

Growing Unemployment Rate in Bangladesh Due to COVID-19 Shock: A Problem That Could Take Years to Get Resolved

Md. Nazmul Karim Sakib^{a*}, Md. Rezaul Karim Sajid^b

^aM BA in Human Resource Management, University of Barishal, Barishal, Bangladesh, Block-B, Road-7, House-5/1, Rupatali Housing State, Barishal-8207, Bangladesh

^bM BA in Operations and Supply Chain Management, American International University Bangladesh, Dhaka, Bangladesh, Block-B, Road-7, House-5/1, Rupatali Housing State, Barishal-8207, Bangladesh

^aEmail: sakibnazmulkarim@gmail.com, ^bEmail: rezaul.karim.sajid@gmail.com

Abstract

This paper aims to show the ever-increasing unemployment in Bangladesh due to the corona pandemic that could seriously affect the socio-economic lives of people. Millions of people from various sectors (agriculture, construction, tourist and hospitality, transportation) have lost their jobs or are unable to find a new suitable job to feed themselves and their families. Most salaried workers have become jobless as they could not go to their respective workplaces because of the strict lockdown imposed by the government. The youths including fresh graduates are the worst sufferers as the current job market is hostile to them. They must become more creative and skilled to get a decent job in a highly competitive job market. New policies and rules must be implemented to ensure job security. At the same time, poor workers who have become jobless due to this epidemic must be given adequate subsidies by the government.

Key Words: Unemployment Problem; Youth Unemployment; COVID-19; Jobless People.

1. Introduction

The authors in [1] noted that Corona epidemic has not only endangered people's well-being but also caused damage to the societal, financial, cultural, and all other aspects of the country. Coronavirus brought sweeping changes in people's life ranging from the work culture to social standards.

* Corresponding author.

The authors in [2] talked about the pragmatic costs of a sharp weakening in demand for industrial goods and services due to numerous control measures taken by the government predominantly from the informal segments such as agriculture, export-oriented convenient garments, and other labor-intensive segments of the economy had affected employment and income of marginal people. The paper starts with a comparative analysis of the unemployment rate from 2010 to 2020. Then it explains that people from different sectors losing their jobs permanently or impermanently because of the corona pandemic. The paper also discusses growing youth unemployment and comparing the youth unemployment rate from 2015 to 2019. It also compares the unemployment rate with other South-Asian countries (2020-2021). The last part mainly talks about how to cope up with the unemployment problem created by the COVID-19.

2. Methodology

The review article is written in the qualitative method through collecting and analyzing secondary data (journals, articles, online news sites, studies, statistical sites). Firstly, Historical data were collected from different statistical websites. Secondly, the unemployment growth was cross-examined through previous articles, reports, journals. Lastly, some popular news sites were also reviewed for the refinement of the data.

3. Limitations/Constraints

- 1) This paper was prepared based on some information.
- 2) Errors could be possible in summarizing primary literature.
- 3) Only online sources were used to collect data.
- 4) This type of study requires more time.

Unemployment Rate (%) of Last 10 Years in Bangladesh (from 2010-2020)

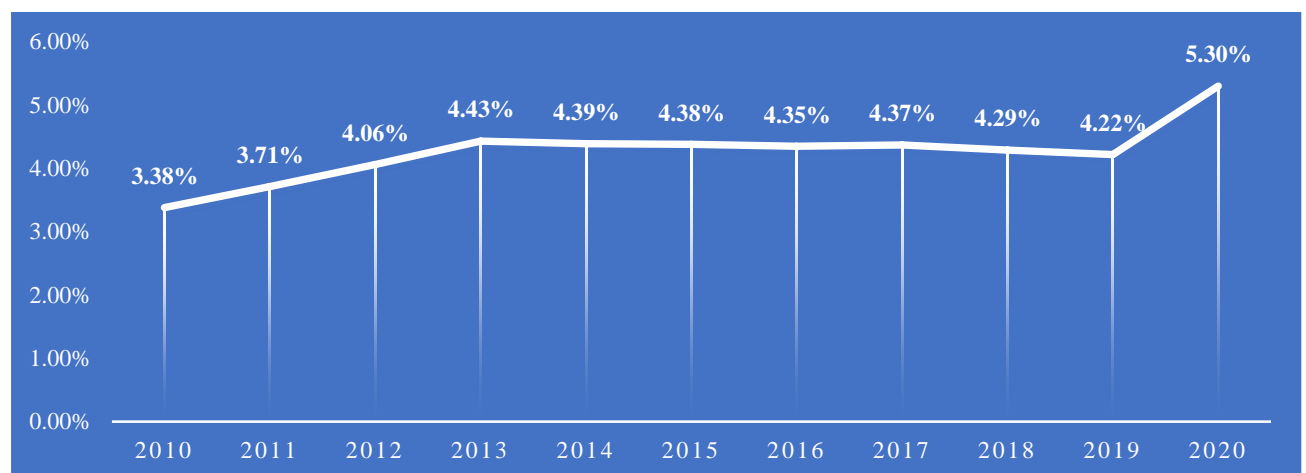


Figure 1: Unemployment Rate

Source: Statista

This figure clearly shows that the unemployment rate was increasing from 3.38% in 2010 to 4.43% in 2013. From 2014 to 2017 the rate was somewhat stable meaning it was not growing too high. In 2018 and 2019 the rate decreased a little bit by 4.29% and 4.22% respectively. After the pandemic corona occurred the unemployment rate has grown too high than ever before in Bangladesh 5.30%. The rate increased to 1.92% in the year 2020.

4. People losing Their Jobs Temporarily or Permanently

Pandemic corona has taken away the jobs of many people. resulted in a disaster in the job market. Finding a new job is becoming typical day by day. A study conducted by 'Human Development Research Centre' [HRDC] found that Around 54.9% of households in Bangladesh with at least one member in a family lost their jobs permanently or for a limited period or were forced to close their businesses. The people, living in the low-income reimbursements across the metropolises, met a severe retrenchment in employment opportunities. A great number of waged employees had lost their works. In utmost cases, the enduring ones do not get the pay fully and timely. Those who worked as home-aid, are not getting access to the houses and many are not getting their earnings. The rickshaw/auto-rickshaw puller are receiving only a scanty number of fares. The hawkers and wayside vendors cannot run the business appropriately as there are several limitations from the authorities. Although the customers are facing hardship, the volume of sales has condensed particularly. Transversely to the cities, many of the construction workforces do not have labor as many of the construction works have been rested. The authors in [5a] divulged based on the estimates from numerous sources that between 12 to 17 million instant impermanent job loss was created because of two months lockdown. This assessment was derived from the closure of key four areas. The areas are: 7 million in Micro Small and Medium (MSME) service areas, 5 million in transportation, 3 million in construction, and 3 million in manufacturing (together with MSME manufacturing) works. The authors in [5b] also depicted the estimates from various sources of permanent job loss.

The sources are:

World Bank - 7 million

Asian Development Bank (ADB) - 4 million

Policy Research Institute of Bangladesh - 12 million

Centre for Research and Information (CRI) – 6 million

Source: Center for Research and Information

The author in [6] stated that a devastating majority of the country's 37 million workforces – entrepreneurial and day laborers had become temporarily unemployed. Approximately 10 million daily laborers had lost their occupations whereas the vast majority of 27 million people in the informal area had become provisionally jobless and they were slowly losing their buying capacity. Bangladesh Rural Advancement Committee (BRAC)

a non-governmental organization conducted an assessment report in 2020 where 28% of farmers participated in this survey stated that there was the unavailability of work or labor for them (both fish farmers 48% and crop farmers 31%) due to the corona epidemic complicating the situation to continue their production. Farmers confronted financial losses due to production and marketing-related challenges. The primary effect of the corona epidemic on the agronomy area is the drop in demand for nearly all agricultural products. The fragile nature of agricultural products added grief to the farmers, as they could not but sell the objects at whatever price they could acquire.

5. Youths are the Worst Sufferers

The author in [8] talked about the adverse effects of corona pandemic on the job market and the careers of the fresh graduates are in a susceptible situation. The condition will be more critical for them if exact choices about their future are not taken instantaneously. The author in [9] stated that youths compared to the mature will suffer furthest from the consequence of the epidemic owing to the dwindling job market. They would enter into a job market extremely unreceptive to them. They would face a severe scarceness of works as industries are not likely to create much employment throughout the regaining period. It is not only in Bangladesh but also youths from other countries of the world who are facing the same problem of job scarcity. The short-term effects of the epidemic would leave a long-term impact on the employment situation of Bangladesh. The Resolution Foundation, a British think tank estimated that the epidemic would bring heavy impact on graduates' likelihood of getting jobs. The probability of being in employment would drop by 13% for graduates and 37% for individuals with the least qualifications. The effect could probably last until 2030. The author in [10] expressed that Asian Development Bank (ADB) and International Labor Organization (ILO) cooperatively published a report which stated that 11.17 lakh young aged people would be unemployed in Bangladesh in case of a short contention. The amount would go as high as 16.75 lakh if the country manages to control the fatal virus within six months. The authors in [11] also discussed about the joint report by ADB and ILO which stated that 7 areas of Bangladesh that are agriculture, retail business, hotels and restaurants, ground transportation, construction, textiles, and textile products, and other services might see aggregate job losses due to the epidemic. These 7 areas might jointly account for a total of 76% of youth job losses in Bangladesh. Followed by textile, construction, and retail business the agriculture sector would face utmost job losses. The report also warned that youth unemployment might double if the job losses of youths continued throughout the year 2020.

Youth Unemployment Rate (%) from 2015-2019

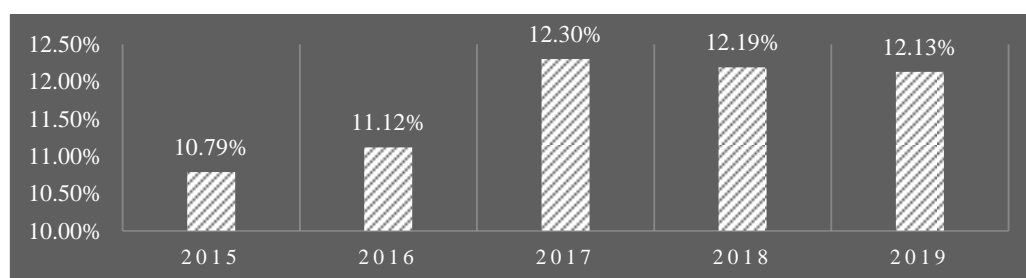


Figure 2: Youth Unemployment Rate

Source: World Bank

Comparison of Bangladesh Unemployment Rate (%) with Other South Asian Countries: (2020-2021)

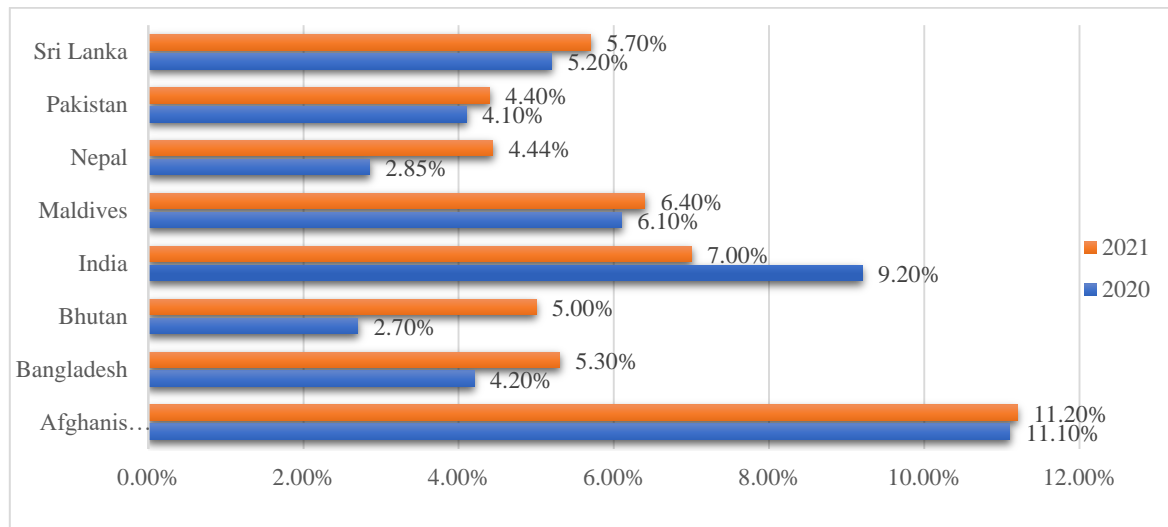


Figure 3: Comparison of Bangladesh Unemployment Rate with Other South Asian Countries

Source: Trading Economics

6. Conclusion

As the corona pandemic has caused severe unemployment in Bangladesh people from different sectors who have lost their jobs are becoming upset especially the daily laborers as they cannot fulfill the demands of their families nor can they feed themselves and their families adequately due to worsening economic conditions. Fresh graduates now feel anger, frustration, anxiety because of repetitive lockdown as they fear for their future careers. They should take online courses and learn new technical skills to gain a competitive advantage. Also, youths who have lost their jobs in this pandemic cannot easily get a job as organizations are appointing fewer people in this pandemic situation than on normal days. Unemployed people have to move on to other works such as entrepreneurship and freelancing. The author in [14] told that, “More females are joining the e-commerce sector than before. About 1,50,000 women run their businesses with the support of Facebook.” Government policies should be enhanced or modified to provide people extra time for applying for jobs and to secure jobs existing employees. Moreover, the government should provide subsidies to the poor who are extremely poor and can not find a suitable job or lead a decent life.

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