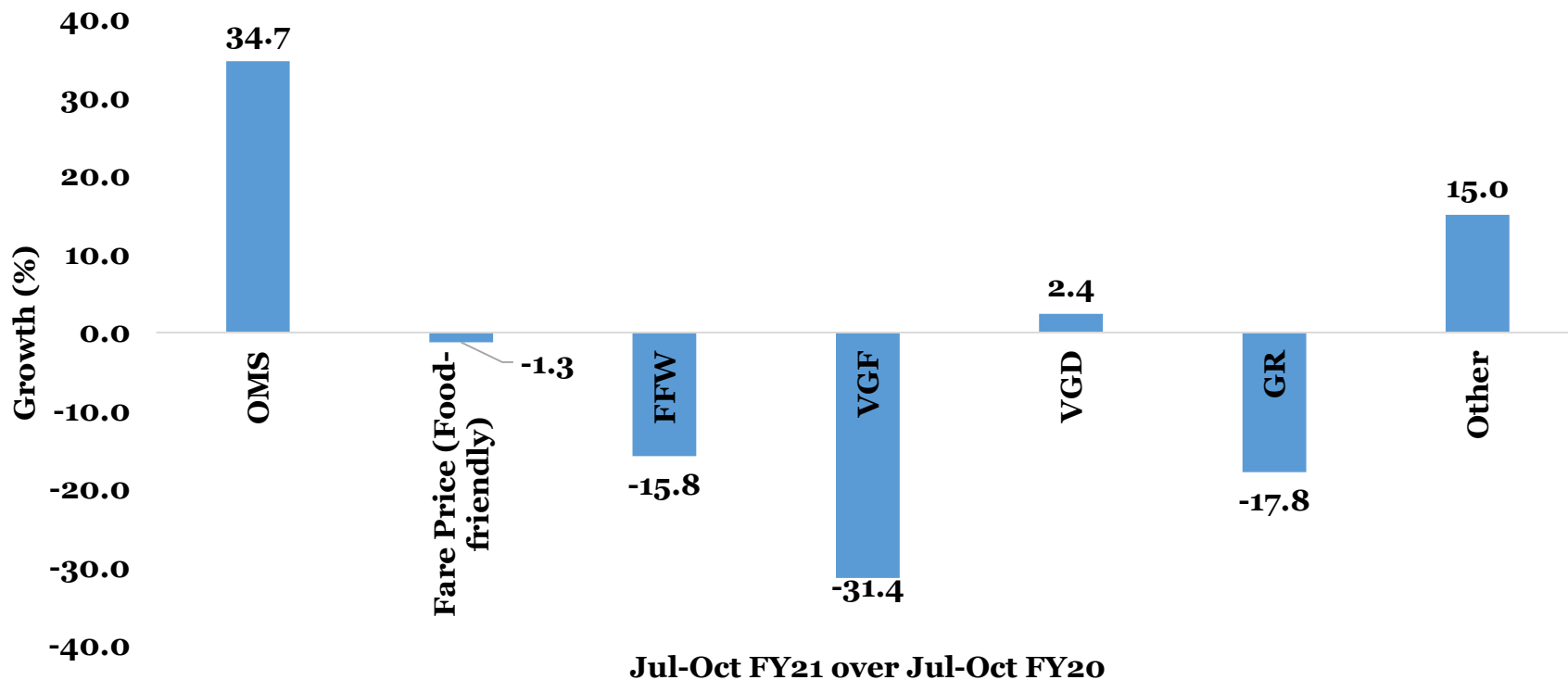
SL. No	Description	Implementing Ministries/ Divisions	Growth (%)			
			Coverage		Allocation	
			RBFY20 on BFY20	BFY21 on RBFY20	RBFY20 on BFY20	BFY21 on RBFY20
Cash, in-kind and other relief supports						
1	Vulnerable Group Development (VGD)	MoWCA	0.0	3.5	1.2	2.2
2	Vulnerable Group Feeding (VGF)	MoDMR	0.0	0.0	-43.0	-15.8
3	Gratuitous Relief (Food)	MoDMR	0.0	2.0	160.6	116.2
4	Disbursement of cash among targeted population to address corona risk (a total of 50 lac households to get tk. 2500 each)	FD	Newly introduced in RBFY20	-100.0	Newly introduced in RBFY20	-60.3
5	Food Assistance in CTG-Hill Tracts Area	MoDMR	0.5	0.8	0.5	3.0
6	Test Relief (TR) (Cash)	MoDMR	1.0	10.3	0.0	0.0
7	Grants for the families of government employees died in service	MoPA	Newly introduced in RBFY20 No coverage target			46.6
8	Open Market Sales (OMS)	MoFood	-1.6	34.2	-7.7	11.0
9	Food friendly Program	MoFood	0.0	0.0	19.3	22.8

Social safety net measures for protecting employment

SL. No	Description	Implementing Ministries/ Divisions	Growth (%)			
			Coverage		Allocation	
			RBFY20 on BFY20	BFY21 on RBFY20	RBFY20 on BFY20	BFY21 on RBFY20
Training for employment generation						
1	Women's Skill Based Training for Livelihood	MoWCA	No coverage target		39.6	-15.8
2	Skills and Employment Programme in Bangladesh	TMED	No coverage target		-73.6	-18.4
3	Rehabilitation and development of socio-economic conditions through training for disadvantaged, poor, elderly, orphans and persons with disabilities	MoSW	0.0	-50.0	40.7	-73.3
4	Skills for Employment Investment Program	FD	17.1	15.3	17.3	15.2
5	Training and rehabilitation of the disabled, widows, orphans, destitute, helpless, backward and the ultra-poor	MoSW	Newly introduced in RBFY20 No coverage target			223.8
6	Investment Component for Vulnerable Group Development Program (ICVGD) (2nd Phase)	MoWCA	Newly introduced in RBFY20 No coverage target			137.4

Trend of the actual distribution of the GoB's food-friendly safety net supports shows worrying signs

- According to Ministry of Food's latest data, apart from OMS and VGD, all other key govt. operated food distribution programmes, e.g. FFW, VGF, GR, Fare Price (food-friendly) registered downward growth during Jul-Oct of FY21 compared to Jul-Oct of FY20



Road ahead towards attaining SDG 8

Road ahead towards attaining SDG 8

Links between SDG 8 and other SDGs



Road ahead towards attaining SDG 8

SDG8: Decent work and economic growth

Target	Indicators	Benchmark year	Current status	Target by 2030	Comments
8.3	8.3.1 Proportion of informal employment in total employment, by sector and sex	86.2 (2016)	85.1 (2017)	65.0	Slow Progress
8.5	8.5.1 Average hourly earnings of employees, by sex, age, occupation and persons with disabilities	12,897 (2016)	13,258 (2017)	No target	Slow Progress
8.5	8.5.2 Unemployment rate, by sex, age and persons with disabilities	4.2 (2016)	4.2 (2017)	0.0	Off track
8.6	8.6.1 Proportion of youth (aged 15–24 years) not in education, employment or training	28.9 (2016)	29.8 (2017)	3.0	Off track
8.7	8.7.1 Proportion and number of children aged 5–17 years engaged in child labour, by sex and age	-	-	Fully eliminate	
8.8	8.8.1 Fatal occupational injuries per 100,000 workers, by sex and migrant status	382 (2015)	228 (2019)	343.8 (Prev. targ.: 100)	On track
8.8	8.8.1 Non-fatal occupational injuries per 100,000 workers, by sex and migrant status	246 (2015)	111 (2019)	221.4 (Prev. targ.: 100)	On track

- ❑ The trends suggest –
 - *There has been significant loss of jobs during the ‘holiday period’ (lockdown)*
 - *Many jobs are also at risk even after the ‘holiday period’*
 - *Income erosion is common among a large section of labour*
 - *New (additional) jobs are hard to come by*
 - *People are forced to move towards informal sector with weaker labour rights*
 - *Marginalised groups (including small entrepreneurs, women, informal workers, persons of disability, young entrepreneur's and new entrants in the labour market) are more adversely impacted than others*
 - *Entrepreneurs may be hesitant to invest more for occupational safety*
- ❑ It may be recalled that the Perspective Plan 2041 aspires to create about 1.93 million new jobs annually between 2015-16 and 2030-31



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Key messages and way forward

- ❑ Our analysis indicates that stimulus packages in Bangladesh had only limited employment impact. They were able to reach only a small share of the total employment
- ❑ The total amount of Bangladesh's stimulus packages was much lower compared to most other countries in the region
- ❑ Large industries were better prepared to receive the stimulus packages given their more organised nature and enhanced technical capacity
- ❑ Safety net measures were also very limited; perhaps a result of limited resources (both financial and foodstock)
- ❑ Slow implementation of stimulus packages for smaller firms and agriculture sector has not produced the expected results in view of employment protection and creation
- ❑ The relative inexperience of lenders and process complexities may have led to lower disbursement of the Tk. 5,000 crore stimulus package for agriculture. The country's commercial banks, except for BKB, have relatively less experience in providing agriculture loans

- ❑ Bangladesh Bank's latest policy stance as regards the SME stimulus package appears to be contradictory (deadline extension vs collateral requirement)
- ❑ The SMEs had a general lack of awareness as regards the stimulus packages. Their technical capacity is also low. The design of the packages should have taken these into cognisance
- ❑ The lenders followed a cautious approach while disbursing the stimulus to smaller entrepreneurs
- ❑ The stimulus packages gave inadequate attention to marginalised and vulnerable employment sectors (e.g. self-employed) as well as marginalised population/areas
- ❑ There are still some confusions and complexities regarding the requirement of collateral for loans in the scheme for CMSMEs and new and small entrepreneurs are finding it difficult to get access to the loans

- ❑ Overall, the designs of the stimulus packages lack incentives for employers to sustain employment
- ❑ Along with giving attention to resumption of livelihoods, safety net programmes should also focus recovery of employment
- ❑ Allocation for employment specific safety net programmes need to be enhanced to support coping strategies of marginalised groups at the household level
- ❑ More concentrated efforts will be required to fully implement the stimulus packages for the smaller entrepreneurs

- ❑ Inadequacies in terms of both design and implementation of the stimulus packages and the social safety net measures from the lens of recovery of employment and livelihood of the marginalised and vulnerable sections of population have prompt us to have a more in-depth look as to:
 - *How these identified groups of population coped with the immediate employment shock?*
 - *What adjustment mechanisms did they adopt in terms of their livelihood?*
 - *Whether and how have they recovered to their pre-COVID employment scenario?*
- ❑ Employment scenario (beyond unemployment rate) should be a critical metric to assess the level of recovery from the current crisis
- ❑ The path to attain employment targets of SDG 8 will be more difficult
- ❑ The government should be ready for deliver further policy support to the economy
- ❑ Learning from this experience, future stimulus packages and safety net measures need to be more employment sensitive
- ❑ CPD is planning to carry-out an in-depth study to identify appropriate policy measures to enable stimulus packages and safety net measures to be more employment sensitive as part of this programme



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Thank You