

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
Closed	Closed	\$1,704.00 (per ounce)	\$25.23 (per barrel)	3,05%	2,14%	1,92%	1,33%	BUY TK 83.95	90.14	103.66	11.74
				33,717.62	20,193.69	2,624.23	2,860.08	SELL TK 84.95	93.94	107.46	12.35



# Star BUSINESS

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## TAMING CORONAVIRUS RAMPAGE

# More than a crore with no job and hope

Govt has no data on the number unemployed

SOHEL PARVEZ

Perhaps Bangladesh has the highest number of people out of jobs thanks to the protracted shutdown that has taken away income opportunities for tens of thousands of people, particularly in the informal sector. Or, perhaps not.

We would never know given the apathy in the Ministry of Labour and Employment (MoLE).

This does not end here.

There is no database of workers in government labour offices although the Labour Policy 2012 says that the government will take steps to maintain detailed information on employed workers based on each firm and sector.

The policy also says that the government will maintain data of job seekers and job opportunities to attain the government's top priority goal of creating employment opportunities for the working population.

The Daily Star inquired officials of three departments, Department of Labour (DOL), Department of Inspection for Factories and Establishment (DIFE) and Bangladesh Labour Welfare Foundation (BLWF), to know whether they have taken any steps to enrol the jobless workers, particularly those who were working in the informal sector, and to support them overcome these tough days.

"No, no. It is not possible to do any list of unemployed at this situation of lockdown. But if they want to operate their activities, we can provide them guidance on how to do that by ensuring safety and social distance," said DIFE Inspector General Shib Nath Roy.

No initiative has also been taken to create a database of workers, he said.

"This cannot be done without a project. We have not been able to take any project," he said.

And replying to a question of why no steps have been taken so far, he said: "It is difficult to answer so many questions during this period of general holiday. Let the offices open. This can be seen then."

The DOL, another agency under the MoLE, also does nothing to create a



SK ENAMUL HAQ

**A garment worker sits dejectedly on the DIT Road in Dhaka waiting to buy subsidised food from a truck run by the Trading Corporation of Bangladesh recently.**

database of workers and the number of jobless people in the country.

Despite repeated attempts, DOL Director General AKM Mizanur Rahman did not receive calls for comment last week.

However, Mohammad Aminul Haque, director of Divisional Labour Office Dhaka and also the convener of Crisis Management Committee on Labour issues related to the coronavirus crisis, could be reached.

Haque said they have taken an initiative to collect a list of workers in the informal sector through labour leaders.

Until the middle of last week, it got a list of 42,000 construction workers and rickshaw-van pullers.

"We will make a database after collecting all the names," he said on April 27.

The number of people without work claimed by several workers' rights organisation vary from 1.5 crore to upwards of 5 crore, while two economists said the number would be between 1.30 crore and 1.50 crore.

This is five times the official number of unemployed population of 27 lakh as per the latest Labour Force Survey (LFS) 2017.

When the first confirmed cases of COVID-19 were announced on March 8, Bangladesh had 6.08 crore people in employment.

It is the duty and role of the government to collect and make available such data or for that matter data on employment and labour force of

the country on an up-to-date basis, said Rizwanul Islam, a former special adviser of employment sector at the International Labour Office, Geneva.

The number of people who have gone out of work for the pandemic would be 1.5 crore, said Wazul Islam Khan, general secretary of Bangladesh Trade Union Centre.

The labour ministry had a plan to prepare a database but no specific initiative has been taken yet.

"There is no alternative to preparing a list of workers to provide food assistance for the unemployed workers. We have demanded steps to bring all unorganised sectors under a mechanism and a stimulus package for the informal sector," he added.

Everyone in the unorganised sector has been sitting idle for the one month for lockdown, said Quamrul Ahsan, president of the Jatiya Sramik Federation.

"The number of people without jobs would be five crore plus," he added.

The government should be happy that these 1.5 crore workers have created their own income-earning opportunities, said ATM Nurul Amin, professor of Department of Economics and Social Sciences at BRAC University.

"All they need is protection from calamity time, as it is now when they cannot remain engaged in income-earning opportunities."

If the government were to create 1.5 crore jobs, directly or indirectly, the cost would have been huge and certainly unaffordable.

"Thus, some support schemes during

disruptions of their economic activities as they are now ought to be the minimum that the government needs to do."

City Ward authorities can be given the responsibility for listing. Respective community schools and students can be counted upon to assist in this task, added Amin.

"The distress of people should be an eyeopener for all. Let us do something for them. It is never too late. Still, we can take initiative to list people in the informal sector."

In all likelihood, most of the urban informal sector workers have gone to their villages.

"This offers an opportunity for engaging them immediately to the agricultural sector."

At this harvesting time, this can be a good opportunity to ease seasonal labour scarcity in the rural area. The other opportunity is to keep them permanently in their respective villages, he added.

Razequzzaman Ratan, president of Socialist Labour Front, said a portion of the workforce in the agriculture sector are engaged in the harvesting of Boro paddy. A section of people from the informal sectors has joined farm work.

Taking this into consideration, it can be said that nearly 3 crore of the total accounted formally employed population have been without work since March, he said.

"There is no way to systematically protect workers in the unorganised sector without a proper database," said Kohinoor Mahmood, director of Bangladesh Institute of Labour Studies (BILS).

In India, there is a database, and the neighbouring country has the arrangement to support workers in the informal sector such as those working in the construction and transport sectors.

"Here, on one hand, there is no database of workers. And on the other, there is also no system or government office to report joblessness if anyone is unemployed," Mahmood added.

And preparing a database should not be too difficult.

For instance, there is already a database of farmers and fishermen prepared by the agriculture and fisheries ministries, said Jafrul Hasan, a labour law expert.

Something similar could be done here had there been a desire to do so and these data would have been very useful during this time of crisis, he added.

"If anyone becomes jobless here, the person not only becomes helpless and hopeless, he/she loses his/her identity as there is no place for documentation," Ratan added.

# Overlooked by state and law, informal workers on the verge of starvation

SOHEL PARVEZ

People employed in the informal sector get little attention from the policymakers although they account for 85 per cent of the country's total employed population of 6.08 crore and keep the wheel of the economy humming.

In Bangladesh, the existing labour law is formal or organised sector-centric and the issues of workers in the unorganised sector don't get reflected in the law despite undergoing several revisions since framed in 2006.

The informal workforce has been ignored in the labour law as there is little scope to organise workers in unions.

"The whole informal sector has remained out of the purview of the legal process," said Razequzzaman Ratan, president of the Socialist Labour Front.

Now, almost all the informal economy workers -- jobs that generally lack basic social or legal protections or employment benefits -- have been significantly impacted by the lockdown measures in the world, according to the International Labour Organisation.

What will happen to them is anyone's guess.

Take the case of Abul Kalam. The 55-year old had been earning a living for his six-member family by selling used files, card-holders and old diaries on the footpath of Purana Paltan in Dhaka city.

The job brought him Tk 500 daily before the government enforced the shutdown on March 26 to flatten the curve on coronavirus in the country.

Initially, he managed to buy food through his savings and later on handouts from generous people and organisations.

"Our condition is so bad that I cannot even buy an antacid tablet. Neither can I buy food, medicine nor can I pay house rent."

The elderly knew that the government is providing food aid to the vulnerable and he visited the ward councillor's office two weeks ago.

"We only hear that the government is supporting more than a crore people but we have not got anything yet," said the despondent Kalam.

The labour ministry has formed crisis management committees at the district level and the panels are tasked with making lists of affected workers and submitting the lists to local administration for food aid.

There are, however, provisions to support the informal sector workers under the Bangladesh Labour Welfare Foundation Act 2006 and a Tk 400 crore-fund has been formed to support workers, particularly for treatment and education of children.

"Workers are the owners of the fund. A portion of the fund could be utilised during this coronavirus crisis. But we have not seen any initiative in this regard," Ratan said.

The government could have done something for the workers through the foundation if it were proactive, said Jafrul Hasan Sharif, a labour law expert.

There is no coverage for the informal sector workers in the Labour Act 2006. Workers in the informal sector have been defined only in the Labour Welfare Foundation Law, he added.

"A huge number of people are now unemployed and they are struggling to make ends meet. At this moment, the Bangladesh Labour Welfare Foundation should come forward," said Kohinoor Mahmood, director of the Bangladesh Institute of Labour Studies.

Murshiquil Islam, executive president of the Bangladesh Hawkers Union, termed the state's response inhuman.

"The state has failed to carry out its responsibility." Nearly 10 lakh street vendors and their employees have been hit hard by the lockdown measures.

"There are in serious trouble," he added.

# Do we know how many lost livelihoods during shutdown?



RIZWANUL ISLAM

All over the world, jobs are being lost on a massive scale for measures adopted to fight the health crisis caused by coronavirus, and Bangladesh is no exception.

But do we know how many people have lost their livelihoods during the period of shutdown that the country is going through?

In the absence of any official data on this, how can policymakers do something about it -- even if there is willingness?

When a journalist asked me if I have an estimate, it made me think, and the following is the outcome.

In making my guesstimate of the numbers who have lost their jobs during the shutdown, I start from the observation that much of the urban (including the peri-urban) economic activities have come to a standstill.

I then look at numbers engaged as day labourers, e.g., in construction, informal service, transport, food, etc. as well as the numbers in petty self-employment in retail trade, food service, repairs, etc. I assume that those people have lost their source of livelihoods during the shutdown.

I also assume that those engaged in organised manufacturing will be able to go back to their existing jobs and lay-offs will be limited to about 10 per cent of their workforce.

I use data from the government's labour force survey (LFS) of 2016-17 and make projections of people engaged as day labourers outside agriculture and in urban petty self-employment.

Based on the above assumptions and projections, my estimate is that about one crore people may have been without jobs during the period of shutdown. This is in addition to the nearly 30 lakh who were already unemployed.

So, we are talking about 1.3 crore who are without jobs at the moment. That is nearly one in five of Bangladesh's total labour force.

With the source of livelihood gone, how does one help them stave off hunger during this critical period? The government has announced, in several instalments, measures for coping with the adverse effects of the shutdown on the economy.

Those measures seem to be quite comprehensive and, at least, include measures to help the poor.

But are the needy getting help right away? Not sure. Why do I say so?

Take the formal sector first. A large part of the package for this segment is in the form of credit, albeit at low interest rates.

And the key questions here are the efficiency and speed with which the money will be disbursed. One example is the component for export-oriented industries to cover workers' wages for three months.

Given the conditions for the release of funds from this pot (for example, workers need to have bank accounts), it is difficult to say how long it might take for money to reach the hands of the workers.

In the meantime, there are reports of a lay-off of workers. I wonder whether there is any way of knowing when the first taka from this fund has reached any worker.

In a situation where there is no hard data on the number of workers employed by an industry, fulfilling other conditions for the

release of funds to meet their wages may not be easy.

A similar comment can be made about the funds allocated for loans to the micro and small enterprise segment.

How many such enterprises, especially those at the very small end of the spectrum (e.g., the self-employed or the tiny units with a few salaried workers), will even be able to submit an application meeting all the stipulated conditions is anybody's guess.

As for free food distribution and open market sales, the problems of implementation are no less serious.

On one hand, there is the issue of making the food grains available to the poor without compromising on the health requirements.

Although there were suggestions (including by myself) for arranging delivery of the relief to the doorsteps of the needy, media reports and images show either violation of the basic standards or people having to wait long hours for a bit of handout.

Also, there is the issue of the coverage of such schemes and whether all the needy are being covered.

While the standard approach in anti-poverty programmes is to use poverty mapping for targeting, one needs to understand that the present situation has created a large number of "new poor" who may not be confined to the so-called poverty-prone upazilas.

A much wider and more inclusive approach is needed.

We also hear that "committees" have been formed to prepare "lists" of possible beneficiaries, and "cards" are going to be given. But one wonders when some actual help will reach the hands of the needy.

It seems that the authorities were caught unprepared. And much time is being lost in getting necessary preparatory work done.

One suggestion that came from outside the government (including from myself) was to

provide cash transfer to at least that segment who may not be reachable through food assistance.

This group consists of not only the poor but also those who may have been just above the poverty line but may have fallen off the cliff because of the current crisis.

With a little innovation (e.g., the use of mobile finance) and effort, such a transfer could be made to get money quickly in the hands of those who are facing a precarious situation.

A back of the envelope calculation shows the following: (i) Taking into account the daily labourers and a part of those in the formal and informal sectors who are employed on a precarious basis, I estimated 2 crores to be in desperate need of cash at the moment.

If we assume that half the garment workers may have returned to work already, the above number would be 1.8 crores.

(ii) Using the 2016 poverty line (Tk 2,268 per person) and that each worker has to support a family of 4.06 (2016 survey), the total amount needed for a month would be Tk 9,208.

If one adjusts it for price increases during 2016-19, one would get an amount of more than Tk 10,000.

So, I would suggest a one-time cash transfer of Tk 10,000 per family. (iii) Depending on whether the number of target beneficiaries is taken to be 1.8 or 2 crores, the total amount needed to provide such one-time cash transfer would be between Tk 18,000 and Tk 20,000 crore, which is less than 0.80 per cent of Bangladesh's GDP.

This should be in the realm of feasibility of the government's budget.

Coming to the credit line, especially the one meant for the micro and small enterprises, the paperwork and conditions required should be kept as simple as possible.

There could be massive publicity (e.g.,

through electronic and print media) on how the necessary paperwork could be completed.

Furthermore, support could be provided by setting up cells in public sector banks and encouraging private banks to help micro-enterprises in this respect.

A mechanism could be developed to involve educated young people for assisting prospective applicants. The government's Youth National Service Programme could be mobilised for such support.

Before concluding this article, let me get back to the data issue. The last year for which LFS was conducted is 2016-17. And I don't know when the next survey will be carried out.

Whenever it is done, the results will reflect the situation at the time of the survey -- not what is prevailing now.

On the other hand, if there was a system of carrying out LFS every quarter every year, we could have had a picture of the situation in 2020 and compared it with that of the earlier years.

That would have enabled us to have a more accurate picture of the real impact of the present crisis on people's livelihoods.

My suggestion, therefore, would be to have a plan for carrying out LFS every year -- and preferably, quarterly every year.

That will enable our policymakers to monitor what is happening in the labour market on a more regular basis and adopt policies accordingly.

Likewise, other surveys, e.g., the one on manufacturing industries should also be carried out more frequently and results published quickly after the surveys are carried out.

With good and up-to-date data, policymaking is bound to remain imperfect.

The author is a former special adviser to the Employment Sector of the International Labour Office, Geneva