

Budgeting for the Future

Youth, Skills and Employment

Bangladesh's economy is growing fast

Targeting **7.8 percent GDP** growth in the new fiscal year



Bangladesh

addressed as the new **'Asian Tiger'** by Business Insider

graduated to World Bank's **lower middle-income country** list in 2015

graduating from UN's LDC list by 2024 while became eligible in 2018

Jobless growth implies a situation where employment growth is much lower than output growth

However, jobless growth remains a concern

■ High economic growth did not create enough employment

■ National unemployment rate is 4.2 percent

■ **1 crore 17 lac** job seekers in the job market, including--

27 lacs unemployed

66 lacs underemployed with 15 lacs currently searching jobs

24 lacs future job seekers

Youth unemployment rate

is particularly alarming: **79.7** percent of total unemployed population are between the age of 15-29 years

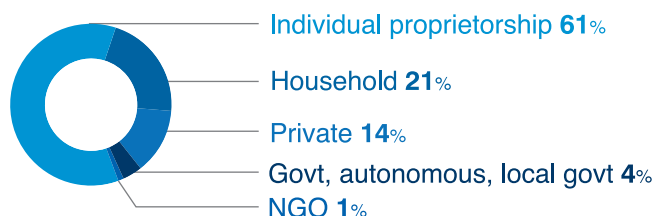
Higher education alone cannot reduce unemployment

■ Unemployment rate was highest in Higher Secondary group (14.9 percent), followed by Tertiary level (11.2 percent)

■ For the less educated (primary 2.7 percent, none 1.5 percent) group, the unemployment rate was less than the national average of 4.2 percent

Dependence on government job for employment has limitations-

- The government provides only **3.8** percent of total employment



Will LDC graduation worsen the unemployment situation?

- Additional export tariff without a preferential treatment may lead to-

Export loss equivalent to **USD 2.7 billion**

Export dip may further worsen unemployment situation

Issues to consider -

- **Training and skill development** of human resources for diversification of the economy, technological upgradation, and institutional strengthening
- **Preparedness for the jobs of the future**

The World Economic Forum estimates that **85 percent of the jobs of 2030 haven't been created yet**

- **Overseas migration and employment** became popular among Bangladeshi job seekers

More than **10 lac people** have migrated abroad for overseas employment from Bangladesh in 2017 alone

However, safety of labour migration remains a concern

Question for Policy Breakfast:

What should be the public financing priorities and strategies to ensure youth employment is consistent with economic growth?