

Tackling Unemployment Problem

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— Syed Ashraful Hasan

Employment creation needs to be a very important objective in every economy for the simple reasons that unemployed persons pose a burden at every level in society. First of all, they are burdens for their families. Unemployed young ones eligible to work and not finding work are a source of agony for their families. Family resources are drained on the maintenance of unemployed young persons.

In the overall economic sense, unemployed people are liabilities for the economy because they do not produce but only consume. People who do jobs usually produce something or discharge a service and obtain an income in return for their economic activities. Thus, employed individuals both give something to the economy and take from it whereas the unemployed ones only take from the economy but do not provide anything to it. They are like parasites living off the wealth and income that others produce. Thus, both unemployment or its milder form, underemployment, meaning less than optimum engagement in work, are both highly undesirable for the economy and society.

A huge number of able-bodied persons are now unemployed and underemployed in Bangladesh. Bangladesh estimates suggest that some 38 per cent of the 68.3 million members workforce in Bangladesh are currently unemployed or underemployed. Thus, the very formidable nature of the problems in these respects for Bangladesh needs no explanation. It should be obvious to all.

Under such circumstances, the greatest emphasis of the national strategy for accelerated poverty reduction has to be put on maximizing employment opportunities. For that purposes, practical policies should be pursued in a well-consistent manner to give a stimulus to much greater investments in the economy so that more jobs can be created on a regular basis. Meanwhile, the domestic economy may not expand sufficiently and proportionately to provide jobs to the rising number of unemployed people. It serves the country's purpose best if a much greater number of people can be sent out with jobs. In that case, the benefits can be multiple. The pressure of the unemployed ones for jobs cases, foreign currencies are remitted in support of the foreign currency reserve and the country is also spared the parasitic existence of people without jobs.

Considering these factors, there is also a strong case for operationalising more energetic policies to provide training at publicly run training centres where young persons can get training for jobs which have good demand abroad. The returns in remittances from skilled labour are substantially higher than unskilled ones.

In this concept, one would like to note here that government's investment in skill training makes sense. Financial institutions can also be persuaded through appropriate policy measures to extend loans on easy terms and conditions to overseas job seekers which they would be able to pay back on taking up employment abroad. Furthermore, private manpower agents do also need to work with integrity and efficiency so that job seekers are not cheated. All of these steps and more are likely to much increase the prospects for gainful foreign employment by a greater number of Bangladeshies.

However, overseas jobs will not solve the problem of the country's massive unemployment problem. Only generation of adequate employment opportunities within the country will help to make an effective dent into it. For such jobs and thus, income opportunities to be created, the level of domestic investments must rise. Investment is, however, no push button phenomenon. Favourable investment climate, judged objectively in terms of both economic and non-economic factors, is necessary for investments to take place on a sustained incremental basis.

In order to speed up employment locally, the areas like training, advisory service, capital support and assistance to the country's huge unemployed youth at the grassroots level etc., merit a serious attention. Through such training and assistance, many self employment projects can be opened up for youth in the dairies and livestock sector, poultry breeding, growing of new agricultural products for export, etc.

Ample public spending for skill development is all the more necessary because private sectors may prefer not to invest in this area out of a consideration of low profits. The other very important consideration of high costs of skill training under the private sector is also likely to exclude most seekers of such training on the ground of their inability to pay for the training. Thus, government's role as a skill trainer assumes great importance in a country like Bangladesh. The country appears to have scored some modest gains as shown in the last human development report on South Asia. But the rate of progress seems below what is desired or necessary that creates the imperative for greater skill training of the workforce at public initiative. □

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