Japan has opened up opportunities, let's not ruin it

AN OPEN DIALOGUE

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Bangladesh is hoping to send at least one lakh people to Japan over the next five years to work in various skilled and semi-skilled jobs. During a meeting with a Japanese parliamentary delegation at the Jamuna last month, Chief Adviser Prof Muhammad Yunus announced, "We plan to send 100,000 young people to Japan. They will receive language training, skill development, etiquette lessons, and even some history education." One can hope that this training will be offered and the certification completed before the aspiring migrants head for the airport in Dhaka.

Let us now examine the challenges the trainees will face once they are in Japan and how best to prepare them quickly in an intensive immersion curriculum, that is in the works.

A little background for this labour migration project to Japan is in order. Japanese companies are experiencing severe labour shortages, and in the face of a looming crisis, various government and non-governmental agencies in Japan have reached out to Southeast Asian countries, including the Philippines, Vietnam, Myanmar, and Cambodia in the past, to teach and train young people to motivate them to migrate to Japan on short-term work visas. Bangladesh is now joining this initiative to ease its domestic jobs crisis.

Fortunately, our Ministry of Expatriates' Welfare and Overseas Employment (MEWOE), entrusted with the Japan labour migration initiative, can learn from research studies and reports that show what worked and what failed in the past for job-seekers from various Southeast Asian countries to Japan.

There is no denying that the chance to work in Japan, a developed country, will be a life-changing experience for a Bangladeshi citizen, and prospective migrants are very likely to prefer this destination over Malaysia or the Middle East.

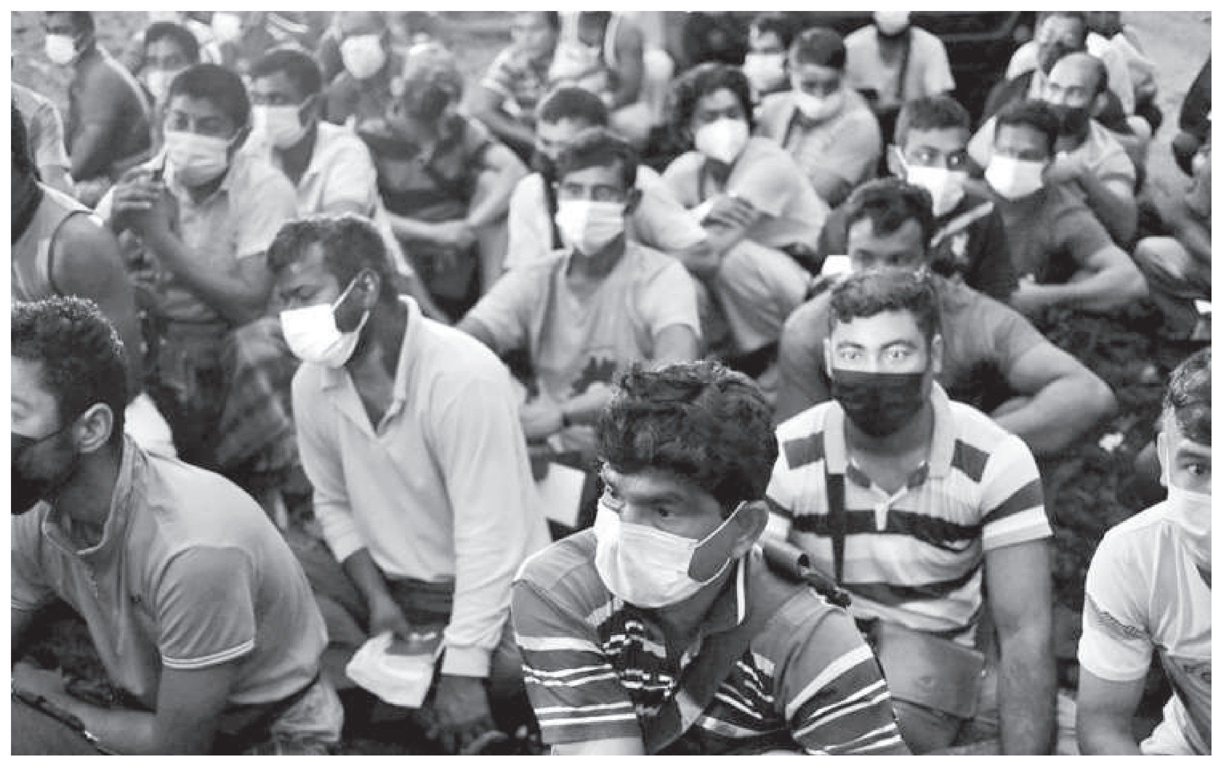
In the past, Bangladesh has sent workers and students to Japan, but life is tough for new settlers who do not speak Japanese. Studies show that basic proficiency in Japanese is crucial to new immigrants' successful integration, as it affects their access to healthcare, mental wellbeing, and employment opportunities.

I have come across many workers who went to Japan but left during its recession, which followed the global economic crisis a decade ago. Some of them are now living in Boston in the US. The experience of these Bangladeshis is varied. Most of them had to overcome many hardships without the support of their community. On the other hand, a Filipino migrant who is now settled in the US had a more pleasant experience. One common issue they all mentioned is the language barrier. They all testified that insufficient fluency can lead to social and psychological stress and create barriers in daily life, such as navigating medical systems and workplace administration.

The government of Japan is aware of the considerable hurdles it has faced since the initiation of the Technical Intern Training Program (TITP) in 1993 to train and recruit foreign workers in skilled and semi-skilled jobs. TITP had been the primary pathway for more than three decades to recruit foreign labour despite widespread allegations of exploitation, poor working conditions, and other harms. In April 2019, Japan established a new status of residence, Specified Skilled Worker (SSW), to welcome capable specialists from overseas to work in certain Japanese industrial fields, as workers ready to take on jobs without prior training. The sectors where most foreigners are employed today include manufacturing, services, and wholesale/retail.

For young, college-educated Bangladeshi graduates, another door will open in April 2027, when Japan replaces TITP with Employment for Skill Development, a new system that offers more flexibility for foreign workers. It is expected that both governments will tailor their training and recruitment activities to facilitate a smooth transition to the new programme.

Unfortunately, migrants as well as recruiting agencies often are reluctant to spend money on human resources development because of "market failure." In other words, the worker may not get a job or good salary after training in a certain field or may leave the job for another industry. Learning another language, particularly Japanese, is risky since the workers are not guaranteed a job. While basic conversational skills can be acquired in 1-2 years, academic language proficiency takes 5-7 years or longer, highlighting the challenges for migrants' children in school.



If the government of Bangladesh invests in training our young people to work overseas, it becomes a win-win venture for both Bangladesh and Japan.

FILE PHOTO: REUTERS

If the government of Bangladesh invests in training our young people to work overseas, it becomes a win-win venture. Japan benefits from the human capital, and Bangladesh gains valuable "externalities." These benefits arise because the training—in language, skills development, etiquette, and Japanese history—not only helps the current cohort of job-seekers but also creates a "network good." As more trained workers establish themselves in Japan, they share knowledge, build reputations, and open pathways that make it easier for future generations of Bangladeshi workers to find opportunities there—a externality for Bangladesh.

The Bangladesh government has set up a Japan Desk at the MEWOE to facilitate recruitment and migration. The Japan Desk has been tasked with several responsibilities, including surveying demand in the Japanese labour market; identifying employment opportunities; arranging Japanese language training and digital testing; strengthening coordination with Japanese and Bangladeshi institutions; and supporting quality certification centres.

It is not clear if the trainees will receive any allowances during the training period. The news reports indicate that the Japanese government and non-governmental agencies will provide funding for the multi-year initiative. With legislation in Japan opening the door to lower-skilled foreign labour, their government has also awakened to its responsibility to support the social integration of immigrants through language instruction and other educational supports.

Our prospective migrants have to be cautioned about the hidden enrolment fees often charged by recruiting agencies. Some employers also may withhold a significant portion of trainees' wages for "compulsory savings" that are forfeited if the worker quits. Other issues that migrants in Japan have reported include restricted job mobility, sub-minimum wages, and excessive hours of work. A 2023 investigation found that roughly 70 percent of companies hiring technical trainees in Japan had violated labour regulations.

Our government should take these issues into cognisance, while preparing workers for the Japan migration programme. To increase accessibility, our Japan Desk can expedite the development of Japanese language apps and a Learning Management System (LMS) for online training. The Bureau of Manpower, Employment and Training need to gear up for the necessary tasks, including job-matching (aligning candidates' skills with in-demand roles), pre-deployment training (in job-specific skills, workplace etiquette, cultural adaptation, and language proficiency), and post-employment support with career counselling and upskilling programmes to help workers stay competitive in global markets.

We must seize this opportunity and not let red tape or inefficiency ruin it.

Power subsidies aren't a fix for global shocks

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Bangladesh's heavy reliance on fossil fuel imports has emerged as a major threat to its fiscal health and overall macroeconomic stability. Despite mounting fiscal pressures and increasing volatility in international energy markets, the country continues to raise its subsidy allocations for the power and energy sector. In the national budget for FY25-26, the government allocated Tk 37,000 crore in subsidies for this sector—slightly lower than the originally proposed Tk 40,000 crore for FY24-25. However, the revised power subsidy for FY24-25 was later increased to Tk 62,000 crore. Although the proposed subsidy of Tk 37,000 crore for FY25-26 marks a substantial reduction from the revised figure, it remains uncertain whether this cut will hold, given the government's previous tendency to revise allocations upward during the fiscal year.

The government had initially proposed an overall subsidy allocation of Tk 1,15,000 crore for FY24-25, which later rose to Tk 1,33,000 crore after overdue payments were cleared across several sectors. For FY25-26, the proposed allocation stands at Tk 1,15,741 crore—nearly unchanged from the earlier year's proposal. The lion's share of these subsidies continues to go to the power and energy sector, driven by the country's growing dependence on imported fossil fuels such as crude oil, diesel, furnace oil, coal, and LNG. The global rise in fuel prices—exacerbated by the Russia-Ukraine war—has significantly increased the cost of power generation. Additionally, the depreciation of the Bangladesh taka has made imports even more expensive, intensifying the government's subsidy burden. This vulnerability was reflected in FY24-25, when the originally allocated Tk 40,000 crore for energy subsidies had to be increased to Tk 62,000 crore to cover mounting arrears and higher import costs. The trend highlights a structural issue: Bangladesh's energy sector remains highly exposed to external market fluctuations, making it susceptible to price shocks that threaten macroeconomic stability.

The risks are further amplified by ongoing geopolitical tensions. The current conflict in the Middle East has introduced new uncertainty into global energy markets due to potential supply disruptions. The Iran-Israel conflict, in particular, posed a major threat to the global energy market in June 2025, as it risked disrupting the Strait of Hormuz—a vital chokepoint that facilitates the daily movement of over 20 million barrels of oil and substantial volumes of LNG, accounting for nearly one-fifth of the world's total supply. A temporary blockade could push oil prices above $100 per barrel, as projected by Goldman Sachs analysts—sharply increasing Bangladesh's import costs. Such a surge would raise electricity generation expenses, disrupt industrial activity, and drive up costs in the transport and agriculture sectors. These effects would, in turn, fuel inflation, elevate living costs, and constrain both public and private investment.

A rising import bill would also place immense pressure on Bangladesh's already strained foreign exchange reserves, potentially triggering further depreciation of the taka. A weakened currency would increase the cost of all imports, risking an inflationary spiral that may prove difficult to control. Although the government has tried to cushion the impact through subsidies, this approach is neither fiscally sustainable nor economically efficient. Blanket subsidies, particularly in the power sector, protect inefficient production systems and delay essential reforms. Underutilised power plants continue to receive high capacity payments from the government, resulting in wasted public resources—funds that could be channelled into more productive areas.

The current subsidy framework also suffers from distributional inefficiencies. A significant portion of energy subsidies benefits wealthier households and industries rather than the low-income groups they are meant to support. This regressive outcome stems from poor targeting mechanisms and weak institutional coordination. The continuation of such subsidies imposes a heavy fiscal burden and limits the government's capacity to invest in modern energy infrastructure, renewable energy, and crucial social development programmes. Despite these concerns, the FY25-26 budget reflects only marginal reforms. While energy subsidies have been slightly reduced to Tk 37,000 crore, the allocation for LNG subsidies has increased from Tk 6,000 crore to Tk 9,000 crore—signalling a continued reliance on the volatile international energy market.

Bangladesh must therefore embark on rationalising its energy subsidies through a medium-term reform roadmap that balances fiscal prudence with energy security and equity. This requires improving energy efficiency by upgrading transmission infrastructure, conducting regular energy audits, phasing out outdated and underperforming power plants, and renegotiating costly power purchase agreements with independent producers. Diversification of the energy mix is equally vital. The government should invest in local gas exploration and accelerate the transition to renewable energy sources. Aggressively pursuing solar and wind projects could significantly reduce dependence on imported fossil fuels. While the Rooppur Nuclear Power Plant and the Matarbari coal-fired plant may ease some pressure on energy imports, a comprehensive strategy centred on cost-effective, affordable, and sustainable solutions remains essential. Public-private partnerships (PPPs) should be utilised to fund gas exploration activities, offering attractive yet fair conditions to international oil companies (IOCs). Properly managed PPPs and international collaborations can enhance domestic gas production and lower import dependency. Meanwhile, the government should introduce a transparent fuel pricing mechanism that reflects global prices while maintaining a buffer to absorb shocks. High taxes on solar equipment should also be revised to promote cleaner, domestically sourced energy.

Institutional reforms are equally crucial. Strengthening energy governance by reducing corruption, enhancing transparency, and developing competitive energy markets is vital. State-owned enterprises have long suffered from inefficiencies and corruption, leading to inflated costs and declining performance. Effective coordination among the Ministry of Finance, Energy Division, Bangladesh Energy Regulatory Commission (BERC), and Petrobangla is essential to streamline budgeting, minimise system losses, and ensure reform implementation. Without a credible and coherent policy approach, Bangladesh risks remaining trapped in a cycle of fiscal deficits, currency instability, and energy insecurity. The country can no longer afford a reactive stance in energy policy, especially in a global context shaped by geopolitical uncertainty and climate transition challenges. A well-targeted, proactive, and fiscally responsible subsidy reform strategy is imperative to safeguard Bangladesh's economic future. Rationalising energy subsidies is not only crucial for fiscal relief but also essential for building a more resilient, equitable, and sustainable energy system.

CROSSWORD BY THOMAS JOSEPH

ACROSS
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11 Zellweger of "Chicago"
12 Official decree
13 Remains
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15 Shoelace problem
17 Rock producer Brian
18 Musical brother of Kevin and Nick
22 "— boy!"
23 Complete
27 Cheer for a diva
29 The present
30 Cobbler's work
32 Center
33 Finger joints
35 Massage
38 Nevada neighbor
39 Digital assistant
41 TV's O'Donnell
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46 Flash of light
47 France's capital
48 Some signs

DOWN
1 Tax org.
2 Dog's doc
3 "Not — dare!"
4 Iceland's capital
5 Like some questions
6 Navigator's tool
7 Poem of praise
8 Excellent
9 Computer symbol
10 — time (never)
16 Low digit
18 Pokes
19 Other, in Acapulco
20 Bibliography abbr.
21 Sweden's capital
24 Pop star
25 Quite uncommon
26 Looks over
28 Some flowers
31 Stomach
34 Boat's load
35 Rough voice
36 Arm bone
37 Grizzly, for one
40 Noon, on a clock dial
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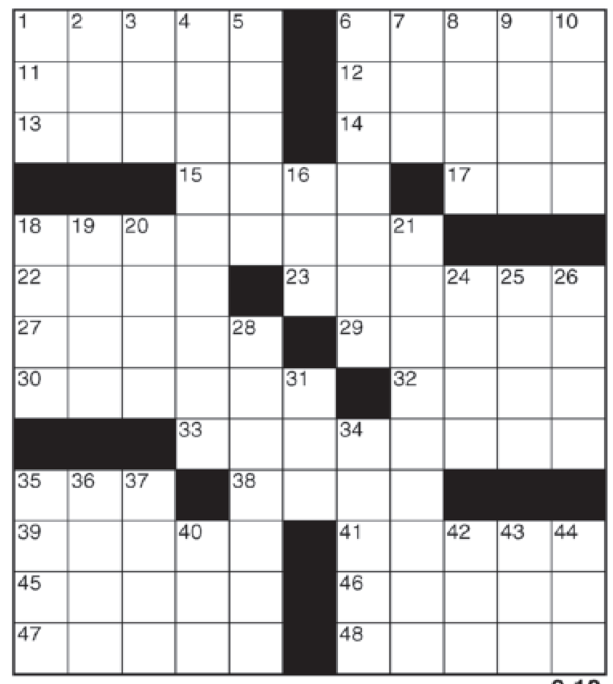

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YESTERDAY'S ANSWERS

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