

**An analysis of the development policies  
& instruments of Bangladesh to identify  
the gaps in terms of Inclusive Growth  
and the role of Trade Union.**



**Muhammad Aminul Islam**  
**Mohammad Abdul Wazed**



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## Table of Contents

	Abbreviations	4
	Executive Summary	5-10
1	Introduction	11-15
2	Inclusive Growth: Theoretical Underpinnings	16-33
3	Workers Issues and Inclusive Growth: through Trade Union lenses	34-39
4	Bangladesh Development Planning: Approach to Inclusive Growth	40-61
5	Inclusive Growth in Bangladesh: Performance and Missing Links	62-65
6	Bangladesh: Employment, Wage and Labour Sector	66-70
7	Findings of the research	71-78
8	Conclusions and Recommendations	79-83
	Annexure A: Questionnaire for study	84-88
	Annexure B: Record of Notes on the Focused Group Discussion (FGD)	89-91
	Annexure C: Summary sheet: Result of the research	92-96

## Abbreviations

ADB	Asian Development Bank
ATM	Automated Teller Machines
BILS	Bangladesh Institute of Labour Studies
CPD	Centre for Policy Dialogue
DBT	Direct Benefits Transfer
DRF	Development Results Frameworks
FDI	Foreign Direct Investment
FGD	Focused Group Discussion
FYP	Five Year Plan
GDP	Gross Domestic Product
GoB	Government of Bangladesh
IFI	International financing institutions
ILO	International Labour Organisation
ILO/ACTRAV	ILO Bureau for Workers Activities
IO	International organisation
IPC-IG	International Policy Centre for Inclusive Growth
KII	Key Informant Interview
M&E	Monitoring and Evaluation
MTIR	Mid-term Implementation Review
NCD	Non-communicable diseases
NGO	Non-Government Organisation
ODA	Overseas Development Assistance
OECD	Organisation for Economic Co-operation and Development
PC	Planning Commission
PGR	Percentage relative gap
PRSP	Poverty Reduction Strategy Paper
SDG	Sustainable Development Goals
ToR	Terms of Reference
TU	Trade Union
4IR	Fourth Industrial Revolution

## EXECUTIVE SUMMARY

This report is the outcome of a research study on '*An Analysis of the Development Policies/Instruments of Bangladesh to identify the policy gaps in terms of Inclusive Growth and identify the Trade Union (TU) role in ensuring the Inclusive Growth*' conducted by the consultants duly contracted by Bangladesh Institute of Labour Studies (BILS). Precisely the objectives of the study were to review national development policies, identify policy gaps and draw recommendation for the achievement of inclusive growth. In the same vein the objective also aimed to identify working scopes as well as develop BILS/TU position paper for improvement of policies in ensuring inclusive growth and advocacy recommendations.

There has been a growing call, in recent years, for inclusive development to meet contemporary development aspirations and challenges. Economic growth has been proved as necessary, but not sufficient, on its own, in improving the welfare of a population. It is increasingly understood that development approach that encompasses an agenda beyond growth and income is needed to ensure that the benefits of growth are shared equitably across all parts of society. Although inclusive development is gradually finding its way in the development discourse, its ascendancy has not been accompanied with great conceptual clarity. As a result, the concept has led to significant ambiguity in both the literature as well as policy frameworks from a number of institutions, organizations and country-governments.

On the other hand, the essence of existence and relevance of trade unions lies behind the ideological and conceptual perceptions of unions as the defenders of human rights and therefore workers' interests. Unions not only serve as symbolic defenders of workers' rights, they also promote workers' productivity in general. In doing so, trade unions calibrate their economic role as well as political role to improve the general well-being of the citizenry. Thus, unions serve as mechanisms protecting their members' interests in the fields of, but not limited to, wage inequality and discrimination. Therefore, it would be a disservice to ignore the importance of trade unions in creating sustainable inclusive growth. The effects of

globalisation on sustainable, inclusive growth in the 21st century have made the trade unions' role more important than ever before, especially in developing countries like Bangladesh.

But in the backdrop of dithering Trade Union roles, preponderance of informal sector of labour, the spectre of jobless growth looming large, ever-increasing income inequality over the last few decades and introduction of frontier technology, the study is a timely intervention. The report examined, in line with the objectives of the study, the policy discourse around inclusive growth, the fault-line of income inequality and how growth with equity has emerged as a compelling priority. The study covered the relevant issues pertaining to the inclusive growth, its relevance in Bangladesh and explored the possibility how to overcome the present stalemate, purely from a Bangladesh context. It is expected that the TU process would find a sense of direction for recalibrating their future course and would be immensely benefitted from the study.

The report is divided into seven chapters. The first chapter introduces the report, the objectives of the study and the research strategy. It explains how the study has been designed, how the research methods are orchestrated and implemented. The second chapter explains the theoretical underpinnings of inclusive growth in details, it tracked the definitions and thematic issues and key ingredients of inclusive growth and why growth must be inclusive. In identifying the policy ingredients, it critically examined the ADB's prescription and very recent Indian experiences. It is observed, quite interestingly, both the prescription share some common traits which are also quite relevant for Bangladesh. It also examined the inclusive growth from Bangladesh perspectives and how inclusive growth has emerged as a compelling policy priority on the basis of an ever-rising Gini coefficient, in spite of an encouraging sign in alleviating extreme poverty. This chapter also track inclusive growth through SDG and global perspective. SDG include, among others, ending extreme poverty, giving people better healthcare, and achieving equality for women. The SDG 8 is more relevant about the promotion of more inclusive growth and world order which aims to *'promote sustained, inclusive and sustainable economic growth, full and productive*

*employment and decent work for all*'. SDG 8, to be more specific, also advocates 'development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation'; 'achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value' and 'develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization'. On the other hand, sustainable development is faced with some theoretical constraints in harmonizing ecological, social and economic aspects for present and future generations which has led to the rise of concepts that embody dualities of trinity—green economy/growth (which combines the environment with the economy), green society (which combines the environment with social goals), inclusive growth (which combines growth with social aspects) and inclusive development (which focuses on social and ecological aspects). The chapter three is an attempt, broadly speaking, to understand workers' issues and inclusive development through the TU lenses, how TU sets its internal strategies, how TU campaigns towards governments and how TU can influence International Organisation (IO) and International Financial Institutions (IFI); and the role of TU in Bangladesh. It is emphasised that the persistence of poverty and inequalities in the world calls for a global rethinking of the current globalized development paradigm. There is an urgent need to effect true global solidarity today, where TU can influence, if not intervene.

The chapter four tries to capture the current development paradigms practiced in Bangladesh and the approach to inclusive growth. Starting from the Development experiences in Bangladesh: Linking Equity with Growth, it clinically explored the 7th Five Year Plan (2015/17 - 2019/20): Accelerating Growth, Empowering Citizens, Mid-term Implementation Review of the 7th Five Year Plan, Bangladesh Progress Report (2018) of SDGs, Concept note on 8th FYP, Perspective Plan (2021-2041) and Draft National Job Strategy for Bangladesh (2019) on its pathways. The Industrial Policy, Investment Policy and the merging 4<sup>th</sup> Industrial Revolution were also deliberated upon in the chapter. These official documents allow to



understand the development aspirations of the nation and more so to understand whether and how the inclusive growth has made any headway. As it can be seen, all the documents tried to assuage the concern about the inclusive growth and somehow attempted to address the issue. It is interesting to note that while the 7<sup>th</sup> FYP dedicated itself to 'Accelerating Growth, Empowering Citizens', the proposed 8<sup>th</sup> FYP is more pronounced by christening itself as '*Promoting Prosperity and Fostering Inclusiveness*' with the key objective of 'addressing the challenge of income inequality and reducing regional disparity'. This paradigm shift, though, yet to be examined, should be a harbinger of positive attitude on the part of the policy planners. Though the progress card of SDG 8 is not all rosy, the report<sup>1</sup> has identified certain pain points and has suggested a way forward which are quite pertinent. Particularly the suggestion to tie up stronger bondage between education system and labour market with a view to build (a) effective communications between educational and training institution and employers, (b) communication between employers and educational and training institution about skill needs and (c) education system needs to respond to industry demands are to be followed with earnestly.

The Perspective Plan (2021-2041), on the other hand, is one step ahead with call of 'a to country with zero poverty' with emphasis, among others, on 'a redistributive fiscal policy such that the level of spending on health, education and social protection' and 'focus on poor, the vulnerable and low-income group' which are all inclusive growth agenda. The Draft National Job Strategy (2019), also identified the key challenges (informality and development of human capital, among others) it wants to overcome which are ideally also a positive understanding about TU and inclusive growth. The draft report has also done an excellent homework suggesting the key areas where further research may be conducted. It also suggested for going beyond numbers and address the key challenges, the challenges were identified too.

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1 Sustainable Development Goals: Bangladesh First Progress Report 2018, SDGs Publication No. # 14 by GED Published in December 2018 Published by General Economics Division (GED) (Making Growth Work for the Poor) Bangladesh Planning Commission

Chapter 5 captures the inclusive growth scenario in Bangladesh- the performance and the missing links. It is interesting to note that following Asian Development Bank (ADB) inclusive growth index, Bangladesh has not 'perform particularly well on any dimension of inclusive growth. Though it performed satisfactorily on economic growth, access to economic infrastructure, poverty, and inequality, it did not do well on either improving access to education or on access to sanitation or water. On the other hand, CPD also formulated eight goals of which they dedicated goal eight '*to be a more inclusive and equitable society*'. To understand the pictures of inclusive growth and satisfactory progress of the economy in the inclusive growth trajectory, a model with seven pillars each having six indicators have been developed. The pillars, and indicators under each pillar, were selected based on the theoretical framework keeping the developing country context for the periods of 2000, 2005 and 2010. The recent list of sustainable development goals (SDG) indicators also influenced selection of the indicators and it is demonstrated that Bangladesh has not improved much, rather remained in a stagnant plateau. Seven countries including Bangladesh, India, Pakistan, Nepal, Sri Lanka, Vietnam and Cambodia were selected for cross country comparison on the chosen indicators. Though marginally improved in 2005, the inclusive growth index again deteriorated 2010 with health and education taking a big blow (from 4.01 in 2005 to 2.95 in 2010) and only pillars '*growth and infrastructure*' and '*access to infrastructure and public services*', keeping a very slow pace of increase.

The empirical part of the report is captured in chapter six (Bangladesh: Employment, Wage and Labour Sector) consisting of a reality check on formal and informal labour, dynamics of informal employment in Bangladesh as well as wage differential of formal and informal sector. To understand the wage differential of formal and informal sector, the Indian case study has been used and it is quite illuminating.

The chapter seven is about the research part of the study which are quite interesting to observe and warrant special attention to design policy planning on inclusive growth. It is observed initially the TU/BILS leadership are quite pessimistic about the current state of affairs as regards the efficacy of overall administrative-

legal regime, the degree of success of 7 Five Year Plan (FYP) and potential of Industrial policy and the prevailing socio-political situations, the existing TU structure to achieve inclusive growth. Their responses mostly tilted to the disagreement with all the seven parameters on current landmarks presented before them. However, there is ample sense of forward-looking responses as to the policy options and specific actions to be taken - from development of institutional capacity of TU and development and capacity building of TU research to preparations and holding of TU issuebased seminar/symposium/workshop and policy advocacy across the cross section of stake holders.

The last chapter (*Conclusions and Recommendations*) has attempted to understand the underlying message of the study has made some recommendations on the basis of the conclusions. Though the recommendations are easy to make, it is the follow up actions which are most important and will be difficult to carry out, if it lacks institutional and political support.

## 1. INTRODUCTION

Inclusive growth can be defined as economic growth with equality of opportunity. Therefore, 'inclusive growth is about raising the pace of growth and enlarging the size of the economy, while levelling the playing field for investment and increasing productive employment opportunities, as well as ensuring fair access to them. It allows every section of the society to participate in and contribute to the growth process equally, irrespective of their circumstances'<sup>2</sup>.

The essence of existence and relevance of trade unions (TU), on the other hand, lies behind the ideological and conceptual perceptions of unions as the defenders of human rights and therefore workers' interests. Unions not only serve as symbolic defenders of workers' rights, they also promote workers' productivity in general. In doing so, trade unions calibrate their economic as well as political role to improve the general well-being of the citizenry. Thus, unions serve as mechanisms protecting their members' interests in the fields of, but not limited to, wage inequality and discrimination. Therefore, it would be a disservice to ignore the importance of trade unions in creating sustainable inclusive growth. The effects of globalisation on sustainable, inclusive growth in the 21st century have made the trade unions' role more important than ever before, *'particularly when economic power is highly concentrated and state capitalism has entered into a new stage of "creative destruction" to borrow Joseph Schumpeter's famous phrase, but with a twist: creative in ways to enrich and empower the rich and powerful, while the rest are free to survive as they may'*<sup>3</sup>. This is more pertinent in developing countries like Bangladesh. In addition, the financial crisis also has complicated the role of trade unions in improving the general well-being of their members in developing countries. During a recession, in the doldrums of economic activities, trade unions emerge as an important tool in the protection of workers' welfare.

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2 ADB, Framework of Inclusive Growth Indicators Key Indicators for Asia and the Pacific 2011, Special Supplement

3 Noam Chomsky, The International Assault on Labour in 'Making the Future' (2012), Penguin Boks

## 1.1 Objectives of the study:

While trade unionism 'in Bangladesh originated in British India and Pakistan, it naturally retained its old character of working more as a nationalist force against colonial domination than as a class force vis-a-vis capitalist exploitation. As a result, the trade union movement of the region that had gained momentum in the hands of political leaders stood divided along the political and/or ideological lines in independent Bangladesh'<sup>4</sup>. However, there was always efforts to build TU on a broader platform of consensus among various TU stakeholders to 'develop Bangladesh to be a prosperous democratic society based on social dialogue, where workers are free from all kinds of discrimination and exploitation and workers are not treated as commodity and the TUs are recognized as a respectable partner of progress and, where equal rights and opportunities are ensured in respect of ensuring decent work and fulfilling their basic needs like food, shelter, education, medical care, social security, freedom of association, rule of law, peace and progressive socio-cultural environment'<sup>5</sup>.

The present study, 'An Analysis of the Development Policies/Instruments of Bangladesh to identify the policy gaps in terms of Inclusive Growth and identify the Trade Union (TU) role in ensuring the Inclusive Growth', is an BILS effort to understand the theoretical orientation of inclusive growth through the lenses of TU and arrive at a policy prescription as to how the development policies and policy instruments of Bangladesh can best be recalibrated to achieve the inclusive growth and how TU can play a pro-active role to that end. The overall objective of the present study is to review the development Policies/Instruments of Bangladesh to identify the gaps in terms of Inclusive Growth with a mapping of the growth scenario of Bangladesh and give input to the TU policy development process.

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4 Bangladesh, the national Encyclopedia of Bangladesh (modified in 2014)

5 This is the abridged version of the vision of Bangladesh Institute of Labour Studies (BILS), established in 1995 and pioneer in the labour movement to uphold the causes of working people and trade unions of Bangladesh

More specifically, this study is expected to cover the following:

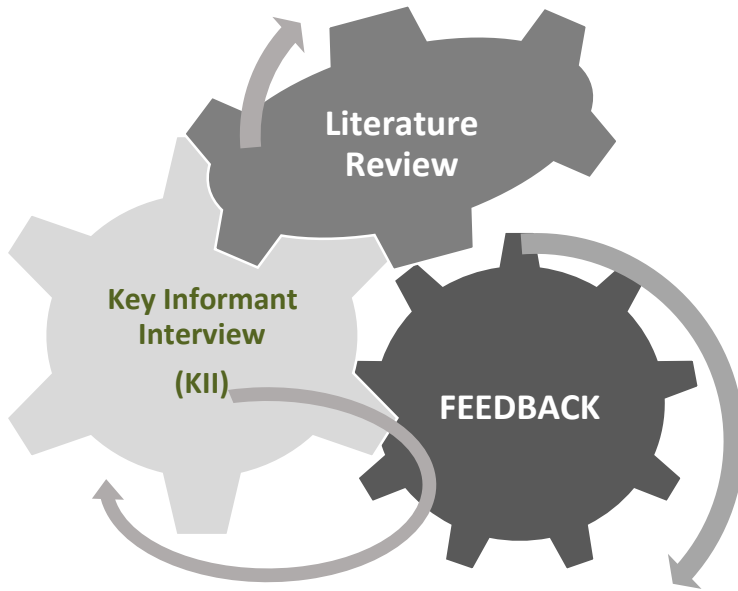
- To review the 'national development policies/instruments of Bangladesh' are in place to achieve the national development aspiration and identify the policy gaps in terms of inclusive growth.
- To identify the policy needs in ensuring workers' opportunities and participation in growth process.
- To draw recommendations for the improvement of the national development policies/instruments in ensuring inclusive growth.
- To identify the working scopes of BILS/TU (advocacy recommendations for BILS/TU) for the improvement of the policies/instrument in ensuring inclusive growth.
- To develop a BILS/TU position paper on the advocacy recommendations (in consultation/workshop with BILS and TU leaders), so that BILS/TU can effectively involve in policy advocacy and campaign to ensure inclusive growth.

## **1. 2 Research Strategy**

The present research has a very unique trajectory. Originally it was conceived that it would be conducted on a three-pronged inter-related approaches-literature review, key informants' interview (KII) including focused group discussions (FGD) and feedback. The underlying theme was that literature review would allow to grasp the contemporary theoretical and methodological contributions on the subject – both national and international. It will also critically examine the information gaps in current knowledge as well as by showing limitations of theories and practical points of view. This will also enrich the key informants' interview (KII) including focused group discussions (FGD) and feedback process and steer the research to achieve its desired objectives. Though theoretically literature review precedes the KII and FGD, in true senses all three aspects are, to a big extent, overlapping (**Figure 1**) and thus was reinforcing each other.



**Figure 1: Inter-relationship between three aspects of research strategy**



However, given the existing conditions prevailing across the globe due to COVID 19, the second and third options were not feasible and a report was prepared purely based on desk review and informal discussion with BILS leadership, academicians and experts. However, the provision of feedback was not completely ruled out, as it was expected that BILS will have final say which can be obtained after submission of the report. On the other hand, due to contractual obligation, the report had to be submitted by 30 April 2020 which unfortunately coincided with prevailing COVID 19. Finally, feedback from BILS is now available and BILS could make arrangements for the conduct of KII and FGD with the TU and BILS leadership. A comprehensive FGD session with relevant stakeholders was organised at BILS on 19 September 2020. With all such efforts and BILS's support the report has further been revisited and redrafted encompassing the findings of the KII and FGD which encapsulated the concepts and implications of inclusive growth through the lens of TU.

The research instruments were developed for the face-to-face interviews. The face-to-face structured interview questionnaire, finalised in consultations and inputs from BILS, is given in **Appendix A**. The instruments were further reviewed in-house with experts/academicians and was field tested before finalization.

The FGD was held on 19 September 2020 at BILS, attended by BILS and TU leaders and functionaries (the summary of the finding of FGD is given in **Appendix B**), where the whole research objectives and strategy were explained, questionnaire were shared and feedback was received. The FGD experiences were quite fulfilling and added value to the study.

Simultaneously the field research involving face-to-face interview was conducted among the members of TU and BILS. The number of respondents for face-to-face interviewee was 22 and the summary of the KII is given in **Annexure C**.

## **2. INCLUSIVE GROWTH: THEORETICAL UNDERPINNINGS**

There has thus been a growing call, in recent years, for inclusive development to meet contemporary development needs and challenges. Economic growth is necessary, but it is not sufficient on its own in improving the welfare of a population. A development approach that encompasses an agenda beyond growth and income is needed to ensure that the benefits of growth are shared equitably across all parts of society, particularly large groups of vulnerable poor populations. Although inclusive development is gradually finding its way in the development discourse, its ascendancy has not been accompanied with great conceptual clarity. A clear-cut definition of inclusive development is non-existent, and the concept is often interchangeably used with related concepts such as inclusive growth. As a result, the concept has led to significant ambiguity in both the literature as well as policy frameworks from a number of institutions, organizations and country-governments<sup>6</sup>.

### **2.1 Inclusive growth: Definitions and Thematic Issues**

The development debate has long been dominated by a framework in which economic growth was believed to be the most important driver of socio-economic development. However, it has become increasingly clear that economic growth is not sufficient on its own in improving the welfare of a population. Social, economic, political and environmental factors in a country-specific context determine and shape contemporary development needs and challenges. When building a conceptual understanding of inclusive development, two issues thus arise: first, the distinction between growth and development; and second, the import of the term inclusive<sup>7</sup>. Though measuring economic growth has always been easier to define and measure through monetary indicators, specifying what makes development inclusive still is much more contentious.

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6 Shanina van Gent (2017), Beyond buzzwords: What is inclusive development, INCLUDE Secretariat

7 Rauniyar, Ganesh; Kanbur, Ravi. (2009). Inclusive Growth and Inclusive Development: A Review and Synthesis of Asian Development Bank Literature.

Despite the agreed urgency to achieve inclusive growth, there is surprising little clarity as to what it actually is, with important differences in approach among key institutions and governments. Even in the absence of a single shared definition, a look across the board at the initial attempts at definitions that have emerged shows some convergence in thinking on important aspects of inclusive growth which are summarised below<sup>8</sup>:

- *Inclusive growth should reduce poverty and inequality and benefit the most marginalised:* The relationship between growth, inequality and poverty reduction are long contested and therefore their roles in 'inclusive growth' are equally unsettled.

Incidentally different institutions have traditionally adopted quite different stances. The World Bank, with regards to growth and poverty, for example, focuses on a high pace of growth as a pre-requisite for achieving poverty reduction, whereas IPC-IG avoid presuming a connection between economic growth and levels of inclusion.

- *Inclusive Growth is about more than income:* When it comes to outcomes, most discussions around inclusive growth focus on patterns of income growth. Growth is deemed to be inclusive, depending on the extent to which poor men and women have benefited through increased income. However, the OECD defines inclusive growth as having happened when other indicators of improved wellbeing, aside from income, have also improved for citizens i.e. growth as a means and not as an end with a priority to the quality of growth over the quantity of growth. Similarly, the UNDP emphasises the importance of putting human development first, particularly sustainable human development achievements, and a long-term growth. The 2010 Human Development Report (UNDP) points out that among the top ten movers on the human development ranking, seven are not high growth countries.

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8 CAFOD, What is Inclusive Growth, CAFOD Discussion paper (FULL VERSION) (2014)

- *Inclusive Growth is about participation, not just outcomes:* Inclusive growth ensures that everyone can participate in the growth process, both in terms of decision making for organising the growth progression as well as in participating in the growth itself. On the other hand, it makes sure that everyone shares equitably the benefits of growth. Inclusive growth implies participation and benefit-sharing. Participation without benefit sharing will make growth unjust and sharing benefits without participation will make it a welfare outcome.
- *Inclusive growth requires sustainable growth:* To achieve inclusive growth for maximum poverty impact and an inclusive economy, environmental sustainability is an essential consideration. Sustainable growth is intimately linked to the concept of sustainable development which broadly emphasises on 'development that meets the needs of the present, without compromising the ability of future generations to meet their own needs'. The current scale of threats to sustainable development from climate change and other forms of environmental degradation means that economic growth now needs to be both socially inclusive and environmentally sustainable to achieve long-term human development benefits.

Thus it is now easier to identify the key elements of inclusive growth and towards a working definition of inclusive growth which is a distinct concept from standard economic growth. Drawing on the above, a working definition for inclusive growth is possible and which should include<sup>9</sup>:

- *Have broader objectives than increasing income and GDP and require governments to proactively work to achieve those objectives, rather than assuming that positive outcomes will automatically come through growth.*
- *Translate into gains in human development and increased well-being.*

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9 CAFOD, What is Inclusive Growth, CAFOD Discussion paper (FULL VERSION) (2014)

- *Benefit all groups, including the most marginalised.*
- *Reduce poverty and inequality*
- *Consider participation, not just distribution outcomes<sup>1</sup> and therefore focus on increasing active participation in the economy and a say in how the economy is run.*
- *Promote the sustainable use of natural resources and climate protection.*

### **2.1.1 Key ingredients in an inclusive growth strategy**

Some recipes for inclusive growth contain many familiar elements from standard growth strategies such as macroeconomic stability and economic openness. This is not surprising when some institutions and government see achieving high growth rates as the major contributing factor and prerequisite for achieving inclusive growth. Some of the key ingredients for inclusive growth that are generally agreed upon include<sup>10</sup>:

- *Investment in human capital:* Investment in human capital is universally recognised as a key pillar of achieving inclusive growth. Investments in health and education have been statistically linked to better economic development outcomes and to how inclusive growth is in practice. As labour is their main asset, a good level of health and education enables poor men and women both to participate in and benefit from economic growth.
- *Job creation:* It is not surprising that better opportunities for wage and self employment have a significant impact on how inclusive growth is. Research shows that labour-related events (a new job or wage increase, for example) trigger exits from poverty. In order to help generate more and better jobs for development, job strategies would use additional tools such as fostering entrepreneurship, developing basic skills, strengthening labour institutions and mature approaches to industrial relations, as well as less conventional measures like protecting jobs when large numbers of these are at stake, and targeted support for sectors important for job creation to ensure that gains and spill-overs are realised.

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10 CAFOD, What is Inclusive Growth, CAFOD Discussion paper (FULL VERSION) (2014)



- *Structural transformation and broad-based growth*: For most developing countries, the route to inclusive growth lies in shifting to more productive economic activities (structural transformation). This reduces an over-reliance on a few sectors which in turn increases stability and can generate more and better jobs. Without economic transformation, the poor will remain locked into low-return activities, and any progress will be volatile.
- *Progressive tax policies*: Tax policy has an obvious role in direct redistribution. However, its importance in inclusive growth extends beyond this. Taxation is essential to generate revenue for investments in human capital, social transfers and infrastructure necessary for pro-poor growth. Taxation can provide incentives and support for particular sectors or types of businesses, as well as barriers. How taxation systems are structured can make economies more or less pro-poor.
- *Social protection*: Social protection is also a prominent policy area in the inclusive growth literature. Whilst also being a tool for promoting greater equality and poverty reduction through direct transfers and redistribution, it also has a more dynamic role to play in achieving inclusive growth.
- *Non-discrimination, social inclusion and participation*: Although social exclusion is not the same as inequality, it is clear that systematic discrimination against marginalised groups has an impact on economic opportunities and outcomes, as well as prospects for poverty eradication and improving well-being. It is clear that if bolder inclusive growth ambitions benefiting all groups are to be met, then policies need to address the fact that the same groups are persistently left behind in growth and poverty eradication efforts.
- *Strong institutions*: An inclusive economy requires an inclusive society that has a robust set of institutions, structures and processes that empower local communities to hold their governments accountable. This would require proactive policies for the participation of marginalised groups who may otherwise disproportionately bear the costs of particular development decisions. If growth is to benefit all, then governments need to be committed

to uphold the rights and opportunities of all their citizens and to counter vested interests that might stand against change to make economies fairer and more inclusive.

### **2.1.2 Why must growth be inclusive?**

To answer the question why must growth be inclusive and why inclusive growth is important, ADB<sup>11</sup> tracked following very salient reasons:

- For ethical considerations of equity and fairness, growth must be shared and should be inclusive across different segments of populations and regions. Economic and other shocks hurt the poor and the vulnerable most, and growth that results in high disparity is unacceptable.
- Growth with persisting inequalities within a country may endanger social peace, force poor and unemployed people into criminal activities, make women more vulnerable to prostitution, force children into undesirable labour, and further weaken other disadvantaged and vulnerable sections of population—resulting in a waste of vast human capital that could otherwise be used productively in creating economic outputs for sustainable growth.
- Continued inequalities in outcomes and access to opportunities in a country may result in civil unrest and violent backlash from people who are continually deprived, derailing a sustainable growth process. This may create political unrest and disrupt the social fabric and national integration, undermining the potential for long-term, sustained growth.

In the context of the good inequalities arising largely from differences in individual efforts and while bad inequalities arising from differences in circumstances beyond the control of individuals and prevent equal access to opportunities, it is the unequal access to opportunity that must form a non-negotiable target of policy interventions toward inclusive growth. Creating equal access to opportunity should

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11 ADB, Framework of Inclusive Growth Indicators Key Indicators for Asia and the Pacific 2011, Special Supplement

be at the core of inclusive growth as it aims to eliminate circumstance-related bad inequality. Accordingly, inclusive growth can be defined as economic growth with equality of opportunity. Therefore, 'inclusive growth is about raising the pace of growth and enlarging the size of the economy, while levelling the playing field for investment and increasing productive employment opportunities, as well as ensuring fair access to them. It allows every section of the society to participate in and contribute to the growth process equally, irrespective of their circumstances'.

### **2.1.3 Policy Ingredients of an Inclusive Growth: ADB's strategy<sup>12</sup>**

In 2008, ADB adopted inclusive economic growth as one of its three critical strategic agendas in *Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank*, which they expected to contribute to achieving ADB's vision of "an Asia and Pacific region free of poverty" and its mission to "help reduce poverty and improve living conditions and the quality of life". Under Strategy 2020, ADB will support inclusive growth in the region through financing, policy advice and knowledge solutions, and technical assistance and capacity building, with particular foci on building infrastructure, providing basic public services such as water and sanitation and education, developing the financial sector and fostering financial inclusion, and enhancing food security.

The concept of inclusive growth in ADB's Strategy 2020—economic growth with equality of opportunity as developed by ADB documented in detail following three policy pillars which are supported by good governance and institutions as requirements for a strategy anchored on inclusive growth that aims at high and sustained growth while ensuring that all members of the society benefit from growth.

- *High, efficient, and sustained growth to create productive jobs and economic opportunity:* High, efficient, and sustained economic growth creates sufficient levels of productive jobs and expands economic opportunities for all. For

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12 ADB, Framework of Inclusive Growth Indicators Key Indicators for Asia and the Pacific 2011, Special Supplement

developing Asia, it is imperative that economic growth also creates productive employment opportunities to absorb a large surplus labour force in decent jobs. However, high and sustained growth is a necessary—though not sufficient—condition for inclusive growth. It creates resources for governments to invest in better access to education and health services, infrastructure, social protection and safety nets for the poor and the vulnerable, and protection against transitory livelihood shocks. These are essential to achieve equality of opportunities through the other two policy pillars of inclusive growth.

- *Social inclusion to ensure equal access to economic opportunity:* Social inclusion ensures that all sections of the population, including those disadvantaged due to their individual circumstances, have equal opportunities. In the early stages of growth, inequalities are likely to rise as new opportunities are captured by people who are better placed to take advantage of them due to their initial situations. To ensure equal access to opportunities, human capacities should be enhanced to bridge the gaps that arise due to circumstances beyond the control of individuals, especially those from marginalized and disadvantaged sections of the society, including women.
- *Social Safety Nets:* Social safety nets are required to protect chronically poor and to mitigate the risks and vulnerabilities associated with transitory livelihood shocks, caused for example by ill health or economic crisis. Social protection is particularly important to cater to the needs of those who are chronically poor, and who cannot participate in and benefit from the opportunities created by growth due to circumstances beyond their control. This is necessary as it takes some time before the most vulnerable benefit from the impacts of any policy. Therefore, policies on social safety nets will not only protect those who have to face shocks such as loss of job or ill health, but also protect the very poor from extreme deprivation.

The three policy pillars—expansion of economic opportunity, social inclusion to promote equal access to opportunities, and social safety nets—supported by good governance and strong institutions, can promote inclusive growth where all members of the society can benefit from and contribute to the growth process.

**Figure 2: Policy Pillars of Inclusive Growth**



Source: ADB, Framework of Inclusive Growth Indicators Key Indicators for Asia and the Pacific 2011, Special Supplement

#### **2.1.4 Key ingredients in inclusive growth strategy: the Indian experiences**

While suggesting on how to 'making growth inclusive and sustainable' Abhijit et.al.<sup>13</sup> in their now famous treatise '**what the economy needs now**' made almost equivalent policy prescription for India. To ensure that growth generates jobs and incomes across the skill spectrum they suggested for:

- *Creating semi-skilled jobs for those currently underemployed and unemployed and those who are seeking to leave low-productivity agriculture.*

13 Abhijit Banerjee et.al, What the economy needs now (2019)

- *Increasing labour participation of women: the female participation rate in the labour force falling down from 35 percent in 1070 to 27 percent in 2017, thus limiting the talent pool that the economy can draw upon.*
- *Spreading jobs and economic development across whole country.*

Being concerned that '*India is still one of the poorest countries in the G-20, and poor countries ought to grow faster because catch-up growth is easier. Also, the benefits of growth in India have been distributed extremely unequally, with top incomes rising much faster than the rest*', they suggested the following proposals on inclusion:

- *Education:* The single greatest limitations of the education system is its inability to deliver universal functional literacy and numeracy at the primary school level. Several studies have demonstrated that students who fail to achieve basic skill by the end of class three learn very little in subsequent years.
- *Dealing with the skills shortage:* There is wide recognition that the current models of publicly subsidised skilling are not performing very well even though skills are extremely scarce. What seems to work better is the skilling provided by the private firms that are training their own labour force, though it is constrained by some legal complexities resulting in the paradox of '*government and the private sector lack manpower*' while *young people sit at home filling applications and preparing for tests*'.
- *Women's labour force participation:* There are clearly both supply-side and demand side issues. The supply of women in workforce is lowered because of families that do not allow women to work, and because women feel disempowered. On the demand side, there is a lack of women-friendly jobs in the private sector – as well as clear and growing discrimination.
- *Healthcare:* There is much to be done to reform the healthcare. Increasingly NCDs like heart disease, diabetes and cancer are more prevalent, so healthcare needs to be reoriented to address these.



- *Environment*: The quality of environment leaves much to be done and with climate change-related hazards looming, there should be serious consideration of sharply reducing carbon emissions reaching its peak in the next decade.
- *Social protection*: It is important to create a reliable pipeline for providing compensation to losers to move towards a more rational system of social protection. The direct benefits transfer (DBT) should be followed for building credible compensating mechanism for the losers. The large number of schemes should be reduced and a choice-based approach should be introduced.

## **2.2 Inclusive growth: SDG and the Global perspective**

The world's commitment to implement 17 life-changing goals, also known as the Sustainable Development Goals (SDGs), include, among others, ending extreme poverty, giving people better healthcare, and achieving equality for women. Though the underlying theme of SDG, broadly speaking, is for all countries to work together to ensure that no one is left behind, the goal 8 is more pronounced about the promotion of inclusive growth and world order which aims to '*promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all*'.

This goal, if translated in targets and indicators, will be easier to understand that how it relates to specific economic growth parameters and how this can be more sustained, inclusive and decent and ensure meaningful employment. SDG 8 is captured in the following matrix with its all ten targets and seventeen related indicators:

<b>TARGETS</b>	<b>INDICATORS</b>
<b>8.1</b> Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries	<b>8.1.1</b> Annual growth rate of real GDP per capita
<b>8.2</b> Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors	<b>8.2.1</b> Annual growth rate of real GDP per employed person
<b>8.3</b> Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services	<b>8.3.1</b> Proportion of informal employment in non-agriculture employment, by sex
<b>8.4</b> Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead	<b>8.4.1</b> Material footprint, material footprint per capita, and material footprint per GDP <b>8.4.2</b> Domestic material consumption, domestic material consumption per capita, and domestic material consumption per GDP
<b>8.5</b> By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	<b>8.5.1</b> Average hourly earnings of female and male employees, by occupation, age and persons with disabilities <b>8.5.2</b> Unemployment rate, by sex, age and persons with disabilities
<b>8.6</b> By 2020, substantially reduce the proportion of youth not in employment, education or training	<b>8.6.1</b> Proportion of youth (aged 15-24 years) not in education, employment or training

<b>8.7</b> Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms	<b>8.7.1</b> Proportion and number of children aged 5-17 years engaged in child labour, by sex and age
<b>8.8</b> Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	<b>8.8.1</b> Frequency rates of fatal and non-fatal occupational injuries, by sex and migrant status <b>8.8.2</b> Increase in national compliance of labour rights (freedom of association and collective bargaining) based on International Labour Organization (ILO) textual sources and national legislation, by sex and migrant status
<b>8.9</b> By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products	<b>8.9.1</b> Tourism direct GDP as a proportion of total GDP and in growth rate <b>8.9.2</b> Number of jobs in tourism industries as a proportion of total jobs and growth rate of jobs, by sex
<b>8.10</b> Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all	<b>8.10.1</b> Number of commercial bank branches and automated teller machines (ATMs) per 100,000 adults <b>8.10.2</b> Proportion of adults (15 years and older) with an account at a bank or other financial institution or with a mobile-money-service provider
<b>8.A</b> Increase Aid for Trade support for developing countries, in particular least developed countries, including through the Enhanced Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries	<b>8.A.1</b> Aid for Trade commitments and disbursements
<b>8.B</b> By 2020, develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization	<b>8.B.1</b> Total government spending in social protection and employment programmes as a proportion of the national budgets and GDP

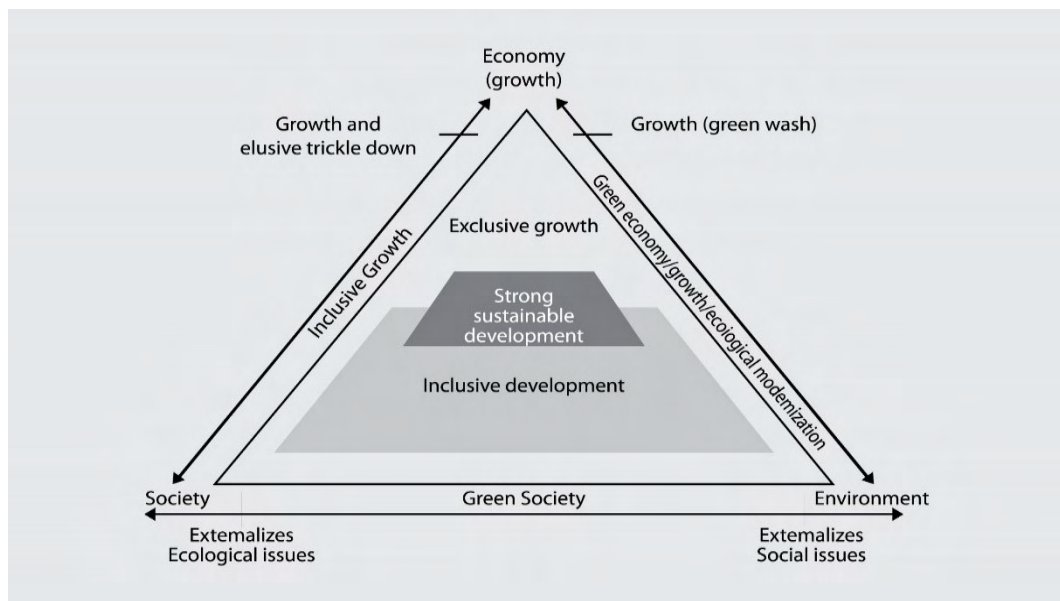
As it can be seen SDG 8, while envisioning '*at least 7 per cent gross domestic product growth per annum in the least developed countries*' (8.1), also advocates '*development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation*' (8.3); '*achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value*' (8.5) and '*develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization*' (8.B).

On the other hand, sustainable development is faced with some theoretical constraints. While it has ecological, social and economic aspects, the difficulties in optimizing all three aspects for present and future generations has led to the rise of concepts that embody dualities of this trinity—green economy/growth (which combines the environment with the economy), green society (which combines the environment with social goals), inclusive growth (which combines growth with social aspects) and inclusive development (which focuses on social and ecological aspects). Green growth and inclusive growth are the two most dominant dualities and both have neo-liberal roots but take on an additional dimension— either environmental issues or the need to share economic growth with the poorest<sup>14</sup>. The interpretation of these dualities can take place anywhere along the spectrum and at the extremes it highlights one aspect more than the other (Figure 2). In contrast, inclusive development questions the need for continuous economic growth in a business-as-usual paradigm. If the global community is willing to develop legally binding rules within which such growth is achieved, then the growth paradigm may also contribute to sustainable development. Until this happens, however, an inclusive development approach is necessary to balance the dominance of the growth approach, especially in the context of global recession.

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14 Joyeeta Gupta and Courtney Vegelin (2016), Sustainable development goals and inclusive development

**Figure 3: The relationship between inclusive development and sustainable development**



Source: Joyeeta Gupta and Courtney Vegelin (2016), Sustainable development goals and inclusive development

Historically, achieving sustainable development has always been hampered by trade-offs in favour of economic growth over social well-being and ecological viability. In contrast, the concept of inclusive development emphasizes the social, ecological and political dimensions of development. What does inclusive development mean and to what extent is it taken into account in the framing of the SDGs? Inclusive development as having three key dimensions (social, ecological, and relational inclusiveness), there is a risk that implementation processes focus more on social inclusiveness rather than on ecological and relational inclusiveness. It is critical that the latter two are given equal weight in the actual implementation process.

The politics of, sustainable development shows that achieving *strong* sustainability, which implies no trade-offs between the economic, social and ecological goals, is

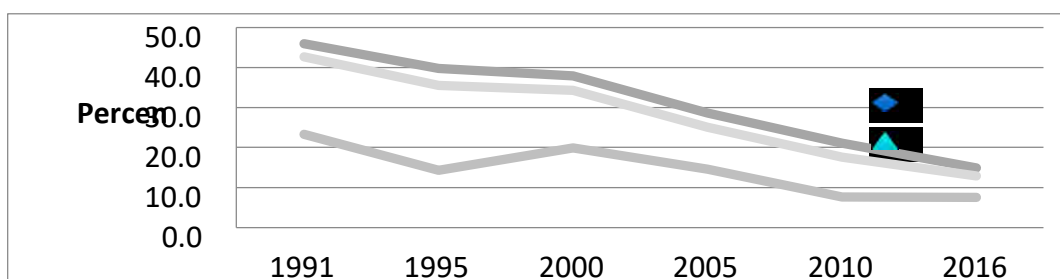
rare; politics tend to make trade-offs in favour of the economy at the cost of social and ecological issues<sup>15</sup>.

It is observed that growth process creates new economic opportunities that are uneven. Some of the factors which constrained the poor include circumstances or market failures, the result is that the poor benefit less from growth than the non-poor. There is inclusive growth when all members of a society participate in and contribute to the growth process equally, regardless of their individual circumstances. Inclusive growth is one that emphasizes that economic opportunities created by growth are available to all, particularly the poor, to the maximum extent possible<sup>16</sup>.

### 2.3 Inclusive Growth in Bangladesh: A compelling policy priority

Inclusive growth, under the prevailing socio-economic condition, is a compelling policy priority for Bangladesh. Though significant strides have been made in poverty reduction (Figure 1) and economic growth, still millions of poor and

**Figure 4: Progress in reduction of extreme poverty**



Source: BBS

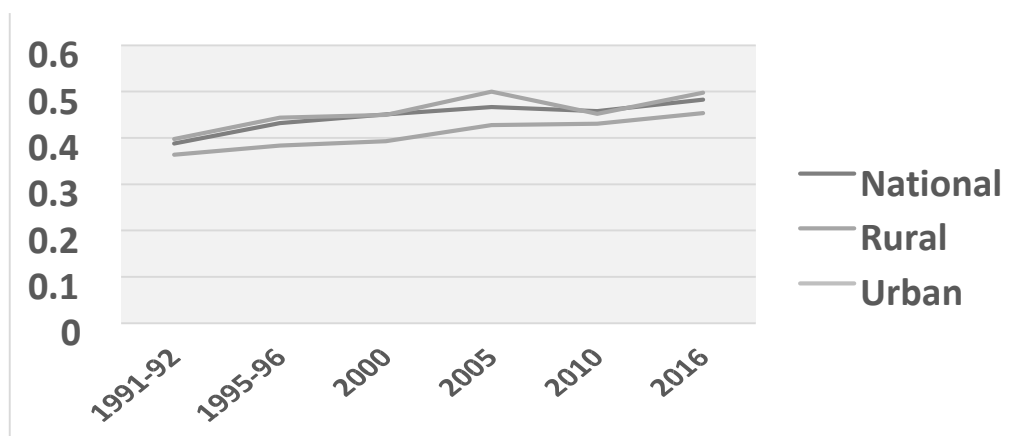
15 Lorek and Spangenberg (2014), 'Sustainable consumption within a sustainable economy - Beyond green growth and green economies in Journal of Cleaner Production' (2014)

16 Terry McKinley (2010), Inclusive Growth Criteria and Indicators: An Inclusive Growth Index for Diagnosis of Country Progress, ADB



vulnerable populations are left behind. Process of growing inequality, and dangers of inequality are threat on development and social cohesion. The spectre of 'jobless growth' looms large <sup>17</sup>. Gini coefficient in Bangladesh has increased since independence and hovering around .4 - .5% (figure 2).

**Figure 5: Trend of Income Inequality Scenario in Bangladesh (Gini Coefficient)**



Source: BBS HIES, Various years

'Enhancing the growth of income per person is fundamental in advancing inclusive growth, as this is the basis for creating and expanding economic opportunities'<sup>18</sup>. Though there is debate on the content, it is generally agreed that 'one significant aspect of inclusiveness is represented by the employment content of economic growth'<sup>19</sup>.

17 Mustafizur Rahman et.al. (2011), Bangladesh Labour and Social Trends, Report 2010 estimated that 'during the past decade, GDP growth rate of close to 6.0 per cent returned an employment growth that was about half of the GDP growth rate'.

18 Terry McKinley (2010), Inclusive Growth Criteria and Indicators: An Inclusive Growth Index for Diagnosis of Country Progress, ADB

19 Ibid

But, unfortunately, Bangladesh is lagging behind. To gain insight into the nexus of economic growth, employment generation, productivity and investment, Planning commission, in a recent study conducted during May-June, 2019 observed that 'between fiscal 2005-06 and 2009-10, the country's employment elasticity was 0.55. It plunged to 0.25 between fiscal 2010-11 and 2017-18, when the economy averaged 6.6 percent GDP growth'<sup>20</sup>.

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20 General Economic Division, Planning Commission (2019) reported in the Daily Star, High growth, fewer jobs (17 August 2019)

### **3. WORKERS ISSUES AND INCLUSIVE GROWTH: THROUGH TRADE UNION LENS**

Historically the essence of existence and relevance of trade unions lies behind the ideological and conceptual perceptions: the defenders of human rights and therefore workers' interests. Proper employment relation is a condition precedent to create conducive environment for developing smooth industrial economy. However, maintenance of congenial relation between employers and workers is always very challenging because it is inherently in the nature of conflict of interest. Thus, trade unionism emerged to address the issue and the legal framework for regulating trade unionism developed by the state as a neutral actor between employers and workers. However, unions not only serve as symbolic defenders of workers' rights, they also promote workers' productivity in general. In doing so, trade unions calibrate their economic role as well as political role to improve the general well-being of the citizenry. Thus, unions serve as mechanisms protecting their members' interests in the fields of, but not limited to, wage inequality and discrimination. Therefore, it is a disservice to ignore the importance of trade unions in creating sustainable inclusive growth. The effects of globalisation on sustainable, inclusive growth have made the trade unions' role more important, especially in developing countries like Bangladesh.

Moreover, if the current phase of globalization is to benefit more people, particularly the poor, then a number of urgent actions have to be undertaken. There is need to regulate globalization for it to serve as a vehicle for poverty eradication, decent work, equitable income distribution, gender equality, safe workplaces, quality public services, universal social protection on the basis of solidarity, respect for workers rights and the attainment of the SDGs.

The following points, which broadly fall into three categories: trade union internal strategies, trade union campaigns towards governments and trade union actions in influencing international organizations and IFIs aim at stimulating discussion on the role of unions in the global economy and the fight against poverty<sup>21</sup>.

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21 ILO, Bureau for Workers Activities, The role of trade unions in the global economy and the fight against poverty (Background paper) International Workers Symposium, Geneva, 17-21 October 2005

### 3.1 TU internal strategies

Free and strong trade unionism is a sine qua non for sustained national development. The starting point is to ensure that workers are free to organize. Once unions exist, they can perform their roles of fighting poverty and campaigning for a fair globalization process. However, they need to be independent, strong and accountable to their members. They also need to have the capacity to respond to changing challenges. In order to achieve this, the capacity-building programmes of ACTRAV are essential<sup>22</sup>. ACTRAV ensures that the concerns and interests of workers' organizations are taken into consideration in the policy development and activities of the International Labour Office, both at Headquarter and in the Field as well as support workers' organizations in the defense and promotion of workers' rights.

### 3.2 TU campaigns towards government

ILO, Bureau for Workers Activities (ACTRAV), in its background paper on 'The role of trade unions in the global economy and the fight against poverty' for International Workers Symposium, Geneva held on 17-21 October 2005 identified seven broad-based areas for making campaigns towards the government as follows<sup>23</sup>:

- *Promoting a rights-based approach to development*: For a holistic approach to development, economic rights should be pursued at the same pace as socioeconomic rights. Good governance and transparency facilitate sustained growth and enable the participation of the poor in its benefits.
- *Gender*: There is a need to promote gender mainstreaming in socio-economic policy and to secure equal opportunity and treatment for women.

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22 ILO, Bureau for Workers Activities, The role of trade unions in the global economy and the fight against poverty (Background paper) International Workers Symposium, Geneva, 17-21 October 2005

23 ibid

Implementing proactive targeted policies aimed at eradicating gender discrimination and promoting decent employment opportunities for women is another important dimension.

- *Social dialogue:* Social dialogue to determine the pattern of growth, to share the fruits of growth and to negotiate the trade-offs necessary for the creation of more dignified jobs is an important challenge facing unions.
- *The creation of decent jobs:* Holistic strategies should be developed based on the need to promote faster, sustained and employment-intensive growth so as to accelerate the pace of poverty reduction. Active labour market policies must be implemented, within the framework of national employment policies, to tackle the problem of youth employment.
- *Macroeconomic policy for job creation:* Creating the necessary space for countryowned macroeconomic policy for economic growth to have positive poverty outcomes, full employment policies must be placed at the centre of these policies.
- *Social protection for all:* Social-sector expenditures in education, health, nutrition, water and sanitation have to be scaled up with a firm commitment for providing safety nets to workers facing changing economic relations and invest in human capital. The extension of social security systems to the poorest remains an important challenge.
- *Investment in agriculture:* Considering the high levels of poverty in rural areas, rural development and the creation of productive rural employment must be a cardinal pillar of development policy. In this respect, resources should be redirected to promote food security, a dynamic articulation between peasant agriculture and the rest of the economy, improved capacity, skill development, the creation of non-farm productive employment activities, microfinancing and providing support for socioeconomic initiatives and cooperatives.

### 3.3 TU actions in influencing IO and IFI

Trade unions are a crucial part of the fight against poverty and their actions contribute to the regulation of the global economy on a global platform. The persistence of poverty and inequalities in the world calls for a global rethinking of the current globalized development paradigm. There is an urgent need to effect true global solidarity today, where TU can influence, if not intervene:

- *Social justice in the global economy*: International organizations, particularly the IMF, the World Bank, the WTO, the OECD and the United Nations system need to align and harmonize their actions.
- *Engaging the Bretton Woods institutions*: The incremental progress in having these institutions support respect for core labour standards needs to be consolidated. Country-specific policy dialogue with these institutions and the regional development banks need to be reinforced in order to avoid policy advice that is anti-labour and anti-poor. A lot more needs to be done to enhance trade union participation in the PRSP process, as well as to influence the policy content of the papers.
- *Debt cancellation and increased ODA*: Together with other organizations involved in the Global Call to Action against Poverty, trade unions are campaigning for extended debt cancellation for all low-income countries without IMF/World Bank structural adjustment conditionalities. This effort should also be linked to increasing official development assistance to levels agreed upon by the international community.
- *Trade for decent jobs and poverty reduction*: Making the global trade regime create more decent jobs, reduce global poverty and achieve respect for workers' rights remains the central challenge. Whether it is in respect of issues of agriculture and food security, democracy within the WTO, services or negotiations on nonagricultural market access, the impact of trade on labour and the poor should remain a central concern.

### 3.4 The role of TU in Bangladesh

Traditionally, the role of TU is to improve the material welfare of members, principally by raising wages above the competitive level. Even it is argued that union influence extends beyond the unionised sector. The potential threat of union organisation may provoke the management to provide wages and working conditions that mimic those negotiated in union firms<sup>24</sup>. Moreover, 'a trade union whose purpose is to raise wages above the competitive level may foster economic growth if it succeeds in shifting income away from the owners of capital to the workers and if the workers' marginal propensity to save exceeds the one of capitalists'<sup>25</sup>.

Trade unionism in Bangladesh as *'originated in British India and Pakistan, it naturally retained its old character of working more as a nationalist force against colonial domination than as a class force vis-a-vis capitalist exploitation. As a result, the trade union movement of the region that had gained momentum in the hands of political leaders stood divided along the political and/or ideological lines in independent Bangladesh'*<sup>26</sup>. However, there was always efforts to build TU on a broader platform of consensus among various TU stakeholders *'where workers are free from all kinds of discrimination and exploitation and workers are not treated as commodity and the TUs are recognized as a respectable partner of progress and, where equal rights and opportunities are ensured in respect of ensuring decent work and fulfilling their basic needs like food, shelter, education, medical care, social security, freedom of association, rule of law, peace and progressive socio-cultural environment'*<sup>27</sup>.

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24 Allison L. Booth (1995), The economics of trade union, Cambridge University Press

25 Irmen A. and Wigger BU (2000), Trade Union Objectives and Economic Growth

26 Banglapedia, the national Encyclopedia of Bangladesh (modified in 2014)

27 This is the abridged version of the vision of Bangladesh Institute of Labour Studies (BILS), established in 1995 and pioneer in the labour movement to uphold the causes of working people and trade unions of Bangladesh

Trade Union (TU) movement in Bangladesh, of late, has focused their attention in policy development and advocacy on improvement of labour legislation and implementation of the Decent Work Agenda. Still the protection of workers' rights is far away from the expectation, there is no national minimum wage for the workers. There is some sector based minimum wages which also far behind of the living wage. Besides, absence of social security scheme for private sectors had made the workers more vulnerable. Workers' issues are getting less priority in the existing national development policies and schemes. So, in the light of the national development aspiration mentioned above, there is a need for the Trade Unions to engage in the national efforts on development in ensuring inclusive growth and productive employment. However, the actual ground knowledge of Trade Union (TU) is still too limited and there is a serious need of the understanding of national development policies/instruments in are in place to materialize the development aspiration as well as clear understanding on inclusive growth and their role for ensuring inclusive growth and productive employment.



#### 4. BANGLADESH DEVELOPMENT PLANNING APPROACH TO INCLUSIVE GROWTH

The objective of ***Bangladesh Vision 2021*** is to try to create a future Bangladesh that reflects the hopes and aspirations of the citizens of the country for an economically inclusive and politically accountable society. The Vision proposes a set of concrete measures to achieve eight identified goals by 2021 (*to become a participatory democracy; to have an efficient, accountable, transparent and decentralised system of governance; to become a poverty-free middle-income country; to have a nation of healthy citizens; to develop a skilled and creative human resource; to become a globally integrated regional economic and commercial hub; to be environmentally sustainable; and to be a more inclusive and equitable society*), by implementing a number of short and medium-term initiatives and interventions thus culminating Bangladesh as a middle-income country by 2021. This will require increased GDP growth to 7.5 to 8% per year based on accelerated export and remittance growth. Though poverty rate and unemployment rate are decreasing due to this continuous growth, at the same time inequality is increasing significantly. Income inequality has risen over the last three decades in Bangladesh is one of the main obstacles to achieve inclusive growth.

Growth process in Bangladesh is associated with increasing inequality (Figure 3: Trend of Income Inequality Scenario in Bangladesh) which may endanger social fabric and status quo, force poor and unemployed people into criminal activities, make women more vulnerable, force children into undesirable labour. This may further weaken other disadvantaged and vulnerable sections of population-resulting in a waste of vast human capital that could hamper the development process.

Unfortunately, the growth process in Bangladesh is associated with increasing inequality. From 1991-92 the trend of inequality, as reflected in the Gini Coefficient, is on rise and obviously it is even higher for the urban sector. Thus the scenario also warrants that a proactive pro-inclusive growth development planning/strategy is urgently required.

On the other hand, global inequality is the major concern in the recent era, which is rising at an alarming rate. According to recent Oxfam report<sup>28</sup>, last year 26 people owned the same as the 3.8 billion people who make up the poorest half of humanity. The wealth of the world's billionaires increased \$900 billion in the last year. 82% of the wealth generated last year went to the richest 1% of the global population, which the 3.7% billion people who make up the poorest half of the world population had no increase in their wealth in another word poorest half of the world got nothing which is the clear indication of exploitation of labour and these economic rewards are increasingly concentrated at the top from bottom.

#### **4.1 Development experiences in Bangladesh: Linking Equity with Growth**

It is now empirically established that the transition of Bangladesh to a higher growth trajectory, since the early 1990s, has been accompanied by inequality of income. Although the pace of growth has been rapid enough to bring about a substantial reduction in poverty despite rising inequality, the worsening of income distribution is still a matter of grave concern, at least for two reasons – one is intrinsic and the other is instrumental<sup>29</sup>. The intrinsic reason is that there is something inherently unfair and unjust in allowing the fruits of development to be confined to a tiny minority while depriving the majority who are poor. The instrumental reason is that higher inequality has the potential to dampen the pace of poverty reduction in the future by depressing future growth.

The positive association between growth and inequality has not occurred by coincidence. The two are, in fact, casually inter-twined – in the sense that the same processes have led to rapid growth have also resulted in higher inequality. Two aspects of this casual connection are emphasised here. First, the period of rapid growth since the early 1990s has witnessed very slow growth in real wage-far

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28 OXFAM International (2019), 5 shocking facts about extreme global inequality and how to even it up

29 SR Osmani, Linking Equity and Growth in Bangladesh in 7th Five Year Plan, Background Papers (2017), Volume 1, GED, Planning Commission, Bangladesh

below growth of productivity. This has resulted, on the one hand, in reduced real cost of production, which has given Bangladesh a cost advantage in the global market, allowing its export industries to grow rapidly and to act as an engine of growth for the economy as whole. On the other hand, slower growth of real wage relative to labour productivity has moved the functional distribution of income against labour and in favour of the owners of non-labour factors of production such as land and capital. Since labour input is supplied mostly by the poor people and non-labour input mostly by the rich, this anti-labour change in the functional distribution of income has also resulted in the widening of personal income distribution. The second element of the casual connection between growth and inequality is the role of foreign remittances. As the inflow of foreign has become an increasingly prominent feature of Bangladesh economy, acting as an important driver of growth specially in rural areas, it has also served to widen income inequality since it is mainly the relatively better-off households who can bear the initial cost of sending worker abroad<sup>30</sup>.

Thus in some important ways the transition to a higher growth path and worsening of income distribution are but two sides of the same coin – the coin being the very process of growth itself. It does not follow, however, that in order to achieve higher equity the current growth process must be reversed. In fact, export-oriented growth process must be allowed not just to continue but to prosper, and greater earning of foreign remittance must be encouraged, if we are to maintain the growth momentum.

To make this to be possible, a two-pronged strategy must be employed. First, an effective social protection system must be put in place to help those who may be bypassed or even impoverished by the growth process. Second, conditions must be created so that people from the disadvantaged segments of the society are able to seize the opportunities opened up by the growth process-just as much if not more than those coming from the privileged background. An essential pre-condition for creating such equality of opportunity is to ensure equality in the

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30 Ibid

distribution of human capital. The first prong of this strategy would help mitigate the current inequities that are emerging as a consequence of the growth process, while the second prong would improve future equity enabling the children of the disadvantaged segment of the population to participate more fully in the growth process<sup>31</sup>.

The empirical evidence suggests, however, that neither of these two prongs is working very well in Bangladesh. The social protection system is too small and the allocation of resources too perverse to make any significant impact on current inequities. There are also serious failures in enabling the currently disadvantaged segment of the society to seize the opportunities being opened up by the growth process.

The latter failure is specially worrying for two distinct reasons. The first reason for concern emanates from the possibility that this failure will sow the seeds of perpetuation of income inequality. It is argued that the recent trend of rising income inequality emerges from a growth process that is based on the suppression of growth of real wages. One would normally expect this trend to be reversed in the course of growth. As surplus labour gets exhausted and the skill base of labour force is upgraded to meet the challenges of globalisation, real wages will have to grow faster in the future, thereby narrowing the gap in functional income distribution. There is a danger, however, that despite rising real wages inequality in personal income distribution may continue to grow because one source of inequality may replace another. Currently, the main source of inequality is the widening gap between the rewards to labour and the non-labour factors of production. With rising real wages, this particular source of inequality may begin to wither away, but a new source might emerge as inequality grows between the rewards to skilled and unskilled labour.

The second reason for concern has to do with the sustainability of the current growth process in Bangladesh. As has been argued, it will not make sense to try and reverse the current growth process even though the very same process has

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31 Ibid

also led to rising inequality. But such an inequity-inducing growth can only be sustained in a liberal democracy if the present generation feel that the current inequities are a price worth paying for the sake of equitable access to better standard of living in the future<sup>32</sup>.

#### **4.2 7<sup>th</sup> Five Year Plan (2015/17-2019/20): Accelerating Growth, Empowering Citizens**

In the backdrop of such disconcerting global scenario and national constraints, achieving inclusive growth will be one of the most significant long-term strategic challenges for Bangladesh as inclusive growth has to assure that the most vulnerable portion of the country are getting the equal opportunities and participation in growth process along with the labour force and the middle-class people. To make that growth inclusive and sustainable for a long period without damaging the environment the 7<sup>th</sup> FYP stipulates average yearly rapid economic growth of 7.4% along with a set of complimentary strategies and policies. It proposes to encapsulate *a strategy for inclusive growth which empowers people by creating employment opportunities, fostering the scope for greater labour force participation, particularly of women, enterprises, and many other ways for people to be more productive. Thus inclusiveness is meant to capture more than income, to include opportunity, productive employment, and access to services*<sup>33</sup>.

An addendum to the strategy of inclusiveness is the underlying principle of equitable growth which can be achieved by ensuring that the fruits of these growth process are enjoyed more equitably by a broad spectrum of population. However, there lies a possibility that in the early stages of growth acceleration there might be tendency towards growing income inequality. To counteract such a tendency, 7<sup>th</sup> FYP envisages, a two-pronged approach to be employed:

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32 ibid

33 7<sup>th</sup> Five Year Plan, FY 2016-FY2020, Accelerating Growth, Empowering Citizens, GED, Planning Commission, Government of the People's Republic of Bangladesh (2015)

- First, an effective social protection system will be put in place to help those who may be bypassed or even impoverished by the growth process.
- Second, conditions will be created so that people from the currently disadvantaged segments of society are able to seize the opportunities opened up by the growth process-just as much if not more than those coming from the privileged background.

An essential precondition for creating such inequality of opportunity is to ensure equality in the distribution of human capital. The first prong of this strategy would help mitigate the current inequities that are emerging as a consequence of the growth process, while the second prong would improve future equity by enabling the children of the disadvantaged segments of the population to participate more fully in the growth process. Thus the 7<sup>th</sup> FYP takes on board the research finding that inequality can constrain future poverty reduction in two distinct ways-by reducing the rate of growth and by lowering the growth elasticity of poverty reduction i.e., by reducing the pace of poverty reduction for any given level of growth. That is why reduction of inequality through broad-based participation in productive employment is one of the pillars on which the growth strategy of the 7<sup>th</sup> FYP rests.

#### **4.2.1 Mid-term Implementation Review of the 7<sup>th</sup> Five Year Plan (FY 2016–FY 2020)**

Review of the implementation of the first two years of the 7th FYP have recently been conducted basing on a rigorous approach and comprehensive methodological framework. This involves a comprehensive understanding of the Plan documents (i.e. Sixth and Seventh Plans) and their development results frameworks (DRFs); gathering of appropriate data and their subsequent analysis; and providing insightful assessments focusing on data analysis and identifying key reasons. GDP growth, employment generation and poverty reduction are the core development indicators in our development plans providing a useful summary

scorecard of how the overall economy is progressing and whether the Plan is broadly on track<sup>34</sup>. Here are two relevant implementation reviews<sup>35</sup>:

***Progress in growth and poverty reduction has been satisfactory.*** The GDP growth rates for FY 2016 and FY 2017 have been 7.11% and 7.28% respectively. These growth statistics suggest that Bangladesh economy has been performing better than the projections made under the 7th FYP – which were ambitious. If these trends continue in the next three years of the plan period, the average growth rate of 7.4% set out in the 7th FYP would to be attained.

All three indicators of poverty measurement – (i) head count ratio; (ii) poverty gap; and (iii) poverty severity envisaged impressive progress in poverty reduction front. Poverty measurements are conducted using two poverty lines – (a) upper poverty line (UPL): used for poverty rate estimation; and (b) lower poverty line (LPL): adopted for measuring extreme poverty.

The head count ratio which was 31.5% in 2010 reduced to 24.3 % in 2016 implying a 1.2 % reduction rate per year between 2010 and 2016. Rural poverty has fallen from 35.2% in 2010 to 26.4% in 2016 while urban poverty rate declined to 18.9% in 2016 from 21.3% in 2010. Extreme poverty rate declined to 12.9% in 2016 from 17.6% in 2010 implying per annum extreme poverty reduction rate of 0.78%. The poverty gap has been estimated at 5.0% in 2016 compared to 6.5% in 2010 – implying a 1.5 percentage point reduction over 2010. The poverty gap among the extreme poor has been estimated at 2.3% in 2016 – suggesting a reduction rate of 0.8 percentage point during the period 2010 to 2016. Analogous to the poverty

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34 Mid-term Implementation Review (MTIR) of the 7th Five Year Plan (FY 2016–FY 2020), GED, Planning Commission, Government of the People’s Republic of Bangladesh (2019). The MTIR has been based on secondary sources – generated from regular/special surveys as well as administrative data. GED has an in-house database utilizing information from the Bangladesh Bureau of Statistics, Bangladesh Bank, Export Promotion Bureau, National Board of Revenue and other sources.

35 *ibid*

gap situation, severity of poverty has reduced during the period 2010 to 2016. The severity which was 2% in 2010 declined to 1.5% in 2016. For the extreme poor, it has reduced from 0.8% in 2010 to 0.6% in 2016.

Moderate to high inclusive economic growth buttressed by social security schemes and pro-poor social policies (i.e. education, health and human development) have been identified as the major factors for positive outcomes in poverty front. Moreover, the reductions of poverty gap indicate that average consumption or income level of the poor people (i.e. people below the poverty lines) has improved considerably during the period 2010 to 2016.

***Employment generation rate is less than the 7<sup>th</sup>FYP targets.*** The 7<sup>th</sup> FYP set ambitious target of creating 12.9 million additional jobs which includes some 2 million jobs abroad for migrant workers. Since the employment data are unavailable at annual frequency, the comparison is made between the last two labour force surveys carried out in 2013 and 2015-16 by the BBS. A total of 1.46 million additional employment has been created between 2013 and 2016. Employment generation in the domestic market thus has been found less than the target set out in the first two years of the seventh plan.

Another important target of 7<sup>th</sup>FYP is to create decent jobs for the large pool of underemployed and new labour force entrants by increasing the share of employment in the manufacturing sector from 15.4 % in 2015 to 20 % in 2020. However, stagnation of employment generation in the manufacturing sector (i.e. manufacturing share remained at 14.4% in FY 2016 and FY 2017) and rise of informal employment share suggest decent job rate is not increasing at a desired level during the first two years of the 7<sup>th</sup>FYP.



#### 4.2.2 Sustainable Development Goals: Bangladesh Progress Card

In respect of the relevant Sustainable Development Goal (*SDG 8: Sustained, Inclusive and Sustainable Economic Growth and Decent Work*) Bangladesh has made an upward shift in the average annual growth rate to more than 7 per cent in the recent years (FY2015-FY2018). This coupled with slower population growth led to increasing per person GDP growth and the country is nearly on track to achieve the 2020 target. It is also heartening to note that the average annual growth rate of GDP per employed person has already reached the 2020 target in FY2017. The estimated unemployment rate in Bangladesh has been closer to 4 per cent for a long time and it can be reasonably expected to remain closer to this long run level in the near future<sup>36</sup>.

The report, however, identified increasing informality undermining government efforts to ensure decent jobs and higher unemployment rate of women and persons aged 15-29 years. The report also identified some key challenges in achieving SDG 8 targets which as follows:

- Increasing informality in job market, high youth unemployment rate.
- Skills demand and supply mismatch. Skills of the workforce are not meeting the demands of emerging or, indeed, established industries. Difficulty of finding appropriately skilled workers is a substantial constraint to growth of industries.
- Low female labour force participation, there exist barriers to female labour force participation in the country.
- Overseas employment is of considerable importance as a source of employment especially for low or un-skilled workers. But high cost of migration, fraudulent practices, substitution of contracts in destination countries and unacceptable conditions of work and living constrain the outward flow of workers.

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36 Sustainable Development Goals: Bangladesh Progress Report 2018, GED, Bangladesh Planning Commission

- Low inflow of foreign resources particularly FDI, the country needs improvement in broader investment climate, strengthening of the investment promotion and facilitation agencies, continued simplification of regulatory frameworks and procedures for FDI entry and operations, and development of an integrated investor service delivery mechanism.

The report also made some suggestions in this regard<sup>37</sup>:

- *Raising growth and achieving diversification of the economy*: The current rate of growth does not seem to be sufficient to absorb the growing labour force. The economy needs to grow at a higher rate- at least 8 per cent per annum to absorb the labour force. Since manufacturing will be main driver of growth, it has to grow at the rate of 12-15 per cent per annum during the next 15 years.
- *The economy has to diversify its production structure*: Bangladesh has been succeeded in creating manufacturing employment especially employment for women by expanding labour intensive textiles and garment industry. There is a need for diversification with more such industries growing. In addition the supply side bottlenecks that constrain the growth and diversification of manufacturing sector have to be improved.
- *Strengthening tie between the education system and the labour market*: The tie between the education system and the labour market needs to be strengthened in several ways. First, the skills the education system is providing to the students need to fit what the labour market needs in terms of kinds and quality. Second, there has to be effective communications between educational and training institutions and employers. There has to be systematic support to the graduates of educational and training institutions for job placement. Since in a growing economy undergoing structural change skills demand evolves, both sides of the labour market should be in touch with each other and the education system needs to respond to industry demands.

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37 Ibid

- *Enhancing women employment:* Bangladesh has to address the multifarious barriers faced by women in order to enhance their labour force participation rate. The Government has developed legal framework to address issues such as child marriage and violence against women. Other policies and actions that facilitate women's work also need to continue.
- *Providing skill development opportunities for existing workforce:* The main beneficiaries of education and training system are the new generations of students. But a large part of the existing employees continues to contribute to the economy for decades.

The skill levels of these employees need to be updated to achieve robust growth.

Education and training have to be viewed as a lifelong process not a one-off affair.

- *Promoting foreign direct investment:* Foreign direct investment has been gradually increasing in Bangladesh but the absolute amount is still low and focused on few sectors. As FDI not only augments investment but also brings new technology and management skills which have spill over effects, Bangladesh should attract larger volume of FDI for achieving accelerated growth, poverty reduction and employment generation.

However, the recent work of Citizen's Platform for SDGs, Bangladesh has observed some mixed success in the last four years. 'For the SDG 8, 11 out of a total of 17 indicators have been evaluated. Four indicators are found to be in Red status, four in Amber status, and three in Green status'<sup>38</sup>.

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38 Citizen's Platform for SDGs, Bangladesh, Four Years of SDGs in Bangladesh and the Way Forward (2019), Citizen's Platform for SDGs, Bangladesh is a partnership of more than a hundred organisations who are non-state actors, and intend to contribute in the national SDG process of Bangladesh. For the purpose of clarity the red is the unsatisfactory outcome while green denotes satisfactory, the amber obviously is neutral.

### 4.3 8<sup>th</sup> FYP (2021-2025): Concept Note

The preparation of 8<sup>th</sup> FYP afoot and it encompasses a wide range of issues to 'pick up the threads of progress under the ongoing 7<sup>th</sup> plan, *the commitment made in the election manifesto* and take the nation forward along the path of the Vision 2041'<sup>39</sup>. In spelling out the development vision and core objectives of 8<sup>th</sup> FYP, it clearly emphasized that 'higher growth and better income distribution that lower income inequality and lowers poverty are core development targets for the 8<sup>th</sup> FYP'<sup>40</sup> and identified a set of development strategy, among which following would be quite relevant for inclusive growth:

- *GDP Growth, Employment and Structural Transformation:* Providing higher income employment opportunities to an expanding labour force will be the foremost development challenge for the 8<sup>th</sup> Plan. In a market economy as in Bangladesh this is the most important vehicle for ensuring that the benefits of higher growth are shared equitably with the population. The employment challenge is linked to the task of accelerating GDP growth. The growth challenge in turn is inter-linked with structural transformation of the economy. Several constraints and challenges will have to be addressed to increase the pace of structural transformation and associated creation of good jobs.
- *Job creation:* The recent job creation has been rather modest, despite rapid GDP growth. The pace of employment growth in manufacturing is much slower than is necessary to absorb the growing labour force emerging from the demographic transition including higher participation of the female labour force, and to further reduce under-employment in agriculture and informal services. The 8<sup>th</sup> Plan will need to pay considerably more attention to the challenge of faster job creation in manufacturing incorporating the challenges posed by the technology change and skills gap.

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39 Concept Note, The Eighth Five Year Plan of Bangladesh (FY2021-2025), Promoting Prosperity and Fostering Inclusiveness, GED, Bangladesh Planning Commission

40 *ibid*

- *Ensuring Quality Health care:* The government has pledged to ensure basic health care and sufficient nutrition services to all for better quality life. Although, life expectancy reached 72 years, other health indicators-maternal mortality, skilled birth attendant, neonatal mortality rate seems to raise considerable concern in recent times. The eighth plan will seek to strengthen the effort of the government in making the health and nutrition services for all, health service free of cost for person below one year and above 65.
- *Ensuring the Sustainability of Growth:* A related issue is the sustainability of the growth effort owing to the deterioration of the natural environment. Building on the progress during the 6<sup>th</sup> and the 7<sup>th</sup> Plans, the PP2041 integrates green growth as a building block for the long-term development strategy. The 8<sup>th</sup> Plan will incorporate green growth strategy as an integral part of the development strategy.
- *Encouraging Women Empowerment:* Bangladesh has gained global acclaim for advancing women empowerment, particularly ensuring female representative in National Parliament and creating opportunities for female in education. A number of Acts and policies, protecting the women rights, are in place. Creating suitable environment for women at work place will be encouraged so that more women can enter in the economic activities.
- *Tackling Climate Change, Managing Disaster and Protecting Environment:* Climate Change is already taking toll on the millions of people in Bangladesh by affecting their livelihood, agriculture, and infrastructure. In the eighth plan, in compliance to Bangladesh Delta Plan 2100, fund will be enhanced to undertake more programs in climate change adaptation and mitigation. Alongside, green growth strategy will be applied in every aspect of development activities. The area of productive forest will be increased to 20% while adoption of clean air law, zero emissions of industrial waste, recovery and protection of water bodies, marshy lands, and expansion of green coastal belt will be undertaken.

#### 4.4 Perspective plan (2021-2041)

The perspective plan, with cherished goal of 'a country with zero poverty', to address the broader development framework, presupposes that 'the transition- indeed transformation- can be realized through a process of rapid inclusive growth leading to elimination of poverty while increasing the productive capacity, building an innovating knowledge economy and protecting the environment. The cornerstone of an inclusive and sustainable development strategy is a robust program of job creation through export-oriented manufacturing growth backed by digital technology of the knowledge economy'<sup>41</sup>. To make all this happen, it very correctly understands that 'programs and institutions will have to be put in place to generate rapid, inclusive and sustainable growth'<sup>42</sup>.

*Strategic Goals and milestones of the Perspective Plan 2021-2041:* The following strategic goals will be pursued as the essential components of economic policy over the long-term<sup>43</sup>:

- Eradication of Extreme Poverty by 2030; reducing Moderate Poverty to less than 5 percent by 2041
- Towards Upper middle-income country by FY2030; High-income country by 2041
- Industrialization with export-oriented manufacturing will drive structural transformation into the future
- Paradigm shifts in Agriculture will enhance productivity and ensure nutrition and food security for the future
- A Service sector of the future will provide the bridge for the transformation of the rural agrarian economy to a primarily industrial and digital economy
- The Urban transition will be an essential part of the strategy to move to a highincome economy

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41 Perspective Plan of Bangladesh (2021-41): Making Vision 2041 a Reality, GED, Bangladesh Planning Commission (2019)

42 ibid

43 ibid

- Efficient Energy and Infrastructure will be essential components of the enabling environment that facilitates rapid, efficient and sustainable growth
- Building a Bangladesh resilient to climate change and other environmental challenges
- Establishing Bangladesh as a knowledge hub country for promoting a skill-based society

#### **4.5 National Job Strategy for Bangladesh (2019)**

The draft Bangladesh National Jobs Strategy, to be implemented over a mid-term period (2021-30), is a way forward to locate the current coordinates of employment status and allows stakeholders to recalibrate the future strategy in the job market. Being at the final draft phase, it also allows the potential stakeholders to study and advise on the relevant parts.

The strategy also, in its own analytical framework identifies some concerns in the employment sector. The disappointing news on employment starts from the fact that the overall elasticity of employment with respect to output (i.e., GDP) has been declining over time. The sharp decline in overall employment elasticity and a decline in manufacturing employment observed after 2013 give rise to such worry. Moreover, since this has been happening at a time when output growth has been high, one wonders whether the country has been going through a period of jobless growth.

Another cause of concern is the high rate of unemployment among the youth. While this represents a waste from the point of utilization of an important factor of production, it is also worrisome from a social point of view.

Particularly from the point of view of the relationship between economic growth, employment and poverty and inequality, another point of concern is the decline in the real wages of workers. Policy makers need to worry about it, especially if real wages are looked at as a means of reducing poverty and improving income distribution<sup>44</sup>.

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44 A National Jobs Strategy for Bangladesh, Technical Report (2019), Ministry of Labour and Employment

#### **4.5.1 Gaps in knowledge and need for additional research**

More interestingly, the draft strategy also identifies some areas in which it suggested to have gaps in the current knowledge and additional research are required. The strategy suggested that in order to formulate policies for meeting the challenges as above, it is important to have good understanding of the situation and the challenges, the strategy observed gaps in data analysis and research in a number of areas as follows<sup>45</sup>:

- New areas of employment, e.g., the gig economy (size, location, segment of the labour force benefiting, quality of jobs, etc.); Spread of new technology, its drivers and its effect on productivity and employment;
- Factors responsible for the recent slowdown in the growth of employment, especially in the manufacturing sector, causes of a decline in real wages despite a rise in labour productivity;
- Productivity in various sub-sectors of the informal sector, factors responsible for the variation, and ways of raising productivity in sub-sectors characterized by low productivity;
- Gaps in education and skills – both quantitative and qualitative, and how to meet the gaps; Factors responsible for higher unemployment rates among those with higher levels of education;
- Factors responsible for low labour force participation rate among young women and high rate of unemployment among educated women; Sectors and occupations where foreigners are employed, and the reasons thereof; performance of various employment related programmes and their relative efficiency in job creation;
- Experience with the implementation of various government policies, e.g., the industrial policy of 2016, the national skills policy, the national labour policy and the national policy for the empowerment of women.

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45 ibid



#### 4.5.2 Going Beyond Numbers: Addressing Key Challenges

But creating jobs is not always the only challenge faced by an effective job strategy, sometimes it is daunted by 'a number of other challenges ranging from those related to the quality of jobs that are created, the environment in which economic activities take place, the quality (in terms of education and skills) of the labour force, and adoption of advanced technologies – to mention only a few. The qualitative aspects include informality, productivity, wages, working conditions, social protection and workers' rights<sup>46</sup>. Here we have a summary of the key challenges as identified<sup>47</sup>:

- *Informality*: Despite respectable economic growth attained on a sustained basis for nearly two decades, the economy of Bangladesh is characterized by a stubborn persistence of informal sector employment at a very high level. The simple reason is that while employment has grown, much of that growth has taken place in the informal segments of the economy. Moreover, employment in some of the formal segments is being generated with an informal character (viz., without any social protection against ill health, old age, unemployment and accidents at the place of work).
- *Development of human capital*: While labour is an important factor of production, it becomes more effective when converted into human capital. Education and skills play an important role in that context.
- *Technological change, automation and implications for employment in Bangladesh*: Technological progress has been a continuous process, and such progress has been associated with automation of various degrees and kinds. That, in turn, had significant implications for employment and the world of work. Hence, it is necessary to take this into account and see how the employment situation in the country may be influenced by technological changes that are likely to take place.

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46 ibid

47 ibid

- *Jobs Creation and Environmental Sustainability:* Creation of productive employment in Bangladesh involves structural transformation of the economy and growth of modern sectors like manufacturing and services. One associated feature of such growth is urbanization. But these processes may create adverse effects on the environment through a variety of channels including polluting water bodies, creating pressure on facilities like sanitation, producing wastes, etc. It may thus appear that there is a trade-off between productive employment and environmental sustainability. But careful investigation would indicate that such trade-off need not be inevitable or can at least be minimized if attention is given to the issues involved.

#### **4.6 Industrial Policy of Bangladesh (2016)**

Like most of other developing countries, Bangladesh boasts a well-articulated Industrial Policy outlining the targets, growth incentives and the strategies relating to industrialization as well as to provide an overall idea of how the economy as a whole will move forward by with the help of a targeted industrial progress. 'The industrial policies in Bangladesh are in place since independence. The policies adopted immediately after independence were biased towards management and creation of industries by the public sector. But Bangladesh gradually liberalized its economy providing means for private investment and management in the economy. The subsequent industrial policies especially since the beginning of 1980's were tailored towards accommodating the needs of the private sector. Private sector interest issues such as the need for private capital, the incentives the private investors would have, and the areas where they could invest thus were primarily echoed numerous times in all the subsequent industrial policies. The present version (2016) of industrial Policy is, in fact, in sequel to the Industrial Policy 2005 and Industrial Policy 2010 and implies government's fast responses to the changing needs of the time.

The current policy in its objectives, very interestingly, envisages a role play by the industrial sector to achieve inclusive growth by creating meaningful and income-

generating employment<sup>48</sup>. But achievement of inclusive growth, as expected by the Industrial Policy, remains a far cry in the absence of correct follow up. In true sense, 'industrial policy, no matter how good it is, or what good it wishes for, cannot alone bring more investment or more industrialization in the economy unless the other policies and factors move in tandem towards the same goals in other sectors of the economy. No one will say Bangladesh had bad industrial policies or even a bad policy in investment in the past, but did Bangladesh achieve the desired or targeted results in investment and industrialization? So, policy matters but not in every context. Though industrial policy is one of the economic policies of the government but it is deemed to be a more important one<sup>49</sup>.

#### **4.7 Investment Policy**

Investment Policy in Bangladesh, in fact, is the compendium of various relevant rules and regulation to promote investment, particularly foreign direct investment (FDI) in Bangladesh. The basic foundation of investment policy is the Industrial Policy 2016. According to Industrial Policy 2016, Bangladesh welcomes foreign private investment in all areas of the economy and there is no restriction on the amount of share of the investment. Foreign investors are eligible to take advantage of a wide range of generous tax concessions and other fiscal incentives and facilities. It is expected that foreign investment will spur growth with increased employment and that would support the objectives of industrial policy by creating meaningful and income-generating employment.

The basic ingredients of investment policy<sup>50</sup>, with fundamental concessions/ incentives for attracting the flow the foreign direct investment (FDI), are appended below:

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48 Para 2.3; National Industrial Policy (2016), Ministry of Industries, Dhaka, Bangladesh

49 Mohammad Ismail Hossain, Industrial Policy of Bangladesh (2016): A critical Review; (ResearchGate:2017)

50 Bangladesh Investment Development Authority (BIDA) website

- ✦ Foreign investment in Bangladesh is secure vis-à-vis nationalization and expropriation.
- ✦ The Foreign Private Investment (Promotion and Protection) Act 1980 ensures full protection to foreign investors.
- ✦ Furthermore, Bangladesh is a signatory to multi-lateral investment related agreement e.g. MIGA, OPIC, ICSID, WAIPA, WIPO and WTO.
- ✦ Bangladesh also has signed bilateral investment treaties with 32 countries for promotion and protection of investment: Austria, DPR Korea, Thailand, Belgium, Republic of Korea, UK, Canada, Malaysia, USA, China, Pakistan, Uzbekistan, France, Poland, Vietnam, Germany, Romania, Singapore, Indonesia, Switzerland, Denmark, Iran, The Netherlands, India, Italy, The Philippines, UAE, Japan, Turkey, and Belarus.
- ✦ Bangladesh has signed Avoidance of Double Taxation Treaty (DTT) with 28 countries: Canada, Poland, Norway, China, Romania, Turkey, Denmark, Singapore, Vietnam, France, Republic of Korea, Philippines, Germany, Sri Lanka, Indonesia, India, Sweden, Switzerland, Italy, Thailand, Oman, Japan, The Netherlands, Malaysia, UK.
- ✦ Bangladesh has also signed multilateral and regional treaties such as APTA, BIMSTEC, IORA, SAPTA, SAFTA, SAFAS, COMCEC, TPS-OIC, Preferential Trade with D-8 Countries etc. to conveniently access market and investment opportunities.
- ✦ In addition Bangladesh has signed trade agreements with 45 countries for trade facilitation among the countries.

Though it is yet to see the efficacy of the investment policy (the flow of FDI has never been very encouraging in the past), the changing global scenario, it is expected, may see some positive outcomes which may substantially improve the achievement of inclusive growth.

#### 4.8 Fourth Industrial Revolution and Bangladesh

The 4<sup>th</sup> Industrial Revolution, the ongoing automation of traditional manufacturing and industrial practices, using modern smart technology, though made some theoretical inroads into the industrial landscape in Bangladesh, could not yet make any concrete impact. The process of large-scale machine-to-machine communication (M2M), the internet of things (IoT) and production of smart machines, the very foundation of 4<sup>th</sup> industrial revolution, are still a far cry. Moreover, it is argued that 'supplying techno-skills to the western market should not be Bangladesh's core development target' as 'a decade of jobless growth has resulted in as many as 40 million unemployed people in Bangladesh. Mega projects, construction booms, and a number of mega power plants have not delivered the expected number of jobs. Due to the highly capital-intensive nature of the projects – whether the Dhaka Metro Rail, Padma Bridge, or Elevated Highways – national employment elasticity declined drastically. Due to growing mechanization in the agrarian sector, demand for farm labour also dropped. The heavy industries are becoming increasingly automated, while the RMG industry is moving towards massive layoffs'<sup>51</sup>.

However, there are few words of optimism from none other than the Foreign Minister of Bangladesh, though it is devoid of any sense of direction and specifics agenda, it is yet to be verified by the course of industrialisation in the future. 'While revolutions in history have been loud, visible and often bloody, the Fourth Industrial Revolution (4IR) is rolling out so quietly, yet bringing effects infinitely more profound than earlier technological and political upheavals. We are seeing how a tsunami of science, technology and innovation, and the creative use of 4IR tools and applications, are changing the lives of individuals, companies and countries across the world, from entertainment to education to employment'<sup>52</sup>.

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51 Maha Mirza, The 4th Industrial Revolution in Bangladesh: The Good, bad and the ugly; The Business Standard, 29 January 2020

52 Abul Hassan Mahmood Ali, Minister of Foreign Affairs, Ministry of Foreign Affairs of Bangladesh, How Bangladesh Can Thrive in the 4th Industrial Revolution, World Economic Forum (5 December 2018)

But 4IR or not, the challenge is to reskilling the labour force will be far greater, as next generation production machinery will demand different types of skills. 'Such belief has been promoting the strategy --"Skills as the Currency of the Labour Market" for the new economy. Particularly, in developing countries, major skills development programmes to cope up with the fourth industrial revolution are underway. Often, they are taking loans from multilateral and bilateral lenders, and recruiting foreign trainers to offer training. The main reason is that massive job loss is underway, and the countervailing measure has been to upskill the labour force<sup>53</sup>. Thus TU make it a point that if the existing strategies and policies for industrial economy remain unchanged, the existing role of labour will likely make a certain amount of skill irrelevant and a countervailing measure of job loss should be taken up in the age of fourth industrial evolution.

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53 M Roknuzzaman, Fourth Industrial Revolution and Skill Development, The Financial Express (6 March 2020)

## 5. INCLUSIVE GROWTH IN BANGLADESH: PERFORMANCE AND MISSING LINKS

To understand the level of inclusive growth in a particular country, Asian Development Bank (ADB), taking into account of all relevant indicators, has formulated an inclusive growth index. The index has been applied to Bangladesh and it is observed that Bangladesh has not 'perform particularly well on any dimension of inclusive growth (**Table 1 below**). It performed satisfactorily on economic growth, access to economic infrastructure, poverty, and inequality. However, it did not do well on either improving access to education or on access to sanitation or water. Its overall score is 4.55, which is on the low side of the satisfactory range (i.e., 4–7)<sup>54</sup>.

**Table 1: Inclusive Growth Index for Bangladesh**

Category	Score	Weight	Total
<b>Growth</b>	<b>6</b>	<b>0.25</b>	<b>1.50</b>
<b>Employment</b>	<b>4</b>	<b>0.15</b>	<b>0.60</b>
<b>Economic Infrastructure</b>	<b>6</b>	<b>0.10</b>	<b>0.60</b>
<b>Poverty</b>	<b>6</b>	<b>0.10</b>	<b>0.60</b>
<b>Inequality</b>	<b>6</b>	<b>0.10</b>	<b>0.60</b>
<b>Gender Equity</b>	<b>5</b>	<b>0.05</b>	<b>0.25</b>
<b>Health and Nutrition</b>	<b>5</b>	<b>0.05</b>	<b>0.25</b>
<b>Education</b>	<b>3</b>	<b>0.05</b>	<b>0.15</b>
<b>Sanitation and Water</b>	<b>2</b>	<b>0.05</b>	<b>0.10</b>
<b>Social Protection</b>	<b>5</b>	<b>0.10</b>	<b>0.50</b>
<b>Total</b>		<b>1.00</b>	<b>4.88</b>
Note: In general, a score of 1–3 is regarded as unsatisfactory progress, a score of 4–7 as satisfactory progress, and a score of 8–10 as superior progress.			

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54 Terry McKinley (2010), Inclusive Growth Criteria and Indicators: An Inclusive Growth Index for Diagnosis of Country Progress, ADB

In the same vein Centre for Policy Dialogue tried to present a framework of a future Bangladesh, Bangladesh Vision 2021, that reflects the hopes and aspirations of the citizens of the country for an economically inclusive and politically accountable society. The Vision proposes a set of concrete measures to achieve eight identified goals, by 2021, through implementation of a number of short-and medium-term initiatives and interventions<sup>55</sup>. In identifying the agenda for such vision, CPD formulated eight goals of which they dedicated

goal eight '*to be a more inclusive and equitable society*'<sup>56</sup>. CPD while delineating the action plan for such goal (Goal 8), it went further to propagate (8.2) '*Corporate ownership rights for workers and the deprived*'<sup>57</sup>.

Taking the cue from ADB and CPD, to understand the pictures of inclusive growth and satisfactory progress of the economy in the inclusive growth trajectory, a model with seven pillars each having six indicators have been developed<sup>58</sup>. The pillars, and indicators under each pillar, were selected based on the theoretical framework keeping the developing country context for the periods of 2000, 2005 and 2010. The recent list of sustainable development goals (SDG) indicators also influenced selection of the indicators and it is demonstrated that Bangladesh has not improved much, rather remained in a stagnant plateau (**Table 2**). Seven countries including Bangladesh, India, Pakistan, Nepal, Sri Lanka, Vietnam and Cambodia were selected for cross country comparison on the chosen indicators. Though marginally improved in 2005, the inclusive growth index again deteriorated 2010 with health and education taking a big blow (from 4.01 in 2005 to 2.95 in 2010) and only pillars '*growth and infrastructure*' and '*access to infrastructure and public services*', keeping a very slow pace of increase.

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55 Bangladesh Vision 2021 (Prepared under the initiative of NAGORIK COMMITTEE 2006), CPD (2007)

56 Ibid

57 Ibid

58 Towfiqul Islam Khan, Inclusive Growth in Bangladesh: A Critical Assessment, CPD (2017) paper presented at 2nd SANEM Annual Economists' Conference on 'Managing Growth for Social Inclusion' on 18 February 2017"



**Table 2: Inclusive Growth Index for Bangladesh: A seven pillars approach**

Pillars	2000	2005	2010
Poverty and Inequality	5.31	6.65	5.49
Growth and Infrastructure	4.3	4.69	5.08
Employment	5.41	4.48	5.04
Access to Infrastructure and Public Services	3.31	3.76	4
Health and Education	3.57	4.01	2.95
Gender Equality	5.64	6.2	5.99
Governance and Institution	4.14	2.6	3.19
<b>Inclusive growth index</b>	<b>4.67</b>	<b>4.82</b>	<b>4.74</b>

Source: Towfiqul Islam Khan, Inclusive Growth in Bangladesh: A Critical Assessment, CPD (2017)

During both 2000 and 2005, Bangladesh was ranked fifth amongst the seven selected countries. The position moved to seventh in 2010. The key reason behind this is the rapid progress achieved by Nepal and Cambodia compared to the somewhat plateaued performance by Bangladesh. In contrast to Bangladesh, both Cambodia and Nepal exhibited impressive progress in poverty and inequality pillar. Similar can be said about health and education, and gender equality. Between 2005 and 2010, Bangladesh showed downward performances in poverty and inequality, health and education, and gender equality. The combination of these ultimately lead to the decline in aggregate index and very sad standing among all the countries.

But call for inclusive growth in Bangladesh enjoys the socio-political support. SDG 8 promised to 'promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all with 8.8 aiming to *'protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment'* with provisions of indicators as follows:

- Indicator 8.8.1: Frequency rates of fatal and non-fatal occupational injuries, by sex and migrant status
- Indicator 8.8.2: Increase in national compliance of labour rights (freedom of association and collective bargaining) based on International Labour Organization (ILO) textual sources and national legislation, by sex and migrant status

Vision 2021 committed a more inclusive and equitable society. 7 FYP opted for an ‘a strategy for inclusive growth’. Inclusiveness means equity, equality of opportunity, and protection in market and employment transitions in course of growth process. If not addressed, systemic inequality of opportunity has potential to derail the growth process. A strategy for inclusive growth which empowers people by creating employment opportunities, fostering scope for greater labour force participation, particularly of women, supporting skill development in response to market demand, enabling access to credit for small and medium enterprises, and many other ways for people to be more productive<sup>59</sup>.

On the other hand, the global experiences of assertive TU are quite encouraging. Workers’ ownership, drawing upon progressive and market-driven tradition, is practiced in Europe. Mondragon Experience founded in 1956, with progressive social mandate employees are exercising exclusive owner too. The TATA Tea Experience: TATA sold 17 tea gardens to workers’ co-operative; 13,500 workers became owner of 70% of equity. The Indian experiences of 10% reserved maiden public issue under Employee Stock Option Plan (ESOP) for COAL INDIA are also a positive direction<sup>60</sup>.

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59 7<sup>th</sup> Five Year Plan (2016-2020), GED, Planning Commission, Government of Bangladesh.

60 Rehman Sobhan, Challenging Injustice in South Asia: A Work Programme for Promoting Inclusive Development (CPD-Daily Star Books) (2017)

## 6. BANGLADESH: EMPLOYMENT, WAGE AND LABOUR SECTOR

The GDP growth rate in Bangladesh is uniquely celebrated for keeping a steady progress over the years in spite some domestic turbulence and world recession. Starting to grow at the rate of 6.46% in 2010-11 it keeps on growing to 7.86% in 2017-18 demonstrating a steady rise over the years and the rate is projected to rise further. On the other hand, the nominal wage rate also keeps on increasing though less than the rate of GDP growth. But the increase in the nominal wage is always less than the rate of inflation implying that the real wage is reduced and the wage labourer are worsened off in real sense. However, the situation improved since 2015-16 and 2016-17 the increase in wage is little greater than the rate of inflation. Thus, it can be concluded that the GDP growth, in strict sense, was not inclusive. The wage, even nominally, did not match the growth and more unfortunately higher rate of inflation, actually eaten up the higher nominal wage (**Table 3**).

**Table 3: Wage Rate Index and Growth Rate (Base Year 2010-11=100)**

Year	Nominal Wage Rate Index				Growth Rate (Point to Point)				GDP Growth rate	Rate of inflation
	General	Agriculture	Industry	Service	General	Agriculture	Industry	Service		
2010-11	100.00	100.00	100.00	100.00	-	-	-	-	6.46	10.91
2011-12	106.24	105.96	106.92	106.23	6.24	5.96	6.92	6.23	6.52	8.69
2012-13	112.62	112.08	113.43	113.63	6.01	5.78	6.08	6.96	6.01	6.78
2013-14	118.82	118.4	119.07	120.16	5.50	5.68	4.97	5.75	6.06	7.35
2014-15	124.69	124.51	124.38	126.15	4.94	5.12	4.47	4.98	6.55	6.41
2015-16	132.81	132.48	132.02	136.03	6.52	6.41	6.16	7.86	7.11	5.92
2016-17	141.46	141.22	140.27	145.01	6.50	6.59	6.24	6.60	7.28	5.44
2017-18	150.59	150.27	149.45	150.44	6.46	6.40	6.55	6.51	7.86	5.78

**Source:** Finance Division, Ministry of Finance

## 6.1 Formal and Informal labour: A reality check

Though as the debate on the definition of informal sector rolls on and there is no consensus on how to define and measure an informal sector in an economy, there is a broad understanding that three critical margins along which formal and informal characteristics can be found: (1) intra-firm margins where firms are partly formal and partly informal; (2) inter- sectoral margins between informal and formal firms; and (3) inter-sectoral margins of formal and informal workers operating throughout the labour market<sup>61</sup>. The difference can be examined from another angle too. On the one hand, informal sector firms employ low-skilled or unskilled workers, thereby providing an income to the poor and excluded, which improves income distribution. On the other hand, an expanding informal sector increases income inequality as it reduces tax revenue, which could have been used for progressive income redistribution. In return, higher income inequality feeds informality via two main channels: by decreasing human and physical capital accumulation; and by increasing demand for informal sector products. An increasing informal sector shrinks tax revenues and social security payments. This means that governments have fewer funds to use to redistribute income (e.g. investment in infrastructure and public education, and welfare programs), causing higher income inequality<sup>62</sup>. Though it is observed that the reality check on these differences are seldom done in Bangladesh and 'the specific issues of the formal–informal divide and continuum, reasons for informality, nature of informality – both in terms of labour force participation and sectoral dimensions – and connection between addressing informality and inclusive growth have not been taken up as particular issues of focus'<sup>63</sup>.

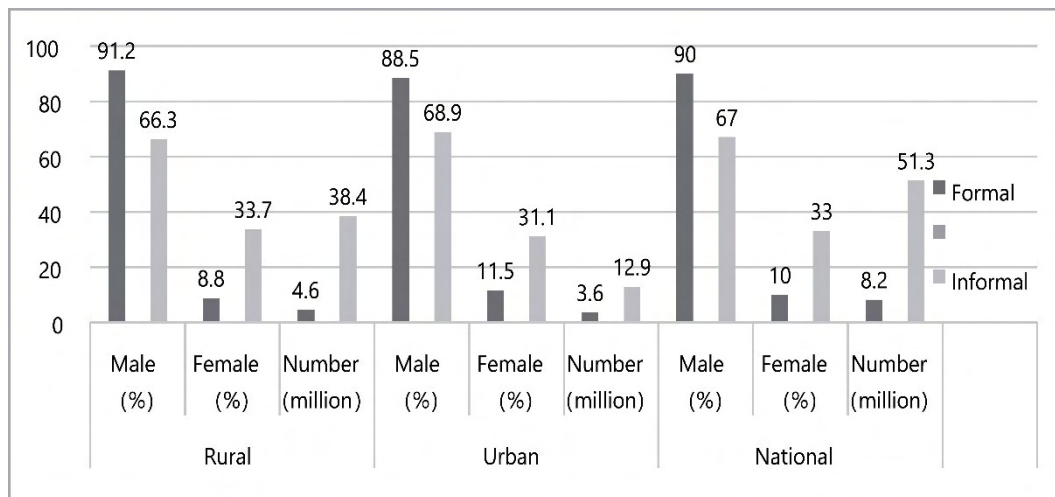
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61 Maloney W. (2006), *Informality Deconstructed*, World Bank

62 Ceyhun Elgin and Adem Yavuz Elveren, *Informality, Inequality, and Feminization of Labor* (2019), Working paper series, Political Economy Research Institute, University of Massachusetts, Amherst

63 Mustafizur Rahman et. al. (2017), *The role of the informal sector in inclusive growth a state of knowledge study from policy perspectives*, CPD

**Figure 6: Formal and Informal: Shares of female and male employment at rural, urban and national levels**



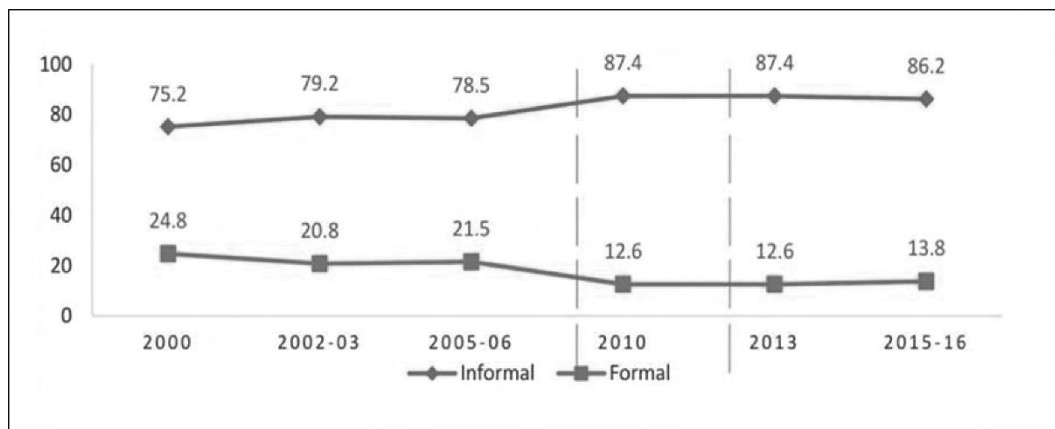
Source: BBS (2017) adopted from Mustafizur Rahman et. al. (2017)

But the main concern for about the informality, apart from everything, is in its relative share in the total labour sector, preponderance female and rural sector (**Figure 6**). As it can be seen from the figure, as above, among the informal employment, the respective shares of males and females are 67% and 33%. The number of informally employed in rural areas is 38.4 million (66.3% are male and 33.7% are female) compared to 12.9 million in urban areas (68.9% are male and 31.1% are female) when corresponding employment cohorts are considered. Overall, the male-to-female gender ratio is 9:1 in formal employment and 2:1 in informal employment.

## 6.2 Dynamics of informal employment in Bangladesh

But the main issue of concern is that the ratio of informal employment, so villainised for the inherent uncertainty and high-risk elements, and is on rise, its share has consistently risen from 75.2% in 2000 to 86.2% in 2015-16 (**Figure 7**). If we add up the increased quantum of employment with economic growth and size

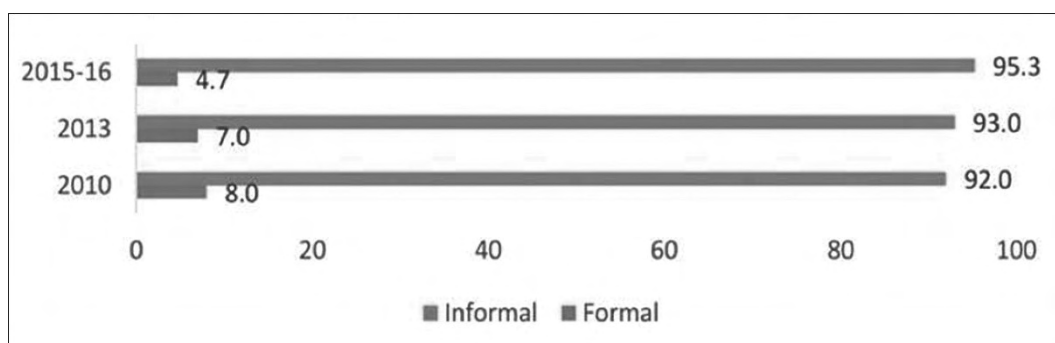
**Figure 7: The growth of informal sector**



Source: (BBS 2017) adopted from Mustafizur Rahman et. al. (2017)

of the economy over the years, it will be observed that the divergence has increased in absolute terms, thus making the concerns even stronger.

**Figure 8: Co-existence of formal and informal sector**



Source: Based on BBS, LFS (several years) adopted from Mustafizur Rahman et. al. (2017)

As a unique case, as in Figure 3 above, both formal and informal co-exists in the RMG sector. In 2015-16, less than 5% of total employment belonged to the formal category, while the remaining 95% was in informal employment. It is interesting to

note that the share of those in formal employment indeed declined between 2013 and 2016. Though could not be ascertain prima facie, this may be consequences of the developments within the sector following the Rana Plaza tragedy.

### 6.3 Wage differential of formal and informal sector

The real malaise of an informal sector has been captured by the research work in India<sup>64</sup>. Working on the Evidence from the National Sample Survey. Manik Kumar and Sweety Pandey

**Table 4: Wage differential of formal and informal sector in India**

Average real daily wage (in INR) rate for formal and informal worker by sector and gender						
	2004-05			2011-12		
	Formal Worker	Informal Worker	PGR	Formal Worker	Informal Worker	PGR
Male	547	180	67	729	294	60
Female	466	109	77	634	204	68
Rural	405	145	64	492	221	55
Urban	573	190	67	774	307	60
India	538	168	69	716	277	61
$\text{Percentage Relative Gap (PGR)} = \frac{\text{Formal worker's wage} - \text{Informal worker's wage}}{\text{Formal worker's wage}} \times 100$						

Source: Manik Kumar and Sweety Pandey (2019)

have applied percentage relative gap (PGR) to find absolute wage gap between formal and informal wage worker to estimate wage discrimination in labour market in empirical literature. It is observed that though improved between 2004-05 and 2011-12 (from 69 in 2004-05 to 61 in 2011-12), the PGR still very high, unfortunately (though not unexpectedly) higher for the female worker (while 60 for male worker, it is 68 for female worker in (2011-12).

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64 Manik Kumar and Sweety Pandey (2019), Wage Discrimination between Formal and Informal Regular Workers in India: Evidence from the National Sample Survey

## 7. FINDINGS OF THE RESEARCH

As explained in the research methodology, the study was a three-pronged attempt to understand the intricacy of issues related to policy gaps in terms of inclusive growth vis a vis the role of TU. Apart from literature review, which occupies a major part of the study, the study devoted a great deal to field research involving KII and FGD among the TU and BILS leadership. The field research, as conducted, came out with some interesting and, sometimes, conflicting view-points which were quite absorbing and deserves a degree of introspections. Even the results with KII and FGD, in some respects, were asymmetrical and made the research difficult to draw a linear conclusion. But the important aspect of the research lies in the fact that these are the ground reality of the inclusive development observed through the TU lens and policy options (if any). As regards linking TU and its cherished objectives to achieve inclusive growth policy makers have to take cognizance of these results.

The KII was based upon a set of questionnaires with two different part. The first part was to capture the perception of TU and BILS leadership on various issues related to inclusive growth, developed on Likert scale<sup>65</sup> (from a scale of 5 to 1, the 5 being the highest and 1 being the lowest). The seven questions, they were exposed to, were;

- a. Do you think that the present administrative-legal regime (including Bangladesh Labour Act, 2006 and Bangladesh Labour Rules 2015) is sufficiently tuned to address the TU aspirations in ensuring inclusive growth and productive employment?
- b. Did the 7 Five Year Plan (FYP) sufficiently address the TU aspirations in ensuring inclusive growth and productive employment?
- c. What is in your opinion the degree of success of 7 FYP in addressing the TU's aspirations of inclusive growth issue so far?

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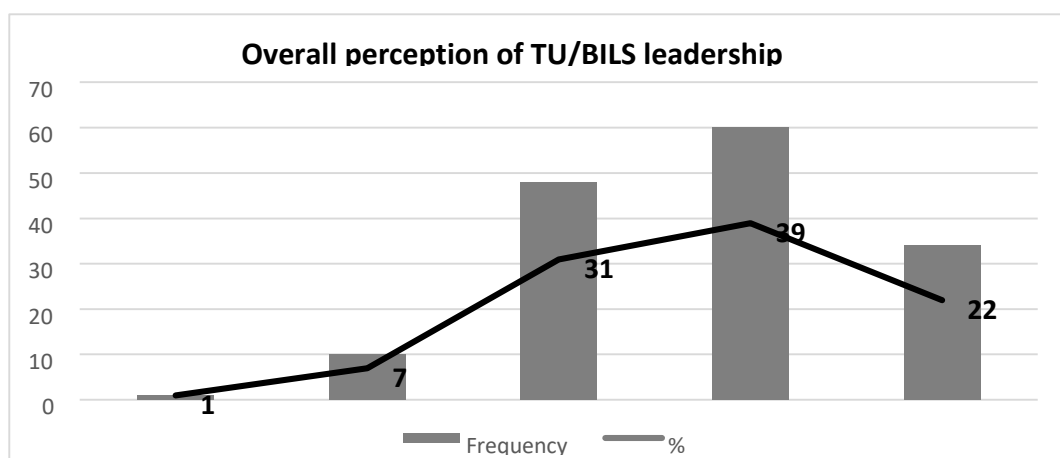
65 Likert scale is a five (or seven) point scale which is used to allow the individual to express how much they agree or disagree with a particular statement, a Likert scale assumes that the strength/intensity of an attitude is linear, i.e. on a continuum from strongly agree to strongly disagree, and makes the assumption that attitudes can be measured.



- d. What is in your opinion the Industrial policy (2016) could meet the TU perspectives for inclusive growth and productive employment?
- e. Do you think that the present socio-political situations in Bangladesh is conducive to achieve the inclusive growth and productive employment aspirations of TU?
- f. Do you think that the existing TU structure is sufficiently strong and committed to persuade the government to take pro-inclusive growth strategy?
- g. Do you think that the existing TU structure is sufficiently tuned to embrace the new frontier technology in the employment sector?

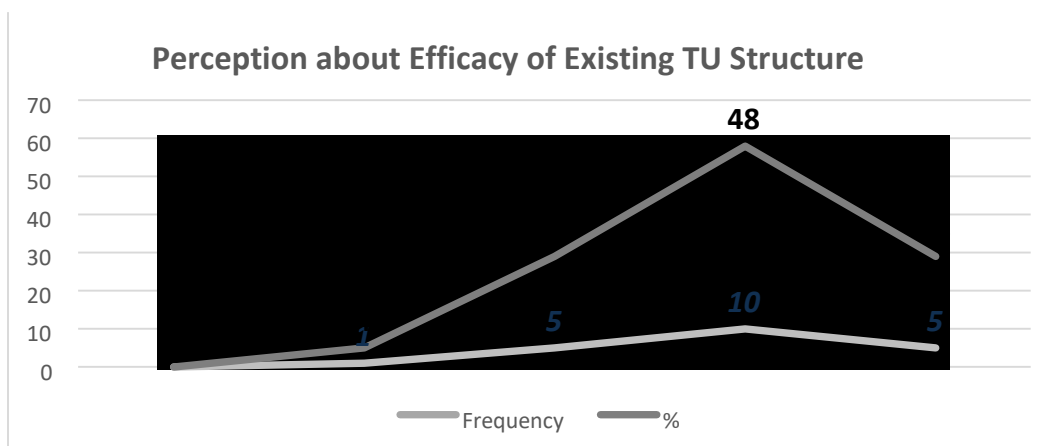
The responses, as received, are quite depressing-there is an overall subjective pessimism in the perception of TU/BILS respondents about the efficacy of overall administrative-legal regime, the degree of success of 7 Five Year Plan (FYP) and potential of Industrial policy (2016) and the prevailing socio-political situations, the existing TU structure to achieve inclusive growth. In the Likert scale, their responses mostly tilted to the disagreement with all the seven parameters presented before them.

**Figure 7: Overall perception of TU/BILS leadership in the Likert Scale**



Out of all twenty-two respondents, only one respondent responded very strongly (score 5) only in one question (out of seven) while the majority responded negatively<sup>66</sup>. The overall perception, as aggregated, about all the parameters is staggeringly low, 61% in the category of disagreement (in the Likert scale 1-2) while 31% preferred to remain neutral (Likert scale 3) as in **Figure 7**. The overall perceptions of TU/BILS leadership on the The pessimism is so overpowering that even

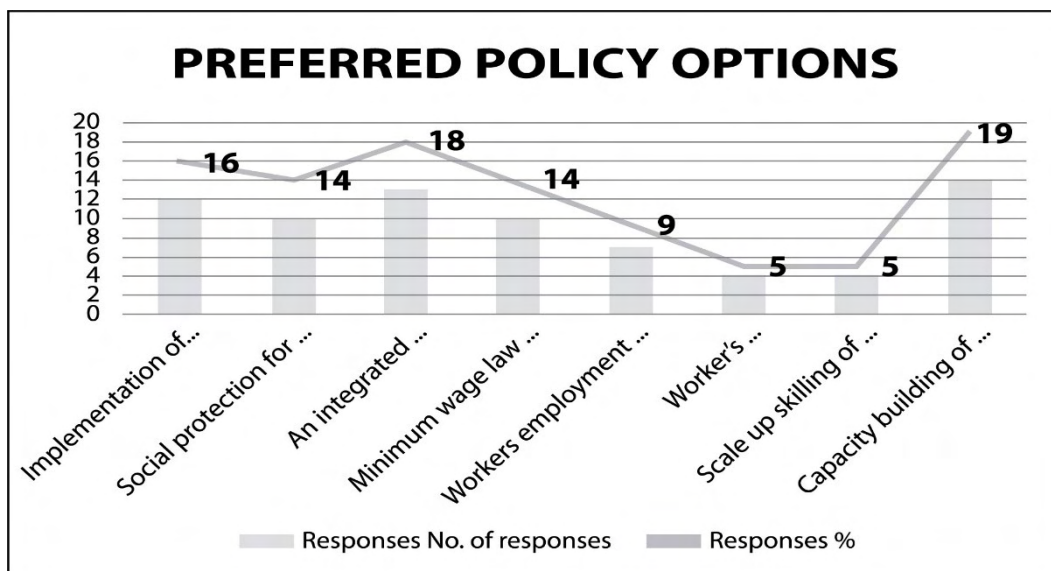
**Figure 8: TU/BILS perception about Efficacy of Existing TU Structure**



72% respondents believe that the existing TU structure is not sufficiently strong and committed to persuade the government to take proinclusive growth strategy where as 24% preferred to remain non-committal (**Figure 8**). Thus, it is observed that there is a general sense of pessimism among the TU/BILS leadership about the present state of affairs and obviously needs a wind of change.

<sup>66</sup> The details of the result of the field research can be seen in Annexure C

**Figure 9: Preferred Policy Options for Inclusive Growth**

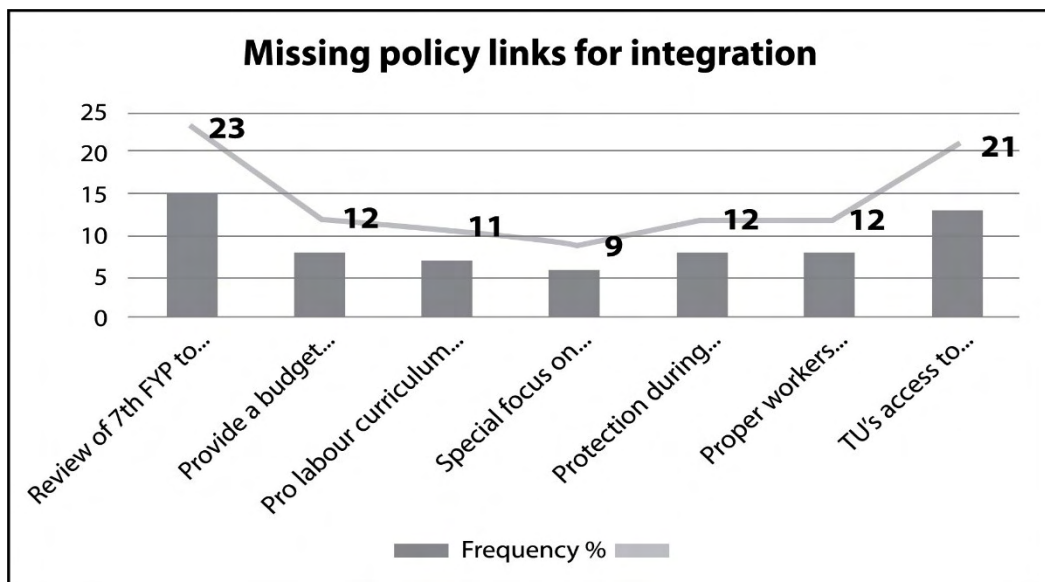


The second part of the questionnaire examined the various aspects of TU policy options (in five different thematic processes and with different policy options), as to how TU should participate, the missing policy links, the government policy documents, pursue with the government and probable policy strategy. The responses are varied, though quite interesting and needs to be carefully examined further and be carried forward.

In the first question (*What are the key policy options you prefer to include in ensuring workers' opportunities and participation in growth process?*) the option '*Capacity building of TU in policy framework for advocacy and campaign*' received the highest attention (19%) closely followed by '*An integrated national labour policy for both formal and non-formal sectors*' (18%) and '*Implementation of decent workplace across the sectors*' (16%). Uniquely and paradoxically the options '*Worker's compensation for any physical and mental damage at work*' (5%) and '*Scale up skilling of new entrants and up- skilling of existing workers*' (5%) received least attention. Even '*Minimum wage law*' (14%) and '*Workers employment protection by*

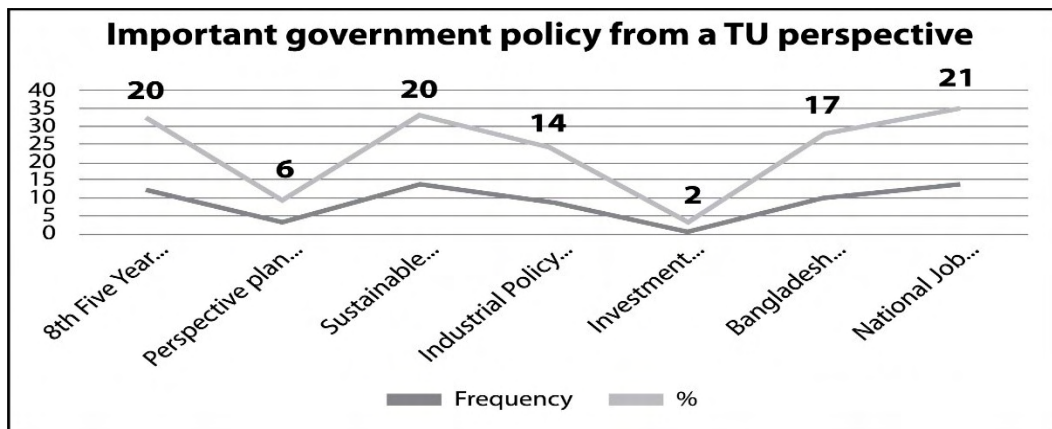
*law*' (9%) did not score that high (**Figure 9**). Though it is very difficult to conjecture any conclusion from the findings, it is obvious that the TU/BILS leadership are putting more emphasis on macro-management than certain micro improvement in employment sector.

**Figure10: Missing policy links for integration in TU agenda**



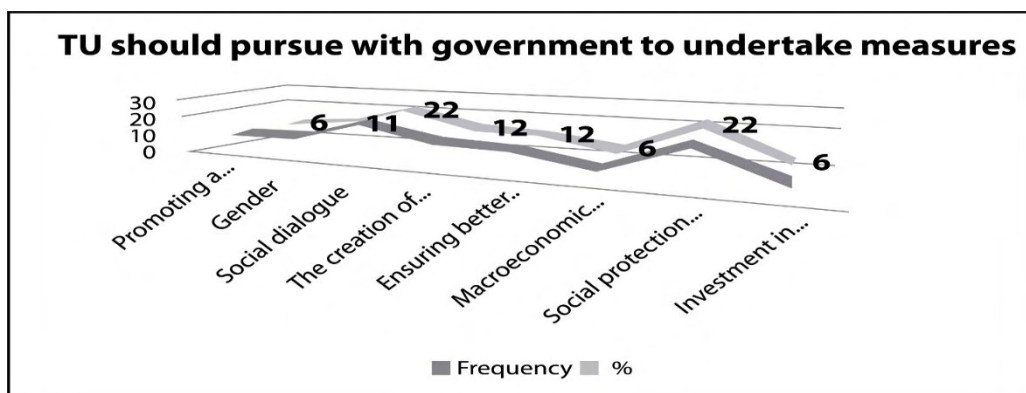
In the same vein, there is an overwhelming emphasis, as in **Figure 10**, on *Review of 7<sup>th</sup> FYP to identify the missing links and suggestions for 8<sup>th</sup> FYP* (23%) and *TU's access to management of CSR* (21%) options while the rest, including the innovative concept of *Provide a budget tracking framework for labour sector development policy* (12%), *Pro labour curriculum update in the educational institutions* (11%) and *Protection during disaster and extreme climate change events* (12%) enjoys a lukewarm support. Interestingly *Special focus on underprivileged/disadvantaged groups for labour welfare* (9%) received least support.

**Figure 11: Important government policy documents from a TU perspective**



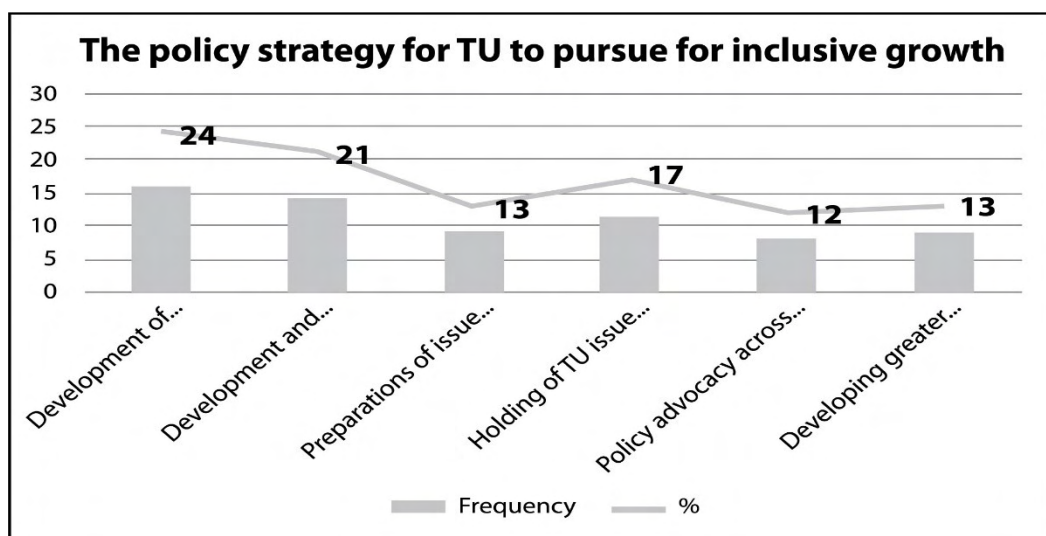
On the other hand, while opting for identifying the government policy document that should be important from TU perspective (**Figure 11**), three policy documents e.g. National Job Strategy (21%), 8<sup>th</sup> Five year plan (20%) and Sustainable Development Goals (20%) became their pre-dominant choices closely followed by Bangladesh Labour Act, 2006 and Bangladesh Labour Rules, 2015 (17%) and Industrial Policy 2016 (14%). Perspective plan (6%) and Investment Policy of Bangladesh (2%) fared very poorly, thus implying very low relevance for the TU perspective.

**Figure 12: Important government policy documents from a TU perspective**



Social dialogue (22%) and Social protection for all (22%) emerged as the dominant choices as regards the suggestions 'Which of the following measures, TU should pursue with the government to undertake, for promoting inclusive growth' (**Figure 12**). Though Investment in agriculture (6%), Promoting a rights-based approach to development (8%) and Macroeconomic policy for job creation (8%) were not the choice reply, other suggestions e.g. Gender (11%), the creation of decent jobs (13%) and ensuring better health for all (12%) fared much better. The dynamics of the choice, as it can be interpreted, there is a sense of urgency on the part of the TU to achieve certain objectives (through social dialogue) as well as to ensure that there is a minimum agenda to protect (through Social protection for all) in the short run. However, the mid-term objectives are not lost on their part by choosing Gender, the creation of decent jobs and ensuring better health for all. Interestingly, investment in agriculture did not occupy their thought, though was quite important from a national inclusive growth perspective.

**Figure 13: The policy strategy for TU to pursue for inclusive growth**



To chart the future policy strategy (**Figure 13**), the TU/BILS leadership was quite emphatic about the *Development of institutional capacity of TU* (24%) and *Development and capacity building of TU research* (21%), which were closely followed by *Holding of TU issue-based seminar/symposium/workshop based on policy brief* (17%). The issues of *Preparations of issuebased TU policy brief* (13%), *Policy advocacy across the cross section of stake holders* (12%) and *Developing greater linkage with political mainstream* (13%) were of lesser importance. To sum up the future policy strategy, it can be safely said the TU/BILS leadership are strongly in favour of developing institutional capacity of both TU and TU research and holding of TU issue-based seminar/symposium/workshop based on policy brief. Obviously, these refer to their earlier misgivings about efficacy of the existing TU structure which they conceive not sufficiently strong and committed to persuade the government to take pro-inclusive growth strategy.

## 8. CONCLUSIONS AND RECOMMENDATIONS

Thus it is observed that the study on *'An Analysis of the Development Policies/Instruments of Bangladesh to identify the policy gaps in terms of Inclusive Growth and identify the Trade Union (TU) role in ensuring the Inclusive Growth'* is a huge tapestry interwoven with the nexus of growth and inequality, concepts of inclusive growth with TU, narrowing TU base with higher moral demands (the defenders of human rights and therefore workers' interests) and above all development aspirations of an emerging economy-Bangladesh. It is very important to understand how TU can influence International Organisation (IO) and International Financial Institutions (IFI). It is emphasised that the persistence of poverty and inequalities in the world calls for a global rethinking of the current globalized development paradigm. There is an urgent need to effect true global solidarity today, where TU can influence, if not intervene.

Moreover, sustainable development suffers from the difficulties in harmonising present and future generations and this led to the rise of concepts that embody dualities of this trinity— green economy/growth (which combines the environment with the economy). Broadly speaking while there is a broad consensus as regards the urgency of achieving inclusive growth, there is degree of diversity in its interpretation and the ways/means to achieve. But the diversity has not undermined the urgency, it has rather strengthen the arguments in a myriad setting. The advent of SDG and particularly the SDG 8 has further articulated the need. ADB (2011) has very strongly advocated for 'economic growth with equality of opportunity' and tried to explain 'why must growth be inclusive'. The seminal works of Picketty (2014) and harsh reminder that 'the entrepreneur inevitably tends to become a more and more dominant over those who own nothing but their labour. Once constituted, capital reproduces itself faster than output increases. The past devours the future'<sup>67</sup> has further exacerbate the urgency. But there is always the silver lining like the works of Abhijeet et. al. (2019) who are quite emphatic

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67 Thomas Picketty, *Capital in the Twenty-first Century* (2015)



about how to achieve inclusive growth and for 'making growth inclusive and sustainable' they came out with some specific policy advices for India which to a great extent are quite pertinent for Bangladesh.

The recent development discourses in Bangladesh is in abundance – from the concept notes on 7<sup>th</sup> FYP to the very recent perspective plan (2021-2041) – and there is an underlying coherence of emphasising the inclusive growth. Though all these development instruments are more normative in nature and always lack the policy punch, they are always side-lined. The positive association between growth and inequality, in Bangladesh, has not occurred by coincidence. The two are, in fact, casually inter-twined – in the sense that the same processes have led to rapid growth have also resulted in higher inequality. While the concept notes on 7<sup>th</sup> FYP devoted quite a space to understand and articulate the inclusive growth paradigm, the final document on 7<sup>th</sup> FYP was not that assertive. The actual implementation is further narrowed down. The Mid-term Implementation Review of the 7<sup>th</sup> Five Year Plan has admitted that '*employment generation rate is less than the 7<sup>th</sup> FYP targets*'. Interestingly among all these, the draft national jobs strategy is a stand-alone effort to understand the nature of existing challenges faced by the sector and its identification of 'gaps in knowledge and need for additional research' is quite refreshing and warrants careful follow up.

The labour sector in Bangladesh is characterised by handful of malaise – preponderance of informality, informality in female and rural sector, stagnant real wage, etc. Interestingly, there is both informality and formal labour, side by side, in a single sector i.e. RMG. But inevitability of informality has never been challenged in spite of all its downside. The Indian experiences in informality has vividly demonstrated that though improved between 2004-05 and 2011-12 (from 69 in 2004-05 to 61 in 2011-12), the percentage relative gap (PGR) still very high, unfortunately (though not unexpectedly) higher for the female worker (while 60 for male worker, it is 68 for female worker in (2011-12). Thus, informality is the core issue to be addressed, be it in research or in policy advocacy.

On the other hand, the TU leadership in Bangladesh, has spoken, particularly in KII and FGD, very poignantly about their own perception about the current state of affairs on inclusive growth. They are quite frustrated, as the study unfurled, at the present administrative-legal regime (including Bangladesh Labour Act, 2006 and Bangladesh Labour Rules 2015), the efficacy and degree of 7<sup>th</sup> Five Year Plan (FYP) and Industrial policy (2016) to sufficiently address the TU aspirations in ensuring inclusive growth and productive employment. Being on the verge of total pessimism a vast majority of the respondents believe that the existing TU structure is not sufficiently strong nor committed to persuade the government to take pro-inclusive growth strategy where a big number preferred to remain non-committal. However, they came out with a bunch of policy prescription to overcome the present scenario. Particularly, they emphasised on development of institutional capacity of TU as well as development and capacity building of TU research, as part of their future policy strategy. In doing so they side lined the proposal of 'developing greater linkage with political mainstream', their alleged legacy from their birth. Moreover, in diagnosing the government policy document that should be important from TU perspective, three policy documents e.g. National Job Strategy, 8<sup>th</sup> Five-year plan and Sustainable Development Goals became their pre-dominant choices. In the same vein, they also identified Social dialogue and Social protection for all as the dominant choices as regards TU should pursue with the government to undertake, for promoting inclusive growth.

## **8.1 Recommendations**

Hopefully enough, the issues have all been identified, the malaise been diagnosed and in need of something specific to be done. Given its very unstable state of affairs in the TU movement, can it really do something to meet the challenges of time to meet the expectation as 'the defenders of human rights and therefore workers' interests'. TU/BILS should embark upon conducting a reality check through research with a view to strengthen TU/BILS's institutional capacity/understanding and that the challenge is quite comprehensive as the draft national jobs strategy rightly identified *'a number of other challenges ranging from those related to the*

*quality of jobs that are created, the environment in which economic activities take place, the quality (in terms of education and skills) of the labour force, and adoption of advanced technologies – to mention only a few. The qualitative aspects include informality, productivity, wages, working conditions, social protection and workers' rights'.* Following the national jobs strategy, TU/BILS may undertake research in some areas as suggested. Particularly the subjects:

- Productivity in various sub-sectors of the informal sector, factors responsible for the variation, and ways of raising productivity in sub-sectors characterized by low productivity;
- Gaps in education and skills – both quantitative and qualitative, and how to meet the gaps; Factors responsible for higher unemployment rates among those with higher levels of education;

may be of interest and relevant for BILS's vision. For that reason strengthening of research outfit, enrich TU/BILS' knowledge base, empower leadership with cross current issues pertaining to inclusive growth and labour sector are of great urgency. These issues, the critical need for TU/BILS have also been identified in the research. Moreover, following issues may also be of interest for TU/BILS to pursue:

- Identify policy gaps/inadequacy and policy prescription, allow TU leadership to understand the existing policy gaps, missing policy links, sectoral policy to emphasise, TU policy guidelines and TU action plan and, as a whole, the need of the hour and negotiate better.
- Sensitisation of the issues pertaining to inclusive growth in terms of policy gaps, policy updates, sectoral policy to emphasise, TU policy guidelines and missing policy links to happen among the relevant stakeholders.
- A better understanding of government position on expenditure/investment for the achievement of inclusive growth
- How a knowledge-based broad consensus to emerge as regards the TU policy options

- Application of budget tracking method to capture the flow of expenditure on inclusive growth and labour sector. These needs to be identified, arranged and organised on the basis of degree of understanding, diffusion, application and implementation.
- New legal regimes in employment sector, particularly the national job strategy.
- Development policy response to inclusive growth, development plans and related government, particularly the next FYP. Investment policy, industrial policy and skill development policy which address inclusive growth, labour sector and inter-related issues.

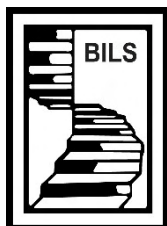
Particularly, following the prescriptions offered by TU/BILS in the research, three areas as follows, should be of interest and appropriate policy framework, through overarching research, to be developed to understand, identify and prescribe/pursue by TU/BILS:

- 8<sup>th</sup> Five year plan (FYP)
- Sustainable Development Goals (SDG)
- National Job Strategy

Moreover, following issues emerged as priority for the TU to achieve the pro-TU inclusive growth and appropriate follow-up mechanism has to be evolved:

- Minimum wage laws
- Reforms in the tax laws
- Implementation of Social protection
- Identification of minimum common agenda among the TU
- Universal health care
- Development of skill and education

## Annexure A



### **Questionnaire for study on 'An Analysis of the Development Policies/Instruments of Bangladesh to identify the policy gaps in terms of Inclusive Growth and identify the Trade Union (TU) role in ensuring the Inclusive Growth'**

The Trade Union (TU) Movement in Bangladesh has so far focused their attention in policy development and advocacy on improvement of labour legislation and implementation of the Decent Work Agenda. In the light of the national development aspiration, there is a need for the TU to engage in the national efforts on development in ensuring inclusive growth and productive employment. However, it is assumed, the actual knowledge of Trade Union (TU) on the ground is still too limited and there is a serious need for the understanding to materialize the development aspiration as well as clear understanding on inclusive growth and their role for ensuring equality and productive employment.

The present study has been conceived on this theoretical premise and we consider you as an important source who is in a strong position to contribute to understand the complexities of interrelationship between TU on the one hand and development paradigms on the other. We sincerely appreciate your valuable inputs to understand the ground realities through the TU lenses. It is assured that your inputs are integral part of an academic exercise and we assure you that your participation in the process is voluntary and its confidentiality will be strictly maintained. Thank you for sharing your valuable time.

**Date of Interview:    //2020**

**Name: (Optional)**

**Name of Institution/Organization/Institution:**

**Designation:**

**Please put X in the appropriate box (5 being the highest and 1 being the lowest)**

1. Do you think that the present administrative-legal regime (including Bangladesh Labour Act, 2006 and Bangladesh Labour Rules 2015) is sufficiently tuned to address the TU aspirations in ensuring inclusive growth and productive employment?

5	4	3	2	1
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2. Did the 7 Five Year Plan (FYP) sufficiently address the TU aspirations in ensuring inclusive growth and productive employment?

5	4	3	2	1
---	---	---	---	---

3. What is in your opinion the degree of success of 7 FYP in addressing the TU's aspirations of inclusive growth issue so far?

5	4	3	2	1
---	---	---	---	---

4. What is in your opinion the Industrial policy (2016) could meet the TU perspectives for inclusive growth and productive employment?

5	4	3	2	1
---	---	---	---	---

5. Do you think that the present socio-political situations in Bangladesh is conducive to achieve the inclusive growth and productive employment aspirations of TU?

5	4	3	2	1
---	---	---	---	---

6. Do you think that the existing TU structure is sufficiently strong and committed to persuade the government to take pro-inclusive growth strategy?

5	4	3	2	1
---	---	---	---	---

7. Do you think that the existing TU structure is sufficiently tuned to embrace the new frontier technology in the employment sector?

5	4	3	2	1
---	---	---	---	---

**Put X on the options you consider most appropriate (not more than three)**

**1. What are the key policy options you prefer to include in ensuring workers' opportunities and participation in growth process?**

- ☐ Implementation of decent workplace across the sectors
- ☐ Social protection for all workers including vulnerable groups
- ☐ An integrated national labor policy for both formal and non-formal sectors;
- ☐ Minimum wage law;
- ☐ Workers employment protection by law;
- ☐ Worker's compensation for any physical and mental damage at work
- ☐ Scale up skilling of new entrants and up- skilling of existing workers
- ☐ Capacity building of TU in policy framework for advocacy and campaign.
- ☐ Any other (Please Specify)

**2. The missing policy links you would like to suggest for integration into TU's inclusive growth agenda?**

- ☐ Review of 7<sup>th</sup> FYP to identify the missing links and suggestions for 8<sup>th</sup> FYP
- ☐ Provide a budget tracking framework for labor sector development policy
- ☐ Pro labor curriculum update in the educational institutions.
- ☐ Special focus on underprivileged/disadvantaged groups for labor welfare.
- ☐ Protection during disaster and extreme climate change events.
- ☐ Proper workers compensation for workplace accidents.
- ☐ TU's access to management of CSR.
- ☐ Any other (Please Specify)

**3. Which of the following government policy documents you consider, from a TU perspective, should be important to achieve inclusive growth (any three):**

- ☐ 8th Five year plan (FYP)
- ☐ Perspective plan (2021-41)
- ☐ Sustainable Development Goals (SDG)
- ☐ Industrial Policy 2016
- ☐ Investment Policy of Bangladesh
- ☐ Bangladesh Labour Act (2006) and Bangladesh Labour Rules (2015)
- ☐ National Job Strategy



**4. Which of the following measures, TU should pursue with the government to undertake, for promoting inclusive growth (any five):**

- ☐ Promoting a rights-based approach to development
- ☐ Gender
- ☐ Social dialogue
- ☐ The creation of decent jobs
- ☐ Ensuring better health for all
- ☐ Macroeconomic policy for job creation
- ☐ Social protection for all
- ☐ Investment in agriculture

**5. What should be the policy strategy for TU to pursue its policy agenda for inclusive growth:**

- ☐ Development of institutional capacity of TU
- ☐ Development and capacity building of TU research
- ☐ Preparations of issue-based TU policy brief
- ☐ Holding of TU issue-based seminar/symposium/workshop based on policy brief
- ☐ Policy advocacy across the cross section of stake holders
- ☐ Developing greater linkage with political mainstream

**6. Is there any other information you would like to give at this regard? Response:**

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Once again thank you very much Sir for your valuable insights and inputs. THANK YOU.

## **Annexure B**

### **Record of Notes on the Focused Group Discussion (FGD), held at BILS on 19 September 2020, in connection with the assignment on *'An Analysis of the Development Policies/Instruments of Bangladesh to identify the policy gaps in terms of Inclusive Growth and identify the Trade Union (TU) role in ensuring the Inclusive Growth'***

A Focused Group Discussion (FGD) was held at BILS on 19 September 2020 in connection with the assignment on *'An Analysis of the Development Policies/Instruments of Bangladesh to identify the policy gaps in terms of Inclusive Growth and identify the Trade Union (TU) role in ensuring the Inclusive Growth'*. The FGD was participated by a large number of TU/BILS leadership. The participants showed keen interest about the issues pertaining to the assignment, deliberated in the FGD and openly expressed their opinions.

The deliberations, revolving around the issues of inclusive growth and related parameters, are summarized below:

- The issue of inclusion, though championed for quite a time, has remained elusive, an issue that still remains to be settled. TU should add more focus/attention. If inclusive growth can not be achieved, the workers life mode cannot be altered, would remain abysmally substandard.
- The informal sector is growing geometrically, making the TU job more complicated. The fast-growing informal sector, though creating more jobs, lacks the regulated job regime and hence the security. More emphasis has to be given to the informal sector of employment.
- The COVID 19 has exposed the fragility of the existing systems, more workers have lost their employment, more people have become new poor, thus jeopardizing the efficacy of pro-inclusive growth efforts. Until and unless new and innovative proinclusive growth measures are taken, the achievement of inclusive growth would remain a far cry.

- The COVID 19 has also opened a new opportunity of employment in terms of e-commerce, thus again giving rise to the informal employment. The impacts of COVID 19 should be analysed, thus, through a broader lens of opportunities and challenges.
- The COVID 19 has also threatened the women empowerment. More female workers have lost jobs and jobless women have become susceptible to the social vices e.g. forced early marriage, dowry, etc. violence against women are also on rise.
- TU leadership has proved to be fragmented and insufficient to meet the new challenges in the employment sector. There should be more research on the employment sector and more capacity building efforts for the TU leadership.
- The emerging 4<sup>th</sup> Industrial Revolution, though have little relevance in our current employment perspective, should not avoid attention from the TU leadership. In the same vein the new paradigms of gig economy and e-commerce deserve greater attention. In fact, the pertinent question is how these new challenges are going to affect the employment sector and how the TU is expecting to cope with the new challenges. There should be a thorough study on the subjects.
- The existing tax laws are pro-rich and are seldom deliberated upon. The tax laws, if not made more progressive, the efforts to achieve inclusive growth would always be more difficult.
- TU was always ignored and not well-accepted in any policy making bodies due to the negative attitudes of the policy makers and weakness of the TU leadership. so it should be ensured that TU is regarded as an integral part of inclusive growth.
- During the economic recovery process, TU, united under a single umbrella, should join the national debate to address the issues of inclusive and sustainable recovery.

The FGD identified that, to achieve inclusive growth, the following issues, with varying stress, deserve more attention:

- Minimum wage laws
- Reforms in the tax laws
- Implementation of Social protection
- Identification of minimum common agenda among the TU
- Universal health care
- Development of skill and education

## **Annexure C**

### **SUMMARY SHEET: RESULT OF THE RESEARCH**

#### **Part 1 (Response on Likert Scale)**

- a. Efficacy of the present administrative-legal regime (including Bangladesh Labour Act, 2006 and Bangladesh Labour Rules 2015) is sufficiently tuned to address the TU aspirations in ensuring inclusive growth and productive employment:

Scale	5	4	3	2	1
Frequency	0	5	6	9	2
%	0	24	24	43	10

- b. Did the 7 Five Year Plan (FYP) sufficiently address the TU aspirations in ensuring inclusive growth and productive employment?

Scale	5	4	3	2	1
Frequency	0	0	10	9	3
%	0	0	40	45	15

- c. What is in your opinion the degree of success of 7 FYP in addressing the TU's aspirations of inclusive growth issue so far?

Scale	5	4	3	2	1
Frequency	0	1	9	4	8
%	0	5	45	10	40

- d. What is in your opinion the Industrial policy (2016) could meet the TU perspectives for inclusive growth and productive employment?

Scale	5	4	3	2	1
Frequency	0	2	7	9	4
%	0	9	32	41	18

- e. Do you think that the present socio-political situations in Bangladesh is conducive to achieve the inclusive growth and productive employment aspirations of TU?

Scale	5	4	3	2	1
Frequency	1	0	7	7	7
%	4	0	32	32	32

- f. Do you think that the existing TU structure is sufficiently strong and committed to persuade the government to take pro-inclusive growth strategy?

Scale	5	4	3	2	1
Frequency	0	1	5	10	5
%	0	4	24	48	24

- g. Do you think that the existing TU structure is sufficiently tuned to embrace the new frontier technology in the employment sector?

Scale	5	4	3	2	1
Frequency	0	1	4	12	5
%	0	5	19	52	24

**The overall responses as compiled from above:**

Scale	5	4	3	2	1
Frequency	1	10	48	60	34
%	1	7	31	39	22

**Part 2 (Response on a preference list)**

**What are the key policy options you prefer to include in ensuring workers' opportunities and participation in growth process?**

Options	Responses	
	No. of responses	%
Implementation of decent workplace across the sectors	12	16
Social protection for all workers including vulnerable groups	11	14
An integrated national labour policy for both formal and non-formal sectors;	13	17
Minimum wage law;	11	14
Workers employment protection by law;	8	11
Worker's compensation for any physical and mental damage at work	4	5
Scale up skilling of new entrants and up- skilling of existing workers	4	5
Capacity building of TU in policy framework for advocacy and campaign	14	18

**The missing policy links you would like to suggest for integration into TU's inclusive growth agenda?**

Options	Responses	
	No. of responses	%
Review of 7 <sup>th</sup> FYP to identify the missing links and suggestions for 8 <sup>th</sup> FYP	15	23
Provide a budget tracking framework for labour sector development policy	8	12
Pro labour curriculum update in the educational institutions.	7	11
Special focus on underprivileged/disadvantaged groups for labour welfare	6	9
Protection during disaster and extreme climate change events	8	12
Proper workers compensation for workplace accidents	8	12
TU's access to management of CSR	13	21

**Which of the following government policy documents you consider, from a TU perspective, should be important to achieve inclusive growth (any three):**

Options	Responses	
	No. of responses	%
8 <sup>th</sup> Five year plan (FYP)	12	20
Perspective plan (2021-41)	4	6
Sustainable Development Goals (SDG)	13	20
Industrial Policy 2016	9	14
Investment Policy of Bangladesh	1	2
Bangladesh Labour Act (2006) and Bangladesh Labour Rules (2015)	11	17
National Job Strategy	14	21



**Which of the following measures, TU should pursue with the government to undertake, for promoting inclusive growth (any five):**

Options	Responses	
	No. of responses	%
Promoting a rights-based approach to development	9	8
Gender	10	11
Social dialogue	20	22
The creation of decent jobs	12	13
Ensuring better health for all	11	12
Macroeconomic policy for job creation	5	6
Social protection for all	20	22
Investment in agriculture	5	6

**What should be the policy strategy for TU to pursue its policy agenda for inclusive growth:**

Options	Responses	
	No. of responses	%
Development of institutional capacity of TU	16	24
Development and capacity building of TU research	14	21
Preparations of issue-based TU policy brief	9	13
Holding of TU issue-based seminar/symposium/workshop based on policy brief	11	17
Policy advocacy across the cross section of stake holders	8	12
Developing greater linkage with political mainstream	9	13



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