

Bangladesh isn't doing enough to cash in on demographic dividend



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Bangladesh has a population of around 180 million. Over a quarter of the population (around 50 million) is aged 15-29 years. Given this, the question arises whether Bangladesh is positioned to reap the benefits of the "demographic dividend" that is projected to continue until around 2040.

Demographic dividend refers to economic growth resulting from a change in the age structure of a country's population, typically brought on by a decline in birth and death rates. As a result, there is an increase in the working-age population, which boosts per capita income, given, however, that certain conditions are met.

The term "demographic dividend" is often misunderstood in assuming that its benefits are imminent and within grasp. However, that is not so, because the "necessary condition" must be satisfied to reap its benefits,

less than 2 percent of its GDP on education, compared to UNESCO's recommended 6 percent.

The second sufficient condition raises more critical questions for Bangladesh. First, where will productive jobs, vital for economic growth, come from? Second, what have been the sources of growth in Bangladesh, and how do they compare with other fast-growing Asian economies? And third, will Bangladesh be able to make adequate investments in education and health to ensure a healthy, skilled, and productive workforce?

The capacity to create an adequate number of productive jobs, let alone "decent jobs" is limited, given the relatively low level of private investment, the slow pace of industrialisation, and the relatively low employment elasticity of growth. The Bangladesh labour market is dominated by the agriculture,

in fast-growing Asian countries. The two major contributors are the capital deployed per worker and growth in TFP. Capital deepening brings about technological progress that transmits directly and indirectly to enhance labour productivity. Indonesia and South Korea relied much more on capital deepening. However, Bangladesh does not have as much growth in capital per worker compared to many countries, while China grew both because of more capital deployed and strong increases in TFP. Furthermore, the low skill level and the associated low labour productivity of Bangladeshi workers act as impediments in the country's economic growth process.

A sizeable increase in TFP in countries like China has come on account of workers migrating from low-productivity sectors like agriculture to high-productivity sectors like manufacturing. However, as noted above, agriculture, a low-productivity sector, continues to employ around 45 percent of the country's labour force. By contrast, financial and related services, the high-productive sectors, employ only a relatively small share of the labour force.

The growth in Bangladesh's share of employment in industry is below the growth of other Asian



The term demographic dividend is often misunderstood in assuming that its benefits are imminent and within grasp. PHOTO: STAR

which is the increase in the size of the working age population resulting from a change in the population's age structure—i.e., quantity, which Bangladesh appears to satisfy. There is, however, a catch here. With half of females aged 20-24 years getting married before 18 years (the legal age of marriage), a very large number of girls in Bangladesh, who should otherwise be studying and later joining the workforce, are not available for work, at least for a considerable period of their reproductive lives. Furthermore, about 27 percent of the country's total youth population belongs to the "Not in Employment, Education, and Training" (NEET) group, with a pronounced gender disparity—66 percent females and 34 percent males.

There are two "sufficient conditions" that must additionally be satisfied. The first relates to the quality of the working-age population (measured in terms of health and education status). The second relates to the capacity of the economy to create an adequate number of "decent jobs" (fair wages and secure employment).

In Bangladesh, malnutrition continues to be a major problem, affecting the health conditions of the population, especially in rural areas and in households in the lower wealth quintiles. Bangladesh spends less than 3 percent of its GDP on healthcare services. This is lower than what other countries in the Southeast Asia region spend and what the World Health Organization recommends. With an undernourished labour force, one cannot expect to have high labour productivity. Children who suffer from early childhood malnutrition generally have poorer IQ levels, cognitive function, school achievement, and greater behavioural problems.

There has been considerable improvement in terms of enrolment in primary and secondary schools, as well as at the tertiary level. However, a major issue is the lack of quality education. The educational system and standards fall short when compared with other countries. Furthermore, Bangladesh spends

forestry, and fisheries sector (around 45 percent of the total employed population in 2022), followed by the services sector (38 percent) and industries (17 percent). The predominance of informality in the labour market (around 85 percent), persistence of vulnerable forms of employment, low skill levels of the employed population, low labour productivity, and considerable under-utilisation of the labour force are largely the results of the limited absorptive capacity of the economy to utilise the labour force.

Of the total population aged 15-29 years, over half (53 percent) was in the labour force in 2022 (92.5 percent employed and 7.5 percent unemployed). The highest percentage of the youth labour force was in Dhaka division (32 percent) because of greater work opportunities, while it was considerably lower in other divisions because of limited work opportunities. The labour force participation rates were higher among those with little or no education, both among males and females. They cannot afford the luxury of not working. They are forced to give up studies and enter the labour market at an early age because of financial compulsions.

The proportion of employed youth in total employment was only 35 percent. High unemployment among youth limits, among other things, a country's ability to reap the benefits of the demographic dividend. In terms of employment by major industries and major occupations, the findings are in line with those of the adult labour force. Moreover, vulnerable employment was quite prevalent among the youth labour force, especially among females and in rural areas.

The effects of the demographic dividend are channelled largely through the increase in labour productivity, which comes from more physical capital employed per worker, more human capital per worker, and greater total factor productivity (TFP). Better human capital accounts for only a small part of the growth in labour productivity

economies at similar stages. Also, its share of value added in industry has not grown to keep pace with its share of employment. By contrast, the share of value added in industry in China has always been quite high relative to its share of employment. In Indonesia, the share of value added kept increasing with the increase in the share of employment.

A major concern is low labour productivity in Bangladesh—lower than in most Asian countries. Furthermore, while the share of employment in services has been growing, the share of value added is lower than in most other Asian economies. However, a major problem is that while industry and services are creating jobs, these have been relatively low-productivity jobs. Another problem is that the relatively high-productive manufacturing and services sectors are not able to create employment commensurate with their growth in value added. The critical questions are: First, how many workers will the industry and services sectors have to absorb in the next decade? And second, how many will those sectors absorb if they continue creating jobs as they have done in the past?

Given all these, it is clear that while Bangladesh partly satisfies the necessary conditions to be able to reap the benefits of the demographic dividend, it falls short of satisfying both sufficient conditions. Therefore, to be able to reap the benefits of the demographic dividend, Bangladesh will have to adopt favourable policies to: (i) be able to produce a healthy and educated workforce by spending the required amounts in health and education and by improving their overall efficiency; and (ii) address the impediments to development to be able to create conditions for faster growth of "decent jobs" in manufacturing and services sectors. Otherwise, the country will fail to reap the full benefits of the demographic dividend.

An earlier version of a paper on this topic was prepared with Professor MG Quibria.

Whose interest is Hamas serving?

The symbiotic relationship between the extremists on both sides



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For Israel's ultra-nationalist Prime Minister Benjamin Netanyahu, Hamas is an asset, and Mahmoud Abbas, the Palestinian Authority's (PA) president, is a burden. During his 14-year rule over the past 15 years, Netanyahu did everything possible to keep Hamas in power in Gaza and make the moderate PA increasingly irrelevant and weakened, wrote Israeli historian Adam Raz on October 20 last year.

Through actions like allowing cash transfers to Gaza, Netanyahu indirectly funded Hamas, despite its anti-Israel activities. Most notably, Netanyahu opposed military actions that could threaten Hamas's control, preferring to keep Gaza separate from the West Bank politically. The "surprise" attack of October 7, 2023, was only a consequence of this unholy alliance, underscoring Netanyahu's prioritisation of sustaining Hamas over Israeli security interests. This is a classic tactic that the Israeli state machinery has been deploying ever since Hamas was born.

Although active since the 1950s as part of the Muslim Brotherhood movement, Hamas was formally founded in 1987, gaining influence through a network of mosques and charitable organisations. Muslim Brotherhood was already a dominant political factor similar to the Palestine Liberation Organization (PLO), a secular platform committed to a separate Palestinian state.

Egypt was in control of Gaza until 1967, when it lost the war with Israel. Reversing Cairo's policies, Tel Aviv immediately started hunting down PLO members but eased restrictions on Hamas, allowing it to operate almost at will, using it as a counterweight to the PLO.

Muslim Brotherhood's leader in Gaza was Sheikh Ahmed Yassin, who founded the Islamist charity Mujama al-Islamiya that Israel recognised in 1979 and allowed it to build mosques, clubs, schools,

and a library. Gaza's governor at the time, Yitzhak Segev, formerly Israel's military attaché in Tehran, who saw Iran's Islamic revolution that toppled the Shah, was aware of Hamas's rising influence. Yet he repeatedly met with Yassin, once arranging his hospital treatment in Israel.

In 1984, acting on a tip-off, Israeli troops raided several Hamas-controlled mosques and found a cache of weapons. Yassin was arrested but released within a year because he could "convince" his captors that the weapons were meant to be used against secular Palestinians, not Israel. An Israeli official, Avner Cohen, warned his seniors of the dangers of an Islamic movement. There was still no action.

In 1993, the PLO abandoned militancy and took to political and diplomatic means to achieve its objectives by signing the Oslo Accords. Hamas, aware of its progress, adopted suicide bombing five months before the accord, when it launched the first such attack. It rejected the accords and the PLO's and Israel's recognition of each other.

Nor did the Israeli hardliners intend to allow a separate Palestinian state, as Osamah Khalil, professor of US and Middle East history at Syracuse University, said. The agreement was incomplete from the start: it didn't address critical issues such as illegal Jewish settlements, the status of Jerusalem, Palestinian refugees, and the right of return. But it served Tel Aviv's interests rather well; it gave the legitimacy to sustain its occupation of Palestine and the Palestinian people, according to Dr Alaa Tartir, director of the Stockholm International Peace Research Institute's (SIPRI) Middle East and North Africa Programme. Palestinians had high expectations of an independent state with Jerusalem as its capital. For Israelis, that was never on the agenda. The

deal was doomed to fail because the occupier and those occupied weren't equals in negotiations.

Israel needed to disarm the PLO and got that right away. The PLO realised it would remain the weaker party regardless of its minor attacks on Israeli interests or random kidnapping and killing of its citizens, and the deal could be the way out. But in a perverse dance between two unequal parties, terrorism by Hamas and settlement by Israel continued, eroding all chances of peace.

Israel's prime minister of the time, Yitzhak Rabin, was sincere when he signed the deal, though he was not a peacemaker to start with. As defence minister during the First Intifada, he realised the conflict had no military solution. But despite his sincerity, Rabin could not push it through the Israeli bureaucracy and security establishment that held the real power.

In November 1995, Rabin was attending a peace rally where 100,000 pro-peace citizens turned up. Veteran folk singer Miri Aloni performed her signature anthem, "Shir LaShalom" (A Song for Peace), to the ecstatic crowd. Rabin's parting message to them was: "Let's not just sing about peace—let's make peace." All that was gone when Yigal Amir, a 25-year-old Israeli Jew, emerged from the shadows and calmly shot Rabin twice. An hour and a half later, Rabin was pronounced dead.

Netanyahu was then the leader of the opposition and incited violence among the crowd, who shouted, "Death to Rabin." In July 1995, he went so far as to lead a mock funeral procession for Rabin featuring a fake black coffin. To justify their action in opposing the deal, Israeli ultra-nationalists needed a similar reaction from the other side, and Hamas neatly fit the bill. The Islamist group played the intended role in this game as it continued its opposition to the deal and kept launching missiles into Israeli territory. The PLO grew weaker and lost Gaza to Hamas, and it became clear that a separate Palestinian state may never materialise.

The entire population of Gaza that now faces extermination is only collateral damage in this brutal power game in which Hamas is playing along with Israeli ultra-nationalists, as it always has.

“রাজস্বের প্রবৃদ্ধি”

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কাস্টমস, এক্সাইজ ও ভ্যাট বিভাগ, খুলনা এর আওতাধীন বিভিন্ন রাজস্ব এলাকায় ইট ভাটাসহ বিভিন্ন উৎপাদনকারী, সরবরাহকারী ও সেবা প্রদানকারী ব্যক্তি/প্রতিষ্ঠানের নিকট থেকে স্থানীয় পর্যায়ে মূল্য সংযোজন কর ও সম্পূর্ণ গুণ আদায় কার্যক্রম তদারকি, নজরদারি, নিবারণ (প্রিজেন্টিভ) অভিযান পরিচালনা এবং বকেয়া রাজস্ব আদায় করার লক্ষ্যে সার্বক্ষণিক ব্যবহারের নিমিত্তে ০১ টি মাইক্রোবাস (দৈনিক/মাসিক) জাতীয়/প্রতিষ্ঠানিক ভাড়া গ্রহণের জন্য নিম্নলিখিত শর্ত সাপেক্ষে লিখিত দরপত্র আহ্বান করা যাচ্ছে।

শর্তাবলীঃ

১. সরবরাহতব্য গাড়ি ০১ টি সর্বনিম্ন ১৫০০ সিসি এবং ০৮(আট) আসন বিশিষ্ট হতে হবে।
২. সরবরাহতব্য গাড়ির যাবতীয় দলিলাদি হালনাগাদ/নবায়নকৃত হতে হবে এবং দরপত্রের সাথে লাইসেন্সের সত্যায়িত ফটোকপি সরবরাহ করতে হবে।
৩. গাড়ি চালকের বৈধ লাইসেন্স হালনাগাদ/নবায়িত হতে হবে এবং দরপত্রের সাথে লাইসেন্সের সত্যায়িত ফটোকপি সংযুক্ত করতে হবে।
৪. সরবরাহের পর গাড়ির কোন প্রকার ক্রটি দেখা দিলে তার পরিবর্তে একই ক্ষমতাসম্পন্ন ও একই আসন সংখ্যা বিশিষ্ট অন্য আরেকটি গাড়ি সরবরাহের নিমিত্ত এক্ষণা অঙ্গীকারনামা দরপত্রের সাথে সংযুক্ত করতে হবে।
৫. দরপত্রে গাড়ির যাবতীয় খরচ (যথাঃ তেল/গ্যাস-প্রতিঘন্টা, ভাড়া-প্রতিদিন) ইত্যাদিসহ সর্বমোট দর উল্লেখ করতে হবে।
৬. মাসিক ভিত্তিতে বিল দাখিলের নিমিত্ত লগবুকসহ নিজস্ব প্যাডে বিল উপস্থাপন করতে হবে।
৭. মাইক্রোবাস ভাড়া প্রদানকারী ব্যক্তি/প্রতিষ্ঠানের ১৩ ডিজিটের হালনাগাদ মুসক নিবন্ধন নম্বর ও টিআইএন নম্বর থাকতে হবে এবং বিল পরিশোধের সময় আইনানুগ ভ্যাট ও অগ্রীম আয়কর কর্তন করা হবে।
৮. মাইক্রোবাস ভাড়া প্রদানকারী ব্যক্তি/প্রতিষ্ঠানের মালিকের NID কার্ড থাকতে হবে।
৯. মাইক্রোবাস ভাড়ার মেয়াদ কার্যক্রমে উল্লেখিত তারিখ ৩০/০৬/২০২৪ খ্রিঃ তারিখ পর্যন্ত বলবৎ থাকবে।
১০. মাইক্রোবাসটি কাস্টমস, এক্সাইজ ও ভ্যাট বিভাগ, খুলনা জেলার সকল উপজেলায় ব্যবহৃত হবে। উল্লেখ্য প্রতিদিন সকাল হতে দাপ্তরিক কাজ শেষ না হওয়া পর্যন্ত মাইক্রোবাস প্রয়োজনে চালাতে হবে। সাপ্তাহিক বন্ধের সময় এবং সরকারি ছুটির দিনে প্রয়োজন হলে মাইক্রোবাস সরবরাহ করতে হবে।
১১. কোন প্রকার দৃষ্টিনা সংক্রান্ত যে কোন প্রকার আইনগত জটিলতার দায়ভার মাইক্রোবাস ভাড়া প্রদানকারী প্রতিষ্ঠানকেই বহন করতে হবে।
১২. কোন অজুহাতে মাইক্রোবাস সরবরাহ বন্ধ করা যাবে না। যে গাড়িটি ভাড়া দেয়া হবে তার রেজিঃ নং আগেই জানাতে হবে। কোন কারণে তা দিতে না পারলে অন্য আরেকটি গাড়ি সরবরাহ করে তার রেজিঃ নং, ড্রাইভারের নাম ও মোবাইল নং এ দস্তবের যানবাহন কর্মকর্তাকে জানাতে হবে।
১৩. গাড়িতে লগ বই ব্যবহার করতে হবে এবং তা যানবাহন কর্মকর্তা কর্তৃক স্বাক্ষরিত থাকবে।
১৪. দরপত্র সম্পর্কিত সকল কার্যাদি The Public Procurement Rules-2008 অনুযায়ী পরিচালিত হবে।

আগ্রহী দরপত্রাদাতাগণকে আগামী ০৩/০৩/২০২৪ খ্রিঃ তারিখ দুপুর ১২.০০টা পর্যন্ত প্রতিষ্ঠানের নিজস্ব প্যাডে নিম্নস্বাক্ষরকারীর দস্তাবেজিত বাস্তব দরপত্র দাখিল করার জন্য অনুরোধ করা হলো। একই দিন দুপুর ১২.৩০ ঘটিকায় দরপত্রাদাতাদের উপস্থিতিতে (যদি কেহ উপস্থিত থাকেন) দরপত্র কমিটি দরপত্র বাস্তব খুলে দরপত্র যাচাই-বাহাই করে আইনানুগ ভাবে দরপত্র গ্রহণ করবেন।

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