

Situation of Youth in Bangladesh

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Abstracts

This paper reviews the general conditions of youth in Bangladesh. Economic problems are reviewed in relevance to ruination of family values and its effect on youth. The researcher set an attempt to set out with the vision to start and build big businesses are mostly met with disappointments because the corruption level is unimaginably high and a budding entrepreneur. The paper discusses the donors agencies which started funding some entrepreneurial ventures.

The paper goes on the influence of youth income, the workplace conditions and the degree of unemployment in high demand for jobs. The influence of IT development on the youth lifestyle is also covered along with modern demands. The paper give specific recommendations that would enhance education, employment, entrepreneurship and resource utilization.

Key words: Youth, Bangladesh, Youth Economy, NGOs

Introduction

At the beginning it must be mentioned that in Bangladesh we are facing lot of contradictions and economic phenomena is often confusing and difficult to explain. It is almost a paradoxical situation. On the one hand, the economy of Bangladesh is on an improving trend in reality in spite of quite a few negative indicators, while on the other hand, despite all the optimistic hype about the bright future of the youth of the country in general, the reality is not quite as fascinating.

About one third of the total population of Bangladesh is youth and young people. According to our national youth policy “youth” age is bracketed between 18 and 35 and almost 45 million people fall within that age range here. Highlighting the misery of youth needs to be done very cautiously, for it would be unfair to give the impression that the overall economy is suffering, for that is not the case.

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General Condition of Bengali Youth

Speaking in general terms, only a small fraction of the youth are leading a “prosperous” life. That fraction is estimated to be less than 10%. By prosperous it is meant that they are able to afford a “reasonable standard of living” for themselves. By “reasonable standard of living” I am referring to a lifestyle where in the cities, it is possible to afford a good house or apartment by rent, afford education for children in a private school, maintain basic electronic facilities and household appliances, be able to afford good nutritious diet for self and family members and even spend on entertainment and travel after few year intervals. In general to be able to do that in the capital city if in any of the three or four main cities of the country – Dhaka, Chittagong, Khulna and Sylhet, one would need to earn at least USD 250 a month and above. In fact, to be able to do all the above with comfort in the capital city of Dhaka, one would need almost USD 600 a month. For a household to have the above lifestyle and maintain a car along with this too, the income of the family would need to be between USD 750 to USD 1000, and would require both spouses to be earning in most cases. Such is the possibility for those among the youth who have found employment with reasonably good local companies or multinationals or non- government organizations with foreign funding or UN agencies etc. These are also people who mostly live in the capital or in the main cities of Chittagong, Khulna and Sylhet. Another portion of this prospering lot is young people who have taken the challenge of conducting business on their own rather than working for others, but most of these are inherited businesses.

Those who attempt to set out with the vision to start and build big businesses are mostly met with disappointments because the corruption level is unimaginably high and a budding entrepreneur is often unable to compete in many places simply because they cannot leverage the authorities to their favor with the use of bribes and other incentives. Banks in general do not fund totally new entrepreneurs. Usually they need at least three years of experience as a company, but the crucial question that the youth asks is that “unless they get the capital to start their work, where would they get that experience from?” Those who do manage to scramble and begin, are not able to get loans most of the time as they usually cannot meet the collateral requirements which are usually 50 to 100% for business loans. Only some banks offer collateral free loans to service holders and sometimes some entrepreneurs get their service holding relatives to borrow on their behalf. But in general these are small loans which do not exceed USD 10 to 15 thousand only, for which no significant enterprise can be set up. Repayment interest rates are as high as 18% on the reducing balance compound method, which in other words translates to nearly 11% flat rate interest annually. Thus one needs to aim to earn over 40% gross profit so that after paying the interest and the overhead expenses and taxes, there is still some earning left for survival. These are painful conditions for the budding entrepreneurs.

Donor agencies have only recently started funding some entrepreneurial ventures and other agencies that try and help new businesses with advice and assistance in formulating all their legal paper work etc. SEDF – a World Bank project is one such. Since there are no venture capitalists available, it is even more difficult for would be entrepreneurs to gather starting capital. The government has recently started financing some entrepreneurial ventures at rural and district town levels, but these are mainly funds for agriculture based businesses

and the funding generally does not exceed USD 2000. Thus the educated young people of the big cities, who are the ones exposed to the most ideas and who has the best opportunity for success does not in reality have access to any funds to try and launch their dreams. Thus people become disgruntled and settle into jobs that do not satisfy their ambitions. Hence they try and find means to earn money through dishonest loopholes in their work. Thus corruption continues to increase. And those who cannot compromise with their own sense of ethics often end up becoming frustrated and eventually engage in anti-social activities.

Unless a youth is coming from a good family background with significant wealth, hope for business is almost non-existent and so is opportunity for being placed into good jobs. It must be understood that the really high paying jobs are offered to graduates of the top-end private universities or only to handful of the best graduates of a few government institutes such as the Institute of Business Administration. Even more preferred in many cases are candidates who return after having received a foreign degree. That is where the issue of concern lies for it is not possible by over 90% of the population to educate their children in the private universities and in fact less than 1% can afford to pay the exorbitant costs of educating their children abroad.

Thus the system itself is such that the lower middle income group and further below can actually almost never have access to opportunities of a good life.

Thus potentials are lost as a vast majority of the youth become “quitters” by accepting the reality as it is and strangulating their ambitions and hopes for a prosperous living. The other section of those who know they cannot reach the levels they aspire to and yet do not want to quit are the ones who resort to criminal activities and become parasites of the society. It is only a miniscule fraction of people who can and do rise from the position of a true have-not into a prosperous established person and that too is possible for mostly those who take the advantage of crime or illegal activity.

Thus a large section of the youth over the last decade and half have resorted to becoming political workers mainly extorting money from people of different localities in the name of collecting funds for the party. Sometimes they simply serve as mercenaries with the sole duty of fighting and even committing murders if needed for overzealous politicians and collecting fees for such nefarious services.

In sharp contrast to the sorrowful picture painted above, is another section of the society comprised of youth who come from the upper middle income group and wealthier families. These are those who live lives in comfort, never really having to bother about survival. They get good degrees from the private universities or from abroad and get placed in jobs with high paying multinationals or local corporate bodies. However they do not actually survive on the job's remuneration, but receive substantial support from family business earnings. Had they also been asked to survive on their own with their job's earning alone, they also would have collapsed under the burden.

That would happen because even the best of the best multinationals do not pay over USD 600 a month to fresh graduates. The general figure is about 250 USD. It takes a good few years before even 1000 dollars a month level can be reached. In fact, many do not ever reach those scales or certainly at least not while they are under 35. However, they are all used to leading a lifestyle which would need at least 1500 to 2000 dollars a month for them if they

were on their own. Thus we find that even if it is often demeaning for many youth, they continue to live with their parents even after they get married simply to avoid the burden of

rent and kitchen expenses or at least to bear a small portion of it. If this is the case with the top end, it may quite well be left to the imagination how dismal the true scenario is for those who graduate from low grade public colleges whose degrees are not even given any importance at all in most organizations of stature. They usually end up working for small and medium scale organizations which do not pay usually pay over USD 100 a month only. It takes them a good 10 years of service for them to rise to levels where they can earn in the range of USD 300 to USD 500.

Even most government service officers start their careers with jobs that pay less than USD 120 a month but offer other facilities which of course would amount to perhaps another USD 120, meaning about USD 240 in cash and benefits. That too is not a lucrative salary for those who join the government service for which most of the talented and ambitious people are no longer being found among the junior levels in government institutions.

Workplace conditions also leave much to be desired. Because there is a high degree of unemployment and there is a very high demand for jobs, the employers take advantage of the situation and not only pay a measly salary; they overwork the employees to breaking point. This is especially true of the ready-made garments (RMG) sector in Bangladesh, which made many millionaires out of poor pay and indecent working conditions. They do not allow weekends in many cases and cancel leaves. The behavior with staff often verges on slave like attitudes. It is a very common practice for senior ranking officers or owners to even use abusive language and slang to address the junior most levels. As unbelievable as it may sound, “4th class employees” as often called referring to drivers, janitors, cleaners, etc sometimes even are physically assaulted by their bosses within office hours in the office premises.

Many youth prefer to become temporary workers, try their luck by opening small shops to sell daily required products, become sales representatives for distribution companies working sometimes solely on commission, or they engage in subsistence business such as selling newspapers in newsstands etc. These are all people who desperately need a steady job and a reasonably good pay.

The introduction of IT has led to the creation of many small subsistence jobs, for youths get together and open small cyber cafés and computer training institutes or even shops where people have their documents typed through PCs. Tens of thousands of such establishments have sprung up all over the nation saving many youth from the brink of disaster.

Providing private tuition and teaching at coaching-centres or small unofficial private evening schools also helps many hundreds of thousands of youths to survive all across the country. However, neither of these are means that can be accepted as a long term method of survival and there is a dire need for creation of proper businesses and jobs to help the youth of this struggling nation. The problem that is faced by any agency, government or non government is whether they should create a lot of low paying jobs to at least reduce unemployment, or fewer high paying more quality work opportunities. And that is also the biggest question that the YES Campaign would also need to face when examining the

situation of Bangladesh. The urgency to make provisions for people to survive often outweighs the need to create scopes for better “livelihood” which includes being able to afford good education for family and also entertainment and recreation.

The economic problems are also causing ruination of family values among the youth. Higher expectations of life created by the media, specially the desire for more clothing, need for making fashion statements, need for traveling and entertainment all lead to higher degrees of frustration. It is interesting that even when economic situations were considerably worse in decades of the past, people were still much happier for the emotional attribute of “contentment” was high. At present, that is almost non-existent. Everyone wishes to compete and outdo each other in all worldly aspects. These lead to youths spending far too much time chasing their worldly desires and not give time to their family. Thus young children are growing up receiving very little attention from their parents as more and more women are joining the workforce to augment the family income. These young children often manifest the symptoms of emotional instability caused by the neglect they suffered in their childhood. Inability to spend proper time with spouses and not being able to fulfil their expectations in terms of social status and wealth are also causing an astonishingly high number of marriages among the youth breaking up in the last 4 to 5 years giving rise to an even more troubled generation.

Thus, the overall situation of youth in Bangladesh is actually quite an alarming one for economic misery is leading to social and emotional catastrophe as well and an unfortunate degree of stress. It is almost impossible to start solving any one aspect of the problem without taking the other aspects into consideration. And that is the main reason that no matter how much the government and non government sector is trying; the efforts seem to fall short of the requirements. There are government agencies such as the Youth Ministry and the Directorate of Youth development, as well as organizations such as Bangladesh Small and Cottage Industries Corporation and Small Cottage Industries Training Institute and non government agencies such as MIDAS, but the problem continues to outgrow the solutions. The government agencies are staffed by people with low motivation and high incompetence as a result of which they cannot even effectively implement whatever they set out to and are probably capable of.

Synthesis of the Bengali Youth Situation

The general economic situation in Bangladesh is an interesting paradox. While there are some economic indicators which continue to give alarming statistics which would make people fear that the nation could be on the verge of disaster, the strange but happy reality is that the economy continues to grow and improve.

After much painstaking effort to arrive at a more accurate picture than other times, UNDP has geared up its studies and its Human Development Report for 2003 says that overall poverty has reduced by about 10% in the last decade.

The reality in fact could actually be even better, for even in remote villages there is electricity now as well as mobile telecommunication networks and overall standard of living has significantly improved all over the country, and that is clearly discernable by anyone who would trek through the rural sides of Bangladesh. There are almost no famines now in the

rural parts. The signs of prosperity abound in the villages in most cases. All these are really positive indications for Bangladesh.

An important reason for the anomaly between economic indicators and reality is that only a miniscule part of the population actually pays taxes. In other words, the entire nation is running on the revenue collected from just 0.9% of the population. Thus the real earnings of the people are actually much higher than what can be estimated by the economic indicators. This is the reason that the nation appears to be much poorer than it is and that is why even the most imminent economic disasters in the opinions of great economists actually do not have much of an impact in reality.

Within the limitations of economic data available, it has been said that the average growth of country has been maintained at 5% for the last 3 years, though the UN has said that it should be over 7% consistently for several years for poverty levels to fall to half of present levels within 2015.

The general economic trend is towards “Free Market Economy” and “Globalization” and invariably both are bringing along its boons and banes. As more and more control of the economy is being released to the hands of the people, competition is resulting in quality enhancement, diversification, greater efficiency, lower prices, and all the benefits of Free Market Economy, but at the same time many infant industries being run by small entrepreneurs with small capital bases are being harshly wiped out often by the big conglomerates.

Globalization is forcing our doors wider open allowing a stream of foreign goods to come in with lower taxes, but our local industries did not get the opportunity to grow strong enough to compete with them, let alone maintain the balance through healthy exports. Even the “RMG” (Ready Made Garments) exports are being seriously affected as quotas are closing down throwing our nation into open competition against neighboring countries who often have many competitive advantages over us.

But in spite of falling exports, the Foreign Exchange Reserves continues to grow as a result of inward remittances from Bangladeshis living abroad. As astounding as it may sound, legally it is estimated that close to 2 billion USD streams into the nation every year through remittances. The actual figure is probably significantly higher as there are many illegal means of foreign exchange being brought into the country as well.

Tax evasions and all these rampant money laundering are just some of the reasons for which Bangladesh has been called the most corrupt country in the world for the last 5 years in a row. That is a very demeaning statistic, but a sad reality. It is perhaps because of that corruption that it is still not possible to give a true projection of the nation’s actual economic position.

Conclusion

In consideration to the total review of the Bengali youth situation we can see that the total comprehensive picture suggest four pronged approaches that should be adopted in Bangladesh: youth educational grooming enhancement, better youth employment



generation program, youth entrepreneurship promotion program and better youth resource mobilization.

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