

## An action agenda for fostering inclusive growth in Bangladesh

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Second, effective growth sharing mechanisms, mainly public investments in basic education, health or infrastructure for market access and other social services are proven redistributive policies.

Two, subsidise selected commodities, which carry a large weight in the expenditure of the poor people in Bangladesh. Such subsidies have the highest impact on addressing urban poverty. Housing and energy subsidies alleviate the greatest burden on households in terms of expenditure. In-kind subsidies such as school meals are another form of subsidies with proven impact on school enrolment and attendance in Bangladesh.

Three, build a broad political coalition in Bangladesh to effectively implement a redistributive strategy: the emergence of a political coalition for redistribution is country-specific. But redistribution of income can be impacted through tax and expenditure policies, subsidies and social protection.

### Creating productive employment and enhancing employability

Formulating an employment-intensive strategy and enhancing capabilities for employability would be the two broader sets of dimensions of this pillar of inclusive growth. Under the first set, three options can be pursued. One, create jobs through investments. The basic idea here is that economic growth will not necessarily create jobs. In order to ensure job-friendly economic growth, policies need to focus on shifting the structure of employment in favour of sectors hiring poor people and technology used would have to be labour-intensive.

Two, create employment opportunities for women and the youth of Bangladesh. An employment-intensive strategy requires addressing the lower participation and unemployment among women and the youth. Barriers to women's employment include inadequate transportation infrastructure; pre-



entry disadvantages such as gender discrimination; the inadequacy of information, communication and money transmission facilities; limited or no educational achievements; and the lack of negotiating skills that are required for participation in labour markets. One major policy intervention must be on creating employment opportunities for younger people. In many cases, a match has to be made between the skill of younger people and the demands in the labour market, but more importantly, emphasis has to be placed on reorienting the skills of younger people so that their employability in the changed economic structure increases.

Three, focus specially on informal employment, including self-employment in informal enterprises and wage

▲ **Poverty reduction programmes and projects can be designed to directly target the poor.**

PHOTO:  
SIMON REZA

employment in informal jobs. The focus on informal employment in Bangladesh is justified as it creates significant number of jobs and creates income. The focus on the informal economy is also necessary for at least two reasons. First is the equity consideration. Informal labourers suffer from a lack of protection along with poor health and safety standards. Second, informal workers do not have access to social security, insurance or pension, which makes them vulnerable to economic shocks. Policies targeting informal workers and small-scale entrepreneurs must be at the core of any inclusive employment creation strategy. The appropriate policy response comprises a mix of regulatory, protective and promoting measures, and therefore involves legal, policy and

institutional changes.

The second set of broader policies to enhance capabilities for employability have three elements. One, develop skills and human capital. The skill development should focus on tomorrow—on the 21st century skills. Given today's world and its dynamics, skills should be developed through technical and science education in the context of the evolving information economy. Tertiary education should also be encouraged to contribute to innovation and creativity. Two, the skill development should be geared towards new world of work and the Fourth Industrial Revolution. It would need STEM (science, technology, engineering, mathematics) education, digital literacy, use of cutting edge digital technology. Three, enhancing capabilities for employability would also require skill agility, where people can easily move from one line of profession to another, as shocks and vulnerabilities would be the norm, not the exception for tomorrow's world. The Covid-19 phenomenon is a prime example of it.

Finally, inclusive growth in Bangladesh will not be possible without necessary institutions. On one hand, it would require adherence to such normative dimensions as rights of people, rule of law, mutual respect, values of tolerance, equal treatment of citizens. On the other hand, practical considerations such as an efficient and effective public administration with transparency and accountability, non-corruption, a sense of public service would also be sine qua non for inclusive growth. People's participation in the process which are critical to their well-being, their sense of ownership of the economic growth process and their trust in the system are important. In the ultimate analysis, growth is not merely a quantitative number, but also a qualitative phenomenon. Inclusive growth ensures both those traits.

## FEW STEPS TO FOLLOW TO PREVENT CORONAVIRUS

### Do's



#### WASH HANDS

Frequently wash your hands with soap and water or use a hand sanitizer with at least 60% alcohol



#### USE MASK

Wear a face mask when in public to prevent the spread of the virus.



#### STAY AT HOME

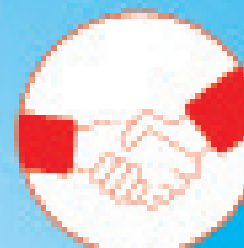
Stay at home if you are sick

#### GET VACCINATED

Get vaccinated as soon as you are eligible.



### Don'ts



#### AVOID HAND SHAKE

Do not shake hands with anyone. If you do mistakenly, sanitize your hands as soon as possible.



#### AVOID CROWDS

Avoid crowds and poorly ventilated spaces. Avoid indoor spaces that do not offer fresh air.



#### AVOID CONTACT

Do not touch your eyes, nose and mouth frequently

#### Do not spit in public

