

Young people deserve better opportunities

The pandemic has been brutal for them, as has bad governance

IT is quite disturbing that as many as 1.6 million young people lost their jobs and about 20 million experienced a loss of income as a result of the pandemic, according to a first-of-its-kind study by the finance ministry. The International Labour Organization (ILO) had previously found that in 2020, youth employment around the world had dropped by 8.7 percent and adult employment by 3.7 percent, demonstrating the overall negative impact of the pandemic globally. In spite of that, the pandemic's effect on Bangladesh's youth labour force has been particularly brutal.

Bangladesh had struggled to create enough jobs and exciting new opportunities for its younger population even before the pandemic began. For example, according to the Labour Force Survey 2016-17, even though the country's overall unemployment rate stood at 4.2 percent, youth unemployment rate far surpassed that (at 12.3 percent). Moreover, during that time, the rate of job creation had already slowed down at a worrying rate—between 2013 and 2016-17, while the average annual GDP growth was 6.6 percent, the average annual growth of jobs was only 0.9 percent. The pandemic, of course, has further exacerbated these problems.

It has also created other new challenges for the youth. According to the government study, millions of college and university students are facing uncertainties with regard to completing their degrees on time. Many more are at risk of developing various health problems due to their prolonged absence from active living. The combined effects of these problems mean that we are potentially at risk of losing an entire generation as well as their productivity and creativity.

Whereas now is the time for Bangladesh to take advantage of its demographic dividend—which will not last much longer—the fact that it is struggling to provide its younger population with even the most basic of opportunities is extremely unfortunate. And not all of this can be blamed on the pandemic.

Corruption, which invariably eats away at the potential for productivity and creativity, is something that has been plaguing Bangladesh for decades. Unfortunately, instead of going down, corruption only seems to have increased in recent years. Lack of good governance is another factor that has been holding back our young people from fully committing to our social and economic progress.

Now that the pandemic has really set us back, the only way to turn things around is for the government to sincerely try and address these long-standing problems. The ministry report itself has acknowledged this. Therefore, we hope the policymakers will now recognise the urgency with which they must act to ensure that young people have all the tools at their disposal to create a brighter future for themselves and our country—and to remove all the governance and politics related barriers that have so often stood in their way.

Sundari no more graceful

Encroachers left the Tangail canal in ruins

IT is disheartening to learn that the Sundari canal at Karatia in Tangail Sadar upazila has been turned into a relic of the past, almost as a sequel to the previous incidents of encroachment of canals in the country. Also known as Katakhal Khal, Sundari flows through Sadar and Basail upazilas of the district. Once a free-flowing waterbody with boats plying in abundance, it has shrunk in size because of the encroachment of its two banks and dumping of waste by those living near it.

Once a major water route in Tangail, the canal used to connect many villages and important trading centres. When concrete roads were scarce in the remote villages, people travelled by boats through canals like Sundari. According to a report by *The Daily Star* quoting local sources, it was dug at the order of a landlord around 1900 to facilitate communication in the area. It was named Sundari as it enhanced the beauty of the surrounding area. Elderly villagers still recount how water used to flow through the canal all year round including during dry seasons. And because of unfettered communication by boats, traders from far and wide used to come to Karatia Market, which resulted in the economic prosperity of the entire region.

It's a pity that such an important canal is now filled up with organic waste posing a health hazard for the locals. Students and teachers of the Sadat College, who live in hostels, are the worst sufferers of the stench emitting from the garbage dumped into the canal.

We are told that a project for the revival of the canal is presently in hand, and that work will begin soon and all illegal structures will be demolished in due time. The chairman of the Upazila Parishad said, "even though it's true that the Sundari canal remains polluted, it hasn't been encroached. Previously, the canal was partially cleaned through a project but later it returned to its previous state. Necessary steps will be taken to free the canal from encroachment soon." We can only hope that Sundari will once again be restored to its past beauty and will merrily flow around the upazila.

Is our health system ready to face Omicron?



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THE emergence of the highly transmissible Omicron variant of the coronavirus reminds us how uncertain the world has become. Despite vaccination, the third wave of the pandemic indicates that Covid may continue to remain a part of our life. Experts have cautioned that the virus may not be wiped out fully and could continue to prevail and affect people, but over time it may become weaker and the fatality rate may decline. Omicron seems to signal the beginning of that phase. Hence, we have to prepare ourselves to navigate through its perils and learn how to survive.

In the face of the rapid surge of Omicron, several countries are reinstating strict measures including travel restrictions and quarantine of travellers. Citizens are being alerted to the dangers. Companies are revisiting their coping strategies. For example, a global financial company has made vaccination mandatory for its staff if they want to keep their jobs. Some companies have announced work-from-home policies for an indefinite period of time.

In Bangladesh, the government has announced some directives recently, while people have been asked to strictly follow health protocols. Further directives to control people's mobility are supposed to be announced soon.

However, some of the announced measures are inadequate. People traveling into Bangladesh will have to undertake an antigen test post-arrival. This is a very weak measure compared to what has been announced in India where travellers will have to undergo seven days of quarantine and an RT-PCR test on the eighth day. Antigen tests are not very reliable in detecting the coronavirus. That is why it is not accepted in most countries. The health ministry, therefore, should take stronger measures. We may recall that weak measures for international travellers in the early days of Covid-19 had been a reason for the fast spread of the virus in Bangladesh.

During the first and second waves, countries enforced lockdowns and border closures. However, that was not very successful. Of course, countries such as China could control the spread of the virus quite successfully, but have had to see their economy shrink. Indeed, the global economic output reduced significantly. Poorer countries were hit hard as they did not have enough fiscal



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of vaccination further helped reduce cases. However, there has been a lack of seriousness among the common people in following health protocols of late. A large number of people do not wear masks in public places. This highlights the need for constant efforts towards awareness-building through various platforms.

Almost two years into the pandemic, this is also a time for Bangladesh to reflect on how we have prepared ourselves in terms of healthcare facilities. The health sector has always been underfinanced. With an allocation of around one percent of Gross Domestic Product (GDP), the sector suffers from inadequate human resources, facilities and innovation. Unfortunately, even with only 5.8 percent allocation in the total Annual Development Programme in 2021-22 fiscal year, the Health Services Division could spend only 6.4 percent of its allocation during July-November of FY22. This is unfortunate since there is a need for higher spending on health services during the pandemic. The allocation for various ministries and divisions is determined by the ministry of finance on the basis of their capacity to spend. So, naturally, there will be lower allocation for the poor performers.

There is a need for higher allocation. But the quality of healthcare services and the inherent weaknesses in the system cannot be improved with higher allocation alone. The sector has to be revamped through reforms since much of the problem is linked to the governance of the sector. How government funds are used, who gets contracts, who oversees procurements, as well as the quality of the supplies are some of the issues that need to be scrutinised and streamlined. The number of healthcare professionals also have to be increased urgently.

While bigger investment by the government is needed to ensure affordable healthcare, the private sector also has to invest more. The private sector needs to increase and improve their services considering the high demand. Reputed international hospital chains may also be brought in to collaborate with local private investors. It's essential that the government ensures proper regulation and monitoring of these hospitals.

Overall, dealing with the coronavirus successfully will largely depend on a robust and affordable health system. Policymakers should utilise the lessons learnt in the past two years and be prepared for a possible third wave.

Clouds lift as RMG makers bounce back



RMG NOTES

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IN the spring of 2020, when the whole planet appeared to be going into lockdown and major fashion retailers were collectively cancelling billions of dollars' worth of garment orders, it was difficult to see light at the end of the tunnel. As 2020 rolled on, things got worse, and there were genuine concerns that the impact of global lockdowns could cause serious and lasting structural change to garment industries, such as our own, as the demand for clothing dried up.

While it is too early to begin resting on one's laurels, the most recent data from the Export Promotion Bureau suggests we may have finally turned the corner. As per the bureau's figures, Bangladesh's apparel exporters witnessed around 30 percent growth to USD 35.57 billion in 2021—a new record. This is compared to earnings of USD 27.32 billion in 2020, which was the lowest in several years. The export figures also show that in December 2021 alone, RMG shipments saw about 52 percent growth to USD 3.8 billion, compared to the corresponding period in the previous year.

This is a remarkable turnaround, considering our industry went through a series of lockdowns coupled with other logistical factors, such as shipping delays and price hikes, nationwide transport strikes, and rises in costs for raw materials, such as cotton and diesel. There are several reasons for this

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growth in exports. One of the most telling is that several of our competitors, including Vietnam and China, were hamstrung by logistical issues and industry lockdowns in the latter half of 2021. Fashion brands and retailers turned to Bangladesh, along with India and Pakistan, to fulfil orders during this period.

However, this is not necessarily a temporary shift in the sourcing landscape. Several industry executives and sourcing specialists are indicating that the shift away from China by fashion sourcing teams is now in full flow. There are several reasons for this, but one of the most obvious is the growing political tension between the US and China (and, to a lesser extent, the European Union and China).

China has long-standing human rights challenges around the mistreatment of its Uyghur Muslim population, and this is causing many buyers to shift to other apparel sourcing hubs. The fashion industry is generally extremely sensitive to corporate social responsibility (CSR) issues, and this trend is not going to go away in an age of heightened human rights awareness. Due diligence in clothing supply chains will be one of the biggest issues in the next couple of years.

All of this is important because it suggests that the burgeoning orders that RMG makers in Bangladesh experienced in the latter half of 2021 could continue moving forward.

Having said that, we must consolidate our position to make sure that we capitalise on the opportunities at hand. There are several steps I believe we, as manufacturers, as well as our industry leaders, need to take to achieve this.

The first is to double down on sustainable and responsible production. We know ours is a price-orientated industry, but after price, sustainability will

be the number one priority for fashion buyers in the years ahead. Many are now looking to tie down partnerships with those who share their thinking and can help them meet their ambitious climate targets. This is a huge opportunity for our manufacturers to grab and maintain market share and build long-term collaborations.

The second thing I believe we need to do is be proactive. The dust is still settling on the global fashion industry and its supply chains right now. New alignments are being forged, supply chains are in a state of upheaval, and there is a sense of all parties vying for the best position in the current state of flux.

Against this backdrop, it is fair to ask: Do our industry leaders have a plan—if so, what form does this take? The biggest thing I would like to see on this front is a strategy around skills, training and investment in the future of our industry. I genuinely believe we can experience tremendous growth, but we must be ready if more orders do come in and the shift out of China gathers momentum.

This brings me to the final point. Amid the satisfaction of the past few months, our industry is noticeably still struggling to maintain a healthy profit margin on orders. We remain price-takers. As long as this is the case, we will struggle to take a long-term, strategic approach as an industry.

I am encouraged to see that our industry leaders are now upholding the benchmark in the minimum costs of garment production. The results of this will enable us to provide better data to fashion buyers about costing issues, so they might better understand the kind of pressure we face on margins. This, combined with much-needed skills and training in price negotiations with customers, must surely be among high priorities for us all in 2022.