



Inclusive Futures

Promoting disability inclusion

Labour Market Assessment – Bangladesh

2021 Refresh



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Bangladesh Labour Market Assessment 2021

Executive Summary

This 2021 refresh of the 2019 Inclusion Works' Labour Market Assessment (LMA) for Bangladesh suggests the underlying economy has proven very resilient to the 2020 COVID-19 pandemic. Certainly in terms of the speed at which exports (a key driver of the economy) recovered, kept afloat by targeted Government stimulus packages. Also in how the 2020 tax income rapidly returned to the levels, and continued to follow trajectory, of 2019.

The labour market, unsurprisingly, suffered a massive shock in the first COVID-19 wave, with significant numbers of job losses in Q2 2020. Government labour force surveys in Bangladesh are not as frequent as in other countries, and so we necessarily rely on estimates and more non-government sampling/surveying of the population. The World Bank estimated an increase in unemployment from 4.2% in 2019 to 5.3% at the end of 2020, which at a first glance again looks a relatively small change. However, with a very large labour force participation, that small percentage change suggests 750,000 people had lost their employment and not been successful in finding a replacement livelihood. Furthermore, and importantly, surveys referenced in the LMA suggest that while large numbers of people did find alternate employment, hours of work reduced along with income, with a shift of work primarily in the informal sector and into precarious employment.

What is clear also in the LMA, both from secondary and primary sources, is that larger companies fared much better in terms of business continuity and recovery. Government stimulus packages were skewed towards large, exporting companies who have relationships and track records with the distributing banking sector. Smaller companies, particularly cottage and micro-enterprises generally do not have those relationships, often operate outside of retail banking structures and struggle with the navigating the bureaucratic processes in accessing smaller stimuli channelled through the banking sector. It is these cottage, micro, small and medium sized entities (CMSMEs) which have been a greater historic relevance to people with disabilities in terms of formal employment (including self-employment).

Forecasts of economic growth are encouraging, as is the launch of the Government's 8th Five-Year Plan (8FYP). This Five-Year Plan has a particular focus on CMSMEs, as key driver of economic growth and job creation. The LMA explores the anticipated linkage between the two (so called employment elasticity rate).

Employment policies also appear promising, not least the progression of the tax incentive mechanisation to encourage inclusion and which was referenced in the 2019 LMA. This 5% income tax deduction for a 10% representation of disability in the workforce was gazetted in the Finance Act 2020 but has limited awareness currently with employers. Other relevant policies either recent or in drafting are the national jobs strategy, the employment policy, and an SME policy. All are opportunities for regulatory framework influencing.

Primary data collection from employers, reinforces that larger companies fared better than smaller ones in terms of recovery. It is clear that there was a general freeze in recruitment in the early stages of the pandemic, and then a noticeable prioritising of digital and interpersonal skills more relevant to distanced/virtual working as recruitment restarts. Overall, companies have retained their inclusion aspirations, and equally call for more pools of employment ready talent.

On the demand side, jobseekers (and OPDs) do recognise the labour market has somewhat shifted positively in terms of inclusion since 2019. However, systemic stigma and discrimination remains, as does the material vulnerabilities of sexual harassment and assault for women with disabilities in employment.

In terms of conclusions from this, both for the remainder of the Inclusion Works programme and other disability inclusive employment programmes is to recognise that:

1. The gaps in the labour market on disability confidence of employers and employment readiness and self-confidence of job seekers remains as relevant in 2021 as it was in 2019.
2. The future of work will in part be more distanced and digital in Bangladesh and so there is an imperative to support jobseekers with disabilities to acquire deeper digital and interpersonal skills.
3. CSMSEs will likely be even more relevant for employment in the economic cycle starting from 2021 than that ending in 2020.
4. Waged employment will likely continue to lag for some time, and self-employment will be an imperative for many – either as an end or a means towards waged employment later.
5. There are important elements of the regulatory framework which Inclusion Works, and others, must influence in terms of inclusion. That include the SME Policy, the employment policy and jobs strategy.
6. The barriers and vulnerabilities of women with disabilities in employment are considerable in Bangladesh and must be a priority.

One final, and important, note is this refreshed labour market assessment is based on the context and projected outlook before the latest wave of coronavirus infections sweeping across South Asia and the economic impacts of additional lockdowns (April 2021).



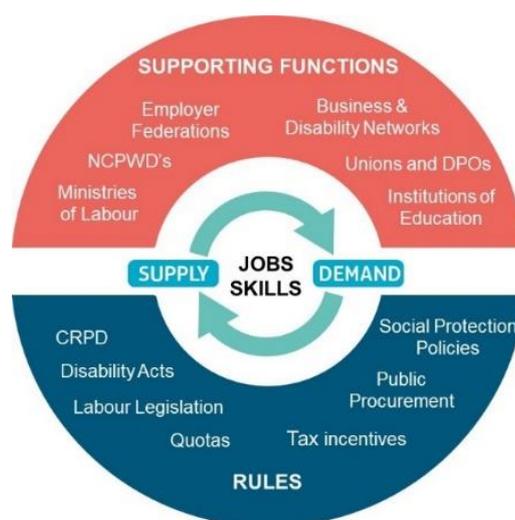
Simon Brown
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Background

Inclusion Works is a UKAid funded programme implemented by a consortium of international and national development agencies and disability organisations. The four-year programme ending June 2022, evidences how labour market systems can adapt to be more inclusive of persons with disabilities in formal employment. It does that in Bangladesh, Kenya, Nigeria, and Uganda.

One of the programme's first implementation actions in 2019, was to complete labour market assessments (LMAs) in all four countries, recognising that programme first needed to have an objective assessment of how labour market systems in those countries function, or dysfunction, in relation the disability.

Those initial assessments adopted a Markets for Poor (M4P) approach to mapping demand for and supply of labour, supporting functions and regulatory frameworks (the “rules” of the system). The LMAs significantly influenced the programme; in recognising that often employers increasingly aspire to a more inclusive workforce but lack know-how and employer disability confidence; and that jobseekers with disabilities aspired to formal employment (including self-employment) but lacked employment readiness and self-confidence. Missing in the labour market system was a capacity building function to address these barriers and act as a meaningful bridge between demand and supply. The original labour market assessment for Bangladesh can be found at <https://asksource.info/resources/labour-market-assessment-inclusion-works-bangladesh>.

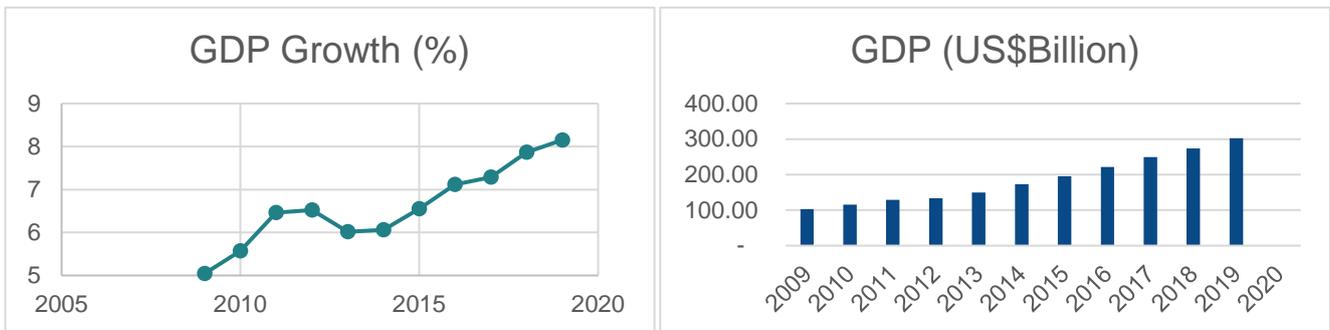


The Inclusion Works programme has now refreshed those initial labour market assessments (LMAs) in 2021, again following a structured M4P framework, and recognising that labour markets conditions will have evolved since 2019, especially in light of COVID-19. While the foundation (2019) LMAs first considered which sectors have the greatest opportunity to generate more inclusive employment (versus contribution to GDP growth, recognising that the two are not necessarily the same), the 2021 refreshed LMAs first considered how the macro economy weathered the pandemic, sector by sector. It has researched the effectiveness and inclusivity of economic stimulus/recovery packages and also any changes in labour market regulatory frameworks post-2019 relative to disability. The refreshed LMAs have then gathered opinions from the demand, supply and supporting functions of the system to gain an updated primary perspective on what has, or has not changed, within the system post-2019.

1. Macro-economic context

1.1 Key economic indicators

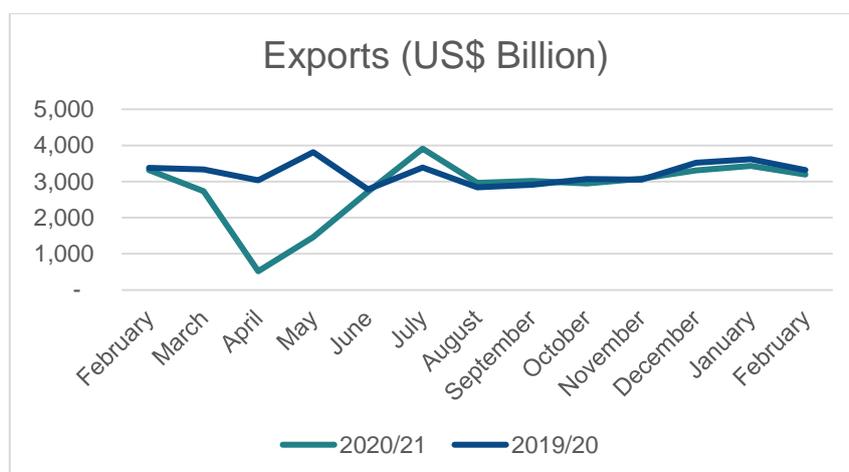
Bangladesh has enjoyed decades of strong economic growth, graduating to lower middle income country status in 2015 and continuing to grow through 2019 to a US\$300b economy (a tenfold growth from 1990, and a tripling over the past decade).



Source: World Bank Databank

Ready-made garments (RMG) has historically been a fundamental driver both to economic growth and employment (particularly for women). But equally so has been gains in agricultural productivity and growth in the service sector. Remittances also has been an important to the economy and poverty alleviation, coming from overseas employment as well as diaspora.

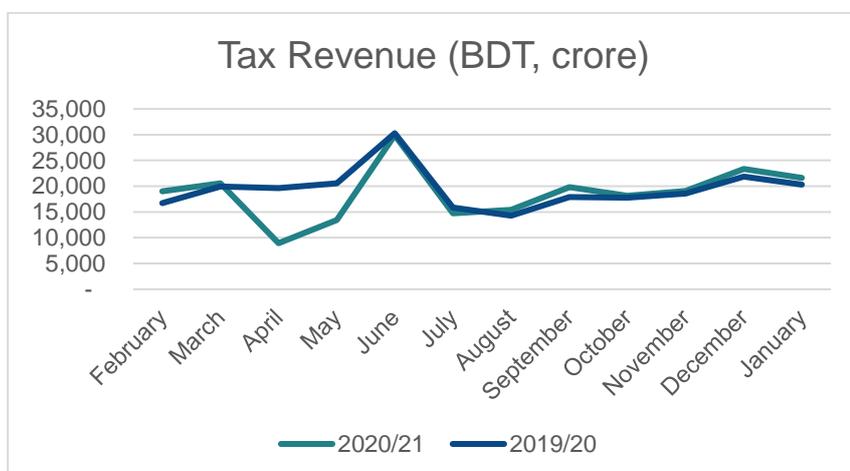
The fundamentals of the economy remain strong, but the impact of COVID-19 has been material. The Asian Development Bank projected a year-on-year 5.2% growth in September 2020, in line with the Government of Bangladesh's projections, and higher than the earlier IMF (2%) and World Bank (1.6%) projections in June 2020¹. Some of that is possibly differences in financial year versus calendar year projections. What we do see very clearly is the dramatic impacts of COVID-19 on exports, specifically RMG as economies shutdown around the world and orders were cancelled.



¹ <https://www.adb.org/countries/bangladesh/economy>

Source: Bangladesh Bank

We also see how the decrease in exports correlates to similar losses in tax income, at a time when a rise in government expenditure was critical to address the health and economic impacts of COVID-19..



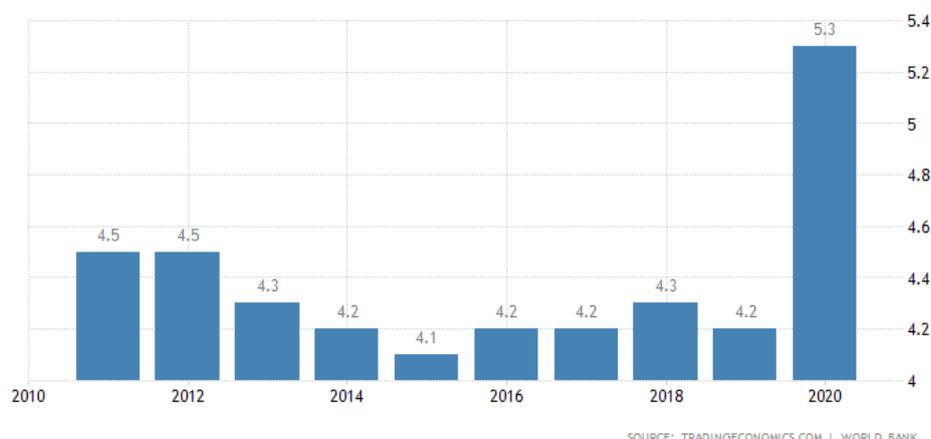
Source: Bangladesh Bank

Very positively, export income has recovered well to trend on par with 2019 by mid-2020, as has tax income. This income recovery is positive for the future in terms of underlying resilience. But, of course, that export income and tax revenue is an absolute, and permanent, loss in the early months of 2020.

1.2 Employment

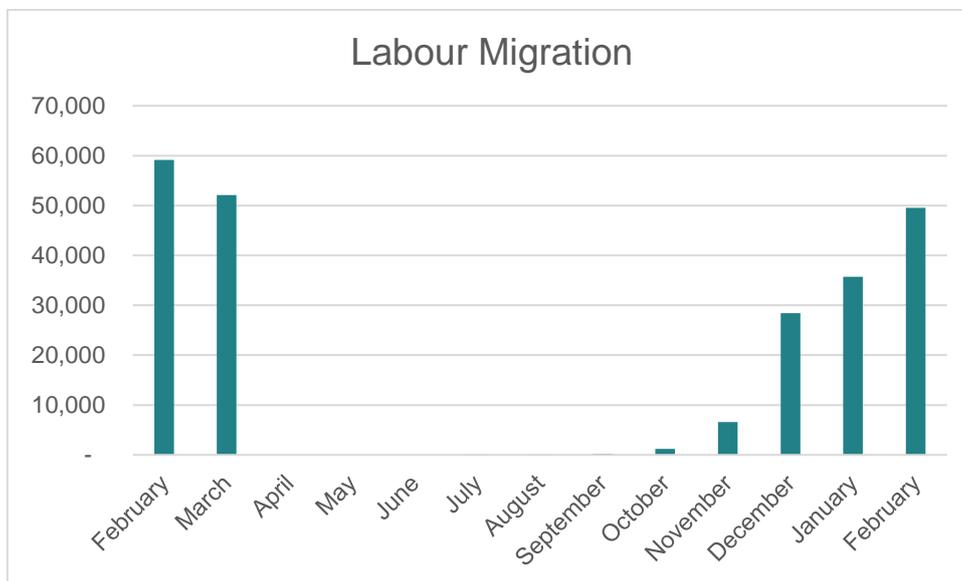
High frequency employment data is not available from the Government of Bangladesh, with the Bangladesh Bureau of statistics conducting Labour Force Surveys approximately every three years (latest published data available 2016/17).

The World Bank estimates suggest a rise from a longer-term trend of 4 to 4.5% to just over 5% (5.3%) in 2020.



While that superficially looks marginal, the absolute numbers of people are much more significant. With a 60 million people labour force participation, a 1.1% increase in unemployment translates to just under 750,000 people losing employment in 2020.

In addition, we see an absolute loss of all international migration of labour (largely to middle east and south-east Asia) for the majority of 2020.



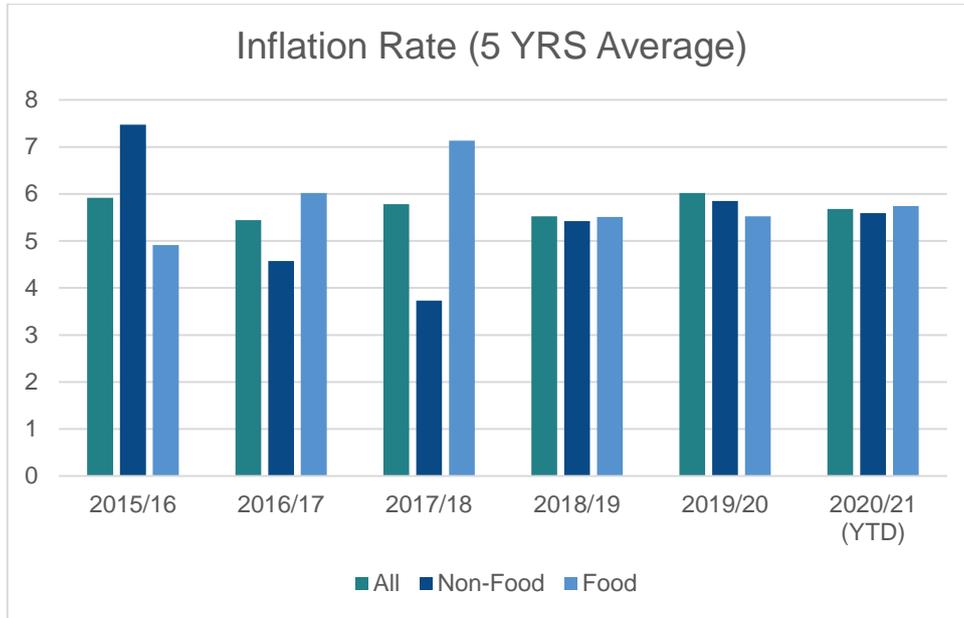
Source: Bangladesh Bank

Positively, labour migration is showing signs of recovery, although this will be further impacted by recurrent waves of COVID-19 infections.

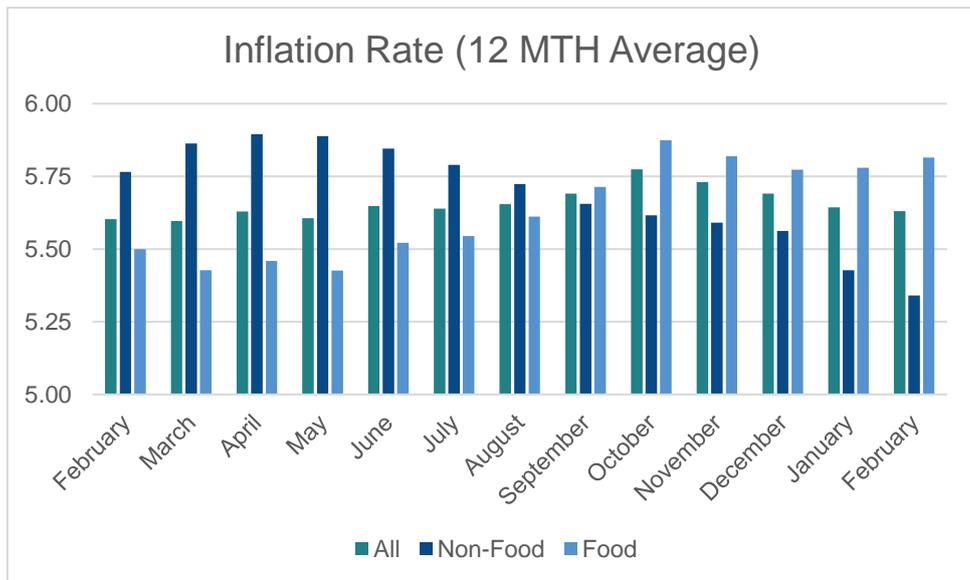
1.3. Wellbeing & Poverty

Inflation rates in 2020/21 (YTD, fiscal year ending June 2021) appear stable relative to previous years.

However, this masks fluctuations throughout 2020, with non-food inflation significantly increasing in the first half of 2020, before falling back in the second half while food prices following an opposite trajectory.



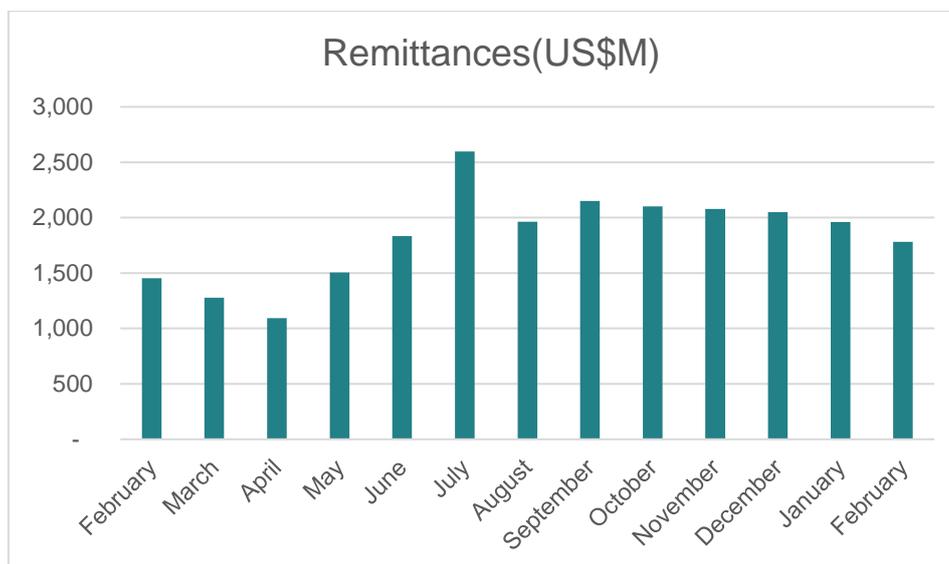
Source: Bangladesh Bank



Source: Bangladesh Bank

Remittances have surprisingly stayed relatively stable, even with the drop off in labour migration, which will have cushioned some impact on poverty and wellbeing.

² <https://thefinancialexpress.com.bd/views/columns/economic-ramifications-of-covid-19-in-bangladesh-1588779315>



Source: Bangladesh Bank

The South Asian Network on Economic Modelling (SANEM) projected a potential doubling of poverty levels in May 2020, rising from 20.5% (34 million people) to 40.9% if COVID-19 led to a loss of 25% fall in household income. This needs some unpacking with data gathered more recently; including the Citizen’s Platform for SDGs, Bangladesh’s most recent survey of 1,600 household across the country in February 2021.

- The survey of marginalised and vulnerable populations, including people with disabilities, found:
- 70.3% of households reported that at least one member had experienced the loss of employment in the previous year, although 97.1% of those had subsequently re-joined employment.
- Households, on average, had suffered a 15.8% decrease in income (not so distant from the 20.8% modelling SANEM had projected would lead to a doubling of poverty).
- 47.9% had relied on loans as a coping mechanism, as well as cutting down on expenses (both food and non-food), with repayment (on average) projected at 2.1 years. The majority of loans were through NGOs, although a quarter of loans were taken (alarming) through money lenders.
- 20.8% had relied on savings, which on average had taken 5 months to accumulate.
- Both loans (62.5% of households) and the draw down on savings (88% of households) largely aligned with the timing of the April 2020 lockdown.
- Only 37.3% reported accessing Government support structures.
- 21.6% of households mentioned an increase in violence against women as a result of COVID-19, 4.3% noted an increase in violence against persons with disabilities.

Concluding the report highlights particular impacts on micro and small enterprises, people with disabilities and female headed, slum, and Char households:

Rank	Employment drop in % of HHs	Drop in HH income (%)	Drop in HH Expenditure (%)	HH Experienced Financial Hardship (%)	Time Needed to recover savings withdrawal	Time needed to repay the principle loan amount
1	MSME (94)	Char (21)	MSME (14.8)	MSME (93)	Haor (8 months)	Haor (3 years & 6 months)
2	Slum (80)	MSME (20)	Char (13.2)	PWD (88)	Coastal (8 months)	PWD (3 years & 3 months)
3	PWD (78)	Migrant (20)	PWD (10.2)	Slum (87)	Slum (7 months)	Char (2 years & 7 months)
4	Coastal (75)	Female HHH (18)	Indigenous (9.3)	Coastal (86)	Dalit (7 months)	Dalit (2 years & 7 months)
5	Female HHH (69)	Haor (16)	Dalit (9.2)	Female HHH (76)	Migrant (6 months)	Coastal (2 years & 6 months)
6	Migrant (62)	Slum (16)	Haor (8.7)	Char (75)	PWD (5 months)	Indigenous (2 years & 5 months)
7	Char (59)	Coastal (15)	Female HHH (7.4)	Haor (71)	Female HHH (5 months)	Slum (2 years & 10 months)
8	Haor (55)	PWD (14)	Coastal (7.4)	Indigenous (68)	Char (4 months)	MSME (1 years & 7 months)
9	Dalit (53)	Dalit (14)	Migrant (6.4)	Dalit (67)	MSME (4 months)	Female HHH (1 year & 9 months)
10	Indigenous (52)	Indigenous (9)	Slum (3.7)	Migrant (63)	Indigenous (3 months)	Migrant (1 year & 7 months)

Source: Citizen's Platform HH Survey 2021

Oxfam and the Centre for Policy Dialogue's "Income and Employment Situation in COVID Times: How the People Are Coping?"³ provides a COVID-19 impact of employment and household income assessment to the South Asian Network on Economic Modelling (SANEM) report. This was a quantitative survey of 2,600 Households in 16 of Bangladesh's 64 districts, in late January and early February 2021, supported by a number of qualitative focus group discussions. The survey is gender disaggregated but not by disability.

The survey found that more than 60% of those surveyed as employed a year earlier had lost jobs at some stage of the COVID-19 pandemic, the majority in April and May 2020 (cf. alignment to the earlier analysis of economic impacts in Q2 2020). Of these approximately 85% were unemployed for more than one month, and just under 30% for more than three months. Positively, almost all those who lost jobs were again in employment at the time of the survey, more often in the agricultural sector (+3%) and with more longer-term losses in the services sector (-3%). At the time of the survey, employment in the industrial sector had rebalanced to the same period in 2020.

The survey suggests that self-employment and day labouring accounted for 90% of incremental jobs, indicating a shift to more informal sector employment, and with working hours (and so income) significantly reduced in agricultural and industrial sectors (-8% and -4% respectively).

Income impacts have been material, with an average -12% across all sectors, and most noticeable in agriculture, forestry, and fishing (-17%), manufacturing (-13%) and wholesale and retail trade and motor vehicle repair (-14%). Income impacts were consistent across age groups and urban/rural contexts.

The survey also reports a significant increase in labour force participation, likely as more household members are required to work to maintain household income, particularly for women and youth.

Consistent with the SANEM report there was a heavy reliance on accumulated savings (47%) and the acquisition of debt (56%) to sustain households during 2020, with more than

³ <https://cpd.org.bd/wp-content/uploads/2021/05/Presentation-on-Income-and-Employment-Situation-in-COVID-Times.pdf>

half of households involuntarily changing dietary patterns and a considerable shift of households into lower income grouping.

In conclusion the report calls for a focus beyond (un)employment rates and a greater focus across a broader range of metrics.

1.4 Economic Outlook

The World Bank's South Asia Economic Focus Spring 2021 has projected a 3.6% GDP growth in FY2020/21 (July to June), largely driven by the continued resilience in remittances, against a 2.4% growth in FY2019/20. Growth accelerates in FY2021/22 to 5.1% and then to 6.2% in 2022/23.

Considering recovery across the South Asia region it comments that, while recovery is encouraging, “growth is uneven and economic activity well below pre-COVID-19 estimates, as many businesses need to make up for lost revenue and millions of workers, most of them in the informal sector, still reel from job losses, falling incomes, worsening inequalities, and human capital deficits”.⁴

In an earlier projection (September 2020), IMF projected a +5% change in real GDP in 2021 (although this likely spans fiscal year 2020/21 and 2021/22).⁵

Again, from September 2020, Asian Development Bank (ADB) have forecast a 6.8% growth in 2021 (although this likely spans fiscal year 2020/21 and 2021/22)⁶

All of these projections, of course, are before the latest wave of coronavirus infections sweeping across South Asia and the economic impacts of additional lockdowns at the time of drafting (April 2021).

1.5 Economic stimuli

1.5.1 Stimulus packages

The Government of Bangladesh acted early in the first wave economic impacts of COVID-19, including a multi-billion US\$ stimulus package focused on increasing work capital reserves for companies and associated liquidity for banks in April 2020. The initial 727.5 billion Bangladesh Taka encouraged retail banks to increase credit at fixed interest rates of 9% for industries and service sector companies, with companies and government both repaying 4.5% of the interest. The package also included a similar, although slightly smaller, facility for small and medium sizes enterprises with loan taking companies repaying 4% and the government the balance of 5% of interest. Bank liquidity was increased to facilitate the loans from their own resources through a reduction in the cash reserve ratio to 4.0 per cent on bi-weekly average basis with a provision of minimum 3.5 per cent on a daily basis effective April 15, 2020. The stimulus package also looked to ease pressures on imports and exports by increasing the Bangladesh Bank “Export Development Fund” and introducing a

⁴ <https://www.worldbank.org/en/region/sar/publication/south-asia-vaccinates-south-asia-economic-focus-spring-2021>

⁵ <https://www.imf.org/en/Countries/BGD>

⁶ <https://www.adb.org/countries/bangladesh/economy>

new “Pre-shipment Credit Refinance Scheme”. An earlier (BDT 50 billion loan) part of the package was targeted at protecting the salaries of employees of export-oriented industries.

Given the rapid recovery of exports from June 2020, then one has to reflect that the stimulus was effective, certainly so for larger companies in the RMG sector. Less so though for micro, small and medium sized enterprises with less than 25% on the BDT 200 billion loan facility being dispersed by September 2020. A similar pattern emerges also for the later BDT 20 billion package targeted at supporting farmers (and micro businesses) stressed with imported input shortages, availability of labour and limited access to markets. The challenge for MSMEs and farmers is accessing loans dispersed through retail banks, with many MSMEs having no or limited relationships and with the banks themselves were under financial pressures from fixed rate loan structures and conservative in adding even greater liabilities.

PROGRESS OF IMPLEMENTATION OF KEY STIMULUS PACKAGES						
	Industry and service	Cottage, micro and small business	Refinancing scheme for agriculture	Pre-shipment credit finance	Low-income professionals, farmers and micro business	Special loan for export-oriented industries
Stimulus amount	Tk 30,000 crore	Tk 20,000 crore	Tk 5,000 crore	Tk 5,000 crore	Tk 3,000 crore	Tk 8,000 crore
Loan applications until Sept 30	2,264	22,766	81,631	1	180
Disbursement until Sept 30	Tk 21,329 crore	Tk 4822 crore	Tk 1890 crore	Tk 17 crore	Tk 564 crore	Tk 8,000 crore

Implementing authority: Bangladesh Bank SOURCE: BANGLADESH BANK

Source: Daily Star, November 5th 2020⁷

A more recent update in the Daily Star⁸ (May 23rd, 2021) reports an increase in distribution of stimulus support, but that still is only “73 per cent of the Tk 23,000 crore fund meant for CMSMEs [cottage, micro, small and medium enterprises] has been disbursed even though the disbursement in other categories is already nearing completion.”. The article reports that access to the stringent conditions to secure the loans had hampered support to CMSMEs, with 50% struggling to survive. It calls for future packages to be disbursed beyond (not exclusively by) the banking system, a call supported by the Dhaka Chamber of Commerce & Industry.

Supporting Bangladesh’s COVID-19 response, the International Monetary Funds approved US\$ 732 million emergency assistance for Bangladesh under the Rapid Credit Facility and the Rapid Financing Instrument in May 2020; anticipating significant impacts on export-oriented income and remittances.⁹

⁷ <https://www.thedailystar.net/business/news/half-the-stimulus-funds-not-disbursed-yet-1989673>

⁸ <https://www.thedailystar.net/business/economy/news/implement-sme-stimulus-fully-help-them-survive-2097173>

⁹ <https://www.imf.org/en/News/Articles/2020/05/29/pr20226-bangladesh-imf-exec-board-approves-us-732m-disbursement-to-address-the-covid19-pandemic>

The Government has also borrowed US\$ 80 million from the International Fund for Agricultural Development (IFAD) to support rural microenterprises and job creation in horticulture, livestock, aquaculture, and non-farm supply chains; targeted to support an estimated two million rural women, men, and youth. The Government requested a further US\$ 18 million for rapid recovery measures for the rural microenterprise sector (to support an estimated seven hundred thousand rural people).

In June 2020, the World Bank approved US\$1.05 billion in credit¹⁰ to support financing three recovery and resilience building programmes:

1. US\$500m for a Private Investment and Digital Entrepreneurship (PRIDE) Project, targeted at attracting US\$2 billion in private sector investment in strengthening social and environmental standards in economic zones and software technology parks, and the creation of 150,000 jobs. Benefit to women is targeted at 40% in software parks and 20% in economic zones.
2. US\$295m for the Enhancing Digital Government and Economy (EDGE) Project, to establish an integrated, cloud-computing digital platform for all government agencies and improve cyber-security, which will result in savings of \$200 million in the public sector's IT investments. The project was intended to create 100,000 jobs, with a special focus on women, train 100,000 youth in digital and disruptive technologies and establish a digital leadership academy and centres of excellence.
3. US\$250m Second Programmatic Jobs Development Policy Credit to support the government's response to the COVID-19 crisis.

In March 2021, the World Bank allocated a further US\$250m Second Programmatic Jobs Development Policy Credit to help Bangladesh create more better and inclusive jobs, and protect more than 5 million jobs as part of the government's response to the COVID-19 crisis.¹¹

In May 2020, the Asian Development Bank approved a US\$500 million loan to bolster the efforts of the Government of Bangladesh to manage the impact of the COVID-19 pandemic on the country's economy and public health¹². In December 2020, ADB issued a further US\$50 million loan to help restore the economic activities of microenterprises in Bangladesh¹³.

The Government of Bangladesh continues its Skills for Employment Investment Programme (SEIP)¹⁴ with the financial support of ADB and Swiss Development Cooperation, which started in 2014 and runs through 2024 in its first phase. The prime objective of the SEIP project is to provide market responsive, job focused and inclusive training for males and

¹⁰ <https://www.worldbank.org/en/news/press-release/2020/06/19/world-bank-provides-bangladesh-over-1-billion-to-create-quality-jobs-and-respond-to-covid-19-pandemic>

¹¹ <https://www.worldbank.org/en/news/press-release/2021/03/26/world-bank-helps-bangladesh-create-inclusive-and-quality-jobs-and-recover-from-the-covid-19-pandemic>

¹² <https://www.adb.org/news/adb-approves-500-million-bangladeshs-covid-19-response>

¹³ <https://www.adb.org/news/adb-approves-additional-financing-help-covid-19-affected-microenterprises-bangladesh>

¹⁴ <https://seip-fd.gov.bd/>

females aged 15 and over. SEIP has a target of providing training to more than 800,000 people by 2024 on more than 130 occupations, out of which 60% will be provided with gainful employment. As of May 9th 2021, the SEIP website¹⁵ reports 467,516 enrolments against a target of 585,110, of which just 145,231 (31%) are female. There is no disaggregated disability data. 301,375 (64%) have transitioned to employment placement (although unclear exactly what that means).

1.5.2 National Budget

While positive in terms of increasing the number of persons with disabilities somewhat protected under the Government's "Allowances for the Financially Insolvent Disabled" fund, an increase of 208,000 to 2.08million individuals, the allowance remains at BDT750/month (less than US\$9). There were marginal increments to other disability funds, but no change to the "Stipend for Physically Challenged Students". The only notable increase was in funding for the National Academy for Autism and Neuro Development announced in 2019 and to be completed by 2023. The academy will include components of technical and vocational training, primarily for self-employment. Access Bangladesh Foundation has estimated that disability accounts for just 2.07% of the Government's social safety net spend and 0.37% of the total national budget.

While not focused on disability, a review of the budget by the Centre for Policy Dialogue in June 2021 first drew very consistent conclusion on the state of the economy but also noted the budget's inconsistencies viz-a-viz the 8th Five-Year Plan, and that SME needs much more targeted support (that "a new stimulus package should be designed to provide money in their hand and assist them in salvaging their business during the ongoing crisis").¹⁶

¹⁵ <https://seip-fd.gov.bd/statistics/>

¹⁶ <https://cpd.org.bd/wp-content/uploads/2021/06/CPD-Budget-Analysis-FY2022.pdf>

2. Policies and Regulatory Framework

This section identifies changes in employment policy and regulation since the first Labour Market Assessment in mid-2019. It needs to be read then in conjunction with, and not in replacement of that original assessment.

2.1 Bangladesh's 8th Five Year Plan¹⁷

Approved in December 2020, Bangladesh's 8th Five-Year Plan (July 2020 – June 2025) includes two features very relevant to inclusive employment creation and this refreshed labour market assessments.

2.1.1 Employment through Cottage, Micro, Small and Medium Sized Enterprises (CMSMEs)

The Plan recognises that CMSMEs hold the most promise for creating jobs in both rural and urban areas and takes note of the global experience from Japan, Taiwan, and Korea regarding how CMSMEs show the powerful and dynamic role for exports, growth, and employment.

The Plan further recognises that reviving the CMSMEs is the best way to create off-farm jobs in the economy. However, though the Plan gives reference to the less educated youth population in particular on CMSMEs jobs, there has not been any reflection on people with disabilities.

The Plan mentions that the institutional and financial support to CMSMEs will be vastly enhanced through the conversion of the SME Foundation into Small Business Agency (SBA) as in the USA that will serve as a one-stop shop to promote CMSMEs, working closely with the Bangladesh Bank on the financing side.

The Plan has outlined plans for job creation in the country alongside overcoming the challenges of the COVID-19 pandemic and its overall impact on employment creation.

The Plan has identified CMSMEs as an important sector to play a role in poverty reduction. However, the Plan has considered the recent slow-down in employment in manufacturing in both urban and rural areas and states that this slow-down will have to be reversed during the Plan. And, in this context, the role of CMSMEs has been identified to be critical in terms of creating manufacturing as well as other off-farm jobs.

The Plan points out that remittances help to increase the level of small business activities in the country as they are key sources of finance for investment in farming and other off-farm small and medium enterprises. Remittances have helped small local entrepreneurs bypass inefficient or non-existent local credit markets, especially in rural areas, and to start productive activities. To get the most developmental outcome from remittances, one goal of the Plan will be to channel remittances as a source of development finance to support development and poverty reduction, including the expansion of CMSMEs. This seems to be

¹⁷ <https://oldweb.lged.gov.bd/UploadedDocument/UnitPublication/1/1166/8FYP.pdf>

an effective approach and disability inclusion in the approach should be considered with a greater importance.

The Plan predicts that the ongoing demographic transition will continue to support a faster growth of labour force than the population growth. In addition to continuing with efforts to further increase the rate of growth of GDP, the recent slowdown in the growth of employment must be arrested by increasing efforts to increase the employment elasticity of GDP growth. Important policies include promoting the growth of a dynamic cottage, micro, small and medium enterprises (CMSMEs) sector through improved access to institutional credit and other supportive measures.

According to the Plan, Bangladesh generated 1.15 million jobs per year over the past decade. However, the growth in the working-age population is argued to have outpaced job creation rate. Although the official unemployment rate is at 4.2%, youth unemployment rate is 10%, and for youths with a bachelor/ higher education, it is 34%. The quality of the labour force remains weak; 32% workforce do not have education, 26% have primary level education, and less than 6% have tertiary education (LFS 2016-17). COVID-19 aggravated job creation with economic activities staggering at a low pace, leading to loss in income and employment for millions of people, especially those engaged in small scale manufacturing, service, and informal sectors. The Plan proposes five immediate short-term interventions including the introduction of an online platform for small-scale loans for the CMSMEs.

And, most importantly, the Plan has pointed out an action agenda 'Alternative credit rating system for CMSMEs and vulnerable citizens'. The policy implication of this action agenda is the enactment of a law for CMSME credit rating system with emphasis on credit bureau database under Bangladesh Bank order, 1972. The timeline for the implementation of this action agenda has been fixed for FY 2022.

2.1.2 Project Employment Creation

Amidst the downturn of the COVID-19 crisis, the 8th Five-Year Plan focuses on strategizing inclusive growth. The acceleration of GDP growth, generation of employment, and reduction of poverty are in the centre of focus in the Plan. The GDP growth acceleration from 7.4% in the seventh edition of Plan to 8.0% in this period provides new employment opportunities. However, if GDP growth rates fall or overseas employment prospects remain tight, the domestic employment situation may face difficulties. The loss of employment owing to COVID-19 in FY2020 will need to reverse rapidly in FY2021 and FY2022. More generally, the acceleration of GDP growth as envisaged will be critical to restore and strengthen the employment prospects during the Plan. Along with higher GDP growth, efforts will be necessary to increase the job creation potential of growth by making it more pro-poor. To guard against the downside risks, the Plan will seek to take policy measures that increase the employment impact of growth. The main focus of the Plan will be to create more jobs through investment and growth to absorb the new entrants in the labour market and those who lost jobs due to COVID-19. The Government will also be mindful of reaping the full benefits of the demographic dividend. The critical areas of the Plan will be to stimulate labour-intensive and export-oriented manufacturing-led growth, promote agricultural diversification, infuse dynamism in CMSMEs, strengthen the modern services sector, promote non-factor services, encourage ICT-based entrepreneurship, and strengthen overseas employment.

The job creation projection during the Plan period is shown in the table below. The objective would be to increase the employment elasticity¹⁸ of GDP to 0.30 in the Plan period which was 0.57 during the period 2000-2010. The target of employment elasticity of 0.30 is consistent with the Perspective Plan of Bangladesh 2021-2041. The government will also take measures to boost overseas employment once the global recovery from COVID-19 is underway in FY2022. On the supply side, the projections assume that labour force will grow at 2.2% per year, which is faster than observed during 2010-17 (1.6%). This is done to allow for higher female labour force participation rate that is expected from the implementation of the government's women empowerment policy.

	FY21	FY22	FY23	FY24	FY25
Real GDP Growth (%)	7.40	7.70	8.00	8.32	8.51
Additional Domestic Employment (millions)	1.43	1.52	1.61	1.72	1.80
Additional Overseas Employment (millions)	0.58	0.61	0.65	0.69	0.72
Additional Total Employment (millions)	2.01	2.13	2.26	2.41	2.52
Additional Labour Force (millions)	1.49	1.53	1.56	1.60	1.63
Excess Employment (millions)	0.52	0.60	0.70	0.81	0.89

Source: Bangladesh 8th Five-Year Plan

2.2 Other Policy Framework developments

2.2.1 Tax incentives

The business tax incentive for the greater inclusion of persons with disabilities in workforces (5% deduction for a 10% representation) referenced in the 2019 labour market assessment was subsequently published in the Finance Act 2020, but with very limited awareness. The Bangladesh Business and Disability Network is building that awareness through its membership and more broadly through the Bangladesh Employers Federation, but this is gap and an opportunity for programmes like Inclusion Works to increase that awareness.

2.2.2 Draft National Jobs Strategy

The Government of Bangladesh is formulating a National Jobs Strategy for the country. During the process of preparing this strategy, several rounds of consultations have been undertaken with the relevant stakeholders. There is no specific section for persons with disabilities and there are limited references to persons with disabilities (disability is mentioned as crosscutting). There are specific sections on women and youth.

The draft policies main reference to disability is that "Persons with disabilities of various types face additional difficulties in accessing jobs that may be available in the labour market; and a Jobs Strategy will have to address the issue. In order to do so, it is essential to

¹⁸ The % change in employment rates relative to a coinciding % change in GDP.

understand the magnitude and nature of the challenge.”. Further, that “The “National Strategy for Inclusion of Persons of Disability in Skills Development 2013” formulated by the National Skills Development Council outlines a national-level framework for enabling better work opportunities for persons with disabilities. It includes measures for including them in skill development programmes, providing support for business development, creating a disability-friendly work environment and support in accessing salaried jobs. Like other government policies, the policy mentioned above is also well formulated. However, developing a mechanism for its implementation and monitoring of the progress made in implementing the various recommendations would be important if real progress is to be made.”

2.2.3 Draft Employment Policy 2020

The Government is also currently drafting the country's first employment policy aimed at creating 30 million jobs by 2030. The draft has a particular focus on youth and the promotion of decent work in the predominant informal sector.

2.2.4 Draft SME Policy 2019

The cabinet has now approved the draft ‘SME Policy 2019’. The policy, which has been drafted in light of the National Industrial Policy, will cover 7.8 million SMEs that contribute around 25 percent to GDP. The new policy will be effective until June 2024, with a specific focus on access to finance, technology and innovation, access to markets, education and training, trade support, and access to information. It also includes the creation of a ‘Credit Guarantee Fund’, which will allow the entrepreneurs to access finance on favourable conditions (discounted interest rates).

2.2.5 Information, Communication & Technology Skills

From 2017 to 2020, the Bangladesh Computer Council (under Information & Communication Technology Division (ICT Division), Ministry of Posts, Telecommunications, and Information Technology) has implemented a project named “Empowerment of Persons with Disabilities including NDD through ICT”¹⁹ where persons with disabilities have been trained in ICT. In a November 2019 presentation, BCC reported that 1,391 persons with disabilities had been trained, and 485 transitioned into employment.

In early 2021, BCC announced a call for a feasibility study for the next phase project (“Accessible Digital Space for the Persons with Disabilities”), with a requirement that the project must demonstrate transition to employment.²⁰

¹⁹ <https://epwdict.com/>

²⁰ https://bcc.gov.bd/sites/default/files/files/bcc.portal.gov.bd/notices/9e7fc4c6_3fa2_4560_a1e5_554a6add458d/2021-02-07-11-15-3f1f5e8d1d24522584467366d27320d1.pdf

3. Demand for Skills

This section has taken views from a number of employers across business sectors, to sense their experiences over the last two, most notably those of the last year of COVID-19. Conversations have naturally led then to look forward at the coming years, their confidence, and expectations during the post-pandemic economic cycle and how that has changed inclusive employment aspirations, as well as ways of working and skillsets they will tend to demand.

3.1 Manufacturing Sector (Garments)

Perspectives from the garments (RMG) sector is that larger companies have weathered the COVID impacts relatively easier than smaller companies. We've seen from the earlier statistical data that there was an immediate drop in exports in the first wave of the coronavirus in the early months in 2020, but how rapidly that recovered by mid-year and continued to trend synchronous to 2019 throughout the rest of the year and into 2021. Garments (including knitwear) we know account for more the 85% of Bangladesh's exports and generate more than 4m jobs (of which 90% are female filled). From international commentary, it's well recorded that buyers in those export markets postponed, or even cancelled, orders during those early months as their own retail sectors and populations began locking down. Larger companies, as earlier noted, have been much more able to access the Government's stimulus packages (including export financing), and so no surprise then that these companies have managed through 2020 relatively well.

A conversation with URMI Group has been insightful, that it observed dynamics/new patterns of purchasing. Being a large manufacturer and exporter, it benefited from a balancing of risk, with some international buyers reducing orders while others increased. The Company managed through, albeit with much reduced bottom-line profit, without laying off staff (in fact continued to hire) and no employees had wages or salaries reduced. Likely the same will not have been so for smaller manufacturers and exporters, reliant on a much smaller customer base. It's these factories and their employees which will have suffered the most and will face continued business continuity pressures. While not easy for those smaller companies, some of which will not survive, it does create opportunity for growth for others (including larger companies like URMI) as global economies recover.

Recovery will, of course, generate employment. But not necessarily as it was before. In RMG, URMI anticipates some manufacturing functions will now have been (or will be) permanently automated. But certainly not all, and URMI group will continue to recruit largely against the same skills sets as in 2019. Neither, for URMI Group, has its ambitions for greater disability inclusion changed during 2020/2021. The Company has continued to recruit people with disabilities but does recognise a need for greater targeted recruitment and that inclusion would benefit from government and buyer financial support/incentives.

3.2 Manufacturing Sector (non-Garments)

A perspective from Berger is likely reflective of manufacturing, at least for larger companies in the sector. While staffing levels have been maintained, as have annual salary reviews and performance rewards, the Company did have to place a freeze on recruitment during 2020 and it only begins now to restart that.

The Company has not seen a significant change in skillsets needed, as it was already prioritising digital/technological skills. Neither has the past 12-18 months influenced inclusion aspirations. The Company continues to want to see inclusion but recognises that it struggles to find people with disabilities who have the appropriate skillsets/qualifications. While not explicitly saying so, it reinforces the opportunity for targeted recruitment approaches like Inclusion Works' First Shot (pools of appropriately qualified and work ready or near ready talent).

3.3 Services Sector (Retail)

The conversations with Shwapno (Bangladesh's largest supermarket chain) have been insightful. The company has seen material changes in the sales channels consumers have adapted to during 2020, specifically online and phone ordering. As we learned in the very early stages of Inclusion Works, supermarket chains (not least Shwapno) have been rapidly expanding, and to an extent merging in recent years. An interesting shift then to an online model, which Shwapno expects will continue but will not replace in-store sales as consumers begin to move outside again.

Shwapno has also recognised that its own way of working has changed, and will be more permanent, in terms of distanced and more flexible working arrangements. But also, skillsets needed have changed with the transition to a more online sales model. The company now is prioritising technological and telephone skills for customer servicing.

For several years, Shwapno has maintained an internal goal that ten percent of its workforce will be people with disabilities. It's noticeable in a number of outlets, certainly in Banani in Dhaka, how that aspiration was beginning to be realised. But the company has been open that the pandemic has affected the inclusiveness of its recruitment, with home delivery service perceived as less realistic employment for someone with a disability. The pandemic then has led to a deprioritising of inclusive recruitment, but also potentially creates opportunity to influence and innovate solutions as earlier shopping practices resume (shop floor roles), as well as demand continuing for digital and telesales skills, and in challenging the perceived inappropriateness of online delivery roles for people with disabilities (that it must not be a broad brush).

3.4 Services Sector (Consumer Goods)

Similar to URMI Group, Unilever managed well through the last year, growing its business and not having to retrench and reduce salaries of its employees. Likely this is not reflective of the sector, as Unilever notes that the only branded products available in the market during some of the COVID-19 period were supplied by Unilever. Others then will have struggled, in local manufacturing or in domestic and international procurement of inputs and finished product.

Like others, Unilever now operates a blended model of work-from-office and, for certain individuals/functions, work-from-home. Given global commitments, this will likely continue post-pandemic (as could reduced work hours). Again digital/technical skills were mentioned as a priority in these new ways of working.

Inclusion aspirations have not changed since the first labour market assessment, with the company continuing to hire people with disabilities (including from the Inclusion Works pools of talent). Unilever globally retains its commitment of 5% inclusion by 2025, and (like URMI Group) a priority given to targeted recruitment and job analysis.

3.5 Financial Sector

IDDC Finance Limited has provided some insights from the financial sector. Consistent with many employers, recruitment very much slowed during the COVID-19 crisis, along with adaptations to business and service delivery models. Working modalities have changed, with office-based functions likely remain more virtual than physical moving forwards. The company's inclusion aspirations have not changed, with it reinforcing the imperative of investment in employability skills and employment readiness of persons with disabilities.

Interestingly, Bangladesh Bank issued a circular to all private sector banks in late April 2021, directing them to allocate an additional 1% of 2020 net profits to COVID-19 recovery CSR (corporate social responsibility) spending. The funds should be spent and reported in 2021, and directed towards initiatives which support slum dwellers, the homeless and unemployed people during the COVID-19 crisis.²¹ Whether this leads to longer term CSR legislation across all sectors will be interesting to follow; specifically, whether this has the potential to mirror the Indian 2% of net profit CSR requirements in the Companies Act, 2013.

3.6 Small and Medium Sized Enterprises

A focus group discussion with four SMEs (footwear, garments and handicraft industries) centred on continued sustainability challenge; with a key concern on stimulus package support, and how the lack of it to small enterprises was putting their businesses at risk, and that this has translated into job losses.

The vast majority of footwear businesses Kishoreganj District (in Division of Dhaka), which the participant estimated employed around 200,000 people in eight to ten thousand businesses, were not able to access stimulus loans. The size of stimulus loans needed were below the threshold at which banks would lend to SMEs, while too high than the support packages available to micro-enterprises.

An owner of a footwear factory, which had investment significantly in 2018 and 2019 in building that factory, had been hit particularly hard. As a new factory, his business was not eligible for stimulus support. Bangladesh Bank told him that the company would need to have been in business for five years or more.

Access to loans was also reported a major challenge for SMEs in the handicrafts sector. The representative from Jamalpur (Mymensingh Division) cited documentation requirements by

²¹ <https://www.tbsnews.net/economy/banking/banks-spend-tk116cr-more-csr-237700>

banks excluded many in the sector. Even when loans could be accessed, stock remained in warehouses without markets/demand, leaving business owners struggling to repay.

The current second wave of the coronavirus was compounding earlier impacts, with Eid-ul-Azha being a peak sales season but with no retail sales possible during a nationwide lockdown. Even with lockdown easing later in the year, the sales opportunity with have passed and demand adjust to new seasonal weather conditions.

3.7 Development Sector

The development sector is a significant generator of employment in Bangladesh, and important then to also consider in what has changed since 2019. CARE has seen 2020 as a year of limited impact on its business, and where there has been impact it has been more positive than negative. Clearly many development programmes have switched to online channels of service delivery, increasing reach. Humanitarian (COVID-19 response) interventions generated income and employment opportunity (at least voluntary work, which CARE has had a particular focus on).

For CARE, online service delivery will likely not revert to fully in-person, including recruitment processes. Technological and interpersonal skills are now prioritised in recruitment. CARE will progressively shift to a more permanent blended working model, perhaps four days' work-from-office, one day work-from-home. CARE potentially sees this as an opportunity for greater inclusion, removing at least some mobility barriers.

4. Supply of Skills

4.1 Jobseekers

The refreshed Labour Market Assessment includes two online group conversations with jobseekers and jobholders of people with disabilities. A preference for in-person meetings were not possible with coronavirus restrictions in place at the time in Bangladesh.

Fortunately, an online meeting facilitated representation of people from across the Inclusion Works programme locations. One of the conversations was intentionally held exclusively with women with disabilities, to better understand specific barriers and vulnerabilities women with disabilities face in employment.

Negative perceptions of disability continue in the workplace, with employers not respecting the rights of persons with disabilities and reluctant to comply with the laws and policies that guarantee employment rights of persons with disabilities. One male participant mentioned that he had been required to work unpaid additional hours (leading to twelve-hour shifts) to complete unrealistic output expectations. Another female participant mentioned that she never received any formal documentation for her employment, just an ID card, and had been dismissed without explanation after several months of workplace harassment. Membership of trade unions and welfare associations (i.e., organisations promoting and protecting rights) was seen as one reason for people with disabilities losing employment.

COVID-19 has exacerbated the barriers and vulnerabilities of people with disabilities in employment. Factories and mill closures have impacted employment. A lack of progress to decision making positions had implications on job losses during COVID-19. The period also saw the additional barriers in accessing public transport, which (in principle) had been no-cost for people with disabilities beforehand. Recruitment processes increasingly moved online, but with significant accessibility barriers (PDF documents are often difficult or inaccessible for the screen readers for the visually impaired) and public and private sector job circulars were not released regularly during the pandemic. Domestic technology solutions are also seen as a barrier to employment, with a lag in solutions to read text.

Some women with disabilities reported that they have had experience of sexual harassment and sexual assaults (including rape) while they were searching for jobs or in the workplace. This included being invited by their bosses to meet them in their houses even after office hours. One participant reported that the sexual harassment prevention committee in her workplace is not active, while according to a High Court verdict every workplace should have a sexual harassment prevention committee and the names and contact of the members of the committee should be displayed in the open spaces of each workplace. The participant suggested that the committee produces falsified documents to suggest that is active. In addition, workplaces do not have childcare centres, creating additional barriers and vulnerabilities for working mothers.

The continued closures of higher education facilities (due to COVID-19) create an additional barrier to employment, as does the lack of reasonable accommodation in examinations (for example, the lack of additional time accorded to visually impaired students to read

examination documents with screen readers). Students had allegedly also been required to physically prove disabilities in oral examinations.

The groups did report some positives, with programmes like Inclusion Works increasing self-confidence, IT skills and employment readiness. Rebuilding from COVID-19 was also seen as an opportunity for reforming policies and in ensuring recovery plans are CRPD compliant. A particular mention was made to increase focus on technical and vocational education, recognising that this stream has for long been exclusive of people with disabilities and women.

4.2 Job creators

An online focus group discussion with fourteen entrepreneurs with disabilities from Khulna and Chattogram (Chittagong) reinforces the challenges MSMEs have been facing in managing through COVID-19 in Bangladesh, specifically entrepreneurs with disabilities operating cottage sized industries. The entrepreneurs involved ran business ranging from agribusinesses (including cow and poultry rearing and vegetable cultivation), tailoring, handicraft, grocery, and tea stalls.

The groups experiences mirror earlier commentary on accessibility to small business stimulus packages, with entrepreneurs reporting challenges accessing Department of Social Services loans (two reported demands that they find a government officer to act as guarantor) and also to the main COVID-19 recovery packages distributed through banks. Only one entrepreneur has managed to access a recovery loan, principally because he already had a fixed term deposit at the same bank (a mechanism often used in Bangladesh to guarantee credit). Others mentioned the documentation needed was beyond that which they could provide. Loans distributed through NGOs were much more accessible. Those receiving disability allowances also reported that these were creating additional barriers to accessing other government support mechanisms – that receiving the allowance was determined to be a disqualifier to accessing other support.

All the entrepreneurs were struggling with business continuity during the latest wave of the coronavirus, burdened with existing loans and an operating environment in which they could not currently generate a turnover – in particular those operating through outlets which were frequently required to close by the police. Many though were positive, as entrepreneurs, that they would recover a business – if not the same business – after the pandemic.

5. Supporting Functions

5.1 Organisations of Persons with Disabilities

The refreshed Labour Market Assessment has invested time talking with OPD leaders from the Inclusion Works consortium. This gives us valuable insights into how the Bangladeshi movement sees the labour market adapting to the inclusion of people with disabilities, and what more needs to be done.

Over the past two years, the group felt that there has been an increase in awareness of the right of persons with disabilities, and the labour market is showing signs of (moderate) change. But there is still a long way to travel on this, for example on rights awareness within employers and accessibility (not least in factories).

COVID-19 has had a disproportionate impact on small and medium sized enterprises, which have traditionally been more inclusive of people with disabilities. Access to government support (stimulus packages) has led to business closure and job loss. More, disability led small businesses, as well as individuals, have struggled to access government stimulus packages.

Public infrastructure (especially transport systems) continues to create a significant barrier to inclusion, with transportation adding additional costs (including paying for care giver accompaniment) which cannot be afforded with salaries.

Access to information continues to be a major barrier, both for jobseekers and for employers (for example, the broadscale unawareness to tax incentives available to promote inclusion).

While the government has tried to incentivise inclusion through the tax legislation, it needs to do more in enforcing representation of disability in workforces and directing employers into conversations with OPDs to make it happen. The linkage to enrolment and retention in education remains important; that it has the potential to drive some of the labour market changes.

OPD capacities to engage with employers have increased over the past two years, but again more is needed to facilitate more bilateral (one-to-one) meetings.

Financial sustainability of OPDs and OPD leaders was considered significantly important. The main challenge over the past two years has of course been COVID-19, which had a damaging impact on OPD leaders' business. This in turn impacts their ability to contribute financially to the movement, in the absence of institutional funds.

5.2 Employer Federation

The refresh team had an opportunity to share the emerging conclusions of the labour market assessment with the Secretary General of the Bangladesh Employers Federation (BEF) in early July 2021. The Secretary General felt that the emerging conclusions were accurate, but also recalled early advice to him that the full economic impacts of the coronavirus would not be felt until late 2021 or early 2022. While he'd been sceptical on hearing this early in the first wave of COVID-19, he has progressively come to appreciate it; not least with a second wave at the time of writing and a third wave feared.

He very much agreed that the economic impacts have been particularly felt by small and family businesses, with 87% of the labour working in the informal economy. He recognised that government stimulus packages have been effective, but again that SMEs and family businesses have struggled with the capacity to get through the bureaucracy/form filling of the packages.

While remittances have been critical in poverty alleviation over the past 18 months, he did not see them as necessarily sustainable. For sure remittances had benefited from premium exchange rates when increasingly passing through formal government gateways, they were also inflated by higher percentages of overseas earnings being remitted at the expense of spending on overseas subsistence costs.

The Secretary General mentioned that global demand in RMG was still reduced, with factories operating at 70-80% capacity. There's also been a trend of overseas buyers extending established 90-day payment conditions to 180-days or more, placing additional pressure on local factories.

He did see that people with disabilities have been, in general, further disadvantaged by the pandemic, that the job market will not "open" any time soon, and that self-enterprise will be one of the key factors in economic recovery.

In terms of skills going forward, the Secretary General, very much sees a clear virtual shift in the workplace; needing increased digital skills; but also in social spaces, for example the shift to more e-commerce, including food shopping.

Finally, he does recognise the disability gap in the 8FYP and other key policies like the SME policy. He called for disability organisations and BEF to work more together in influencing policy makers.

6. Conclusions and Recommendations

The 2019 Labour Market Assessment contained a number of specific recommendations to the Inclusion Works programme, to:

- Create a comprehensive database of jobseekers with disabilities to link with employers
- Influence the regulatory framework, specifically for the implementation of existing policies on inclusive employment and to clarify the then recently announced tax incentives to employers
- Formalise SME subsectors, recognising that employment in the formal sector often means migration to urban spaces which are less accessible to people with disabilities.
- Collaboratively work with the business community, through structures like the Bangladesh Business and Disability Network and trade associations.
- Work with families of people with disabilities, removing familial barriers to accessing education and participating in labour markets.
- Consider disability inclusion in economic development zones
- Enhance the role of Organisations of Persons with Disabilities (OPDs) in delivering life-cycle support to members.

Since 2019, the Bangladesh programme has focused on much of that, possibly with the exception of a large-scale focus on SMEs as employers of labour and with economic development zones not realistically in-scope.

The 2021 LMA refresh suggests the focus has been right, has had some effect, but that the programme does need to increase its impact in SMEs as much as large scale companies. SMEs will play a key role in the Government's next five-year plan (the 8th) and the economic recovery. The Inclusion Works programme is recognising that and already working with supporting functions like the SME Foundation to ensure its sector development policies are disability inclusive.

Beyond that, Inclusion Works needs to recognise that the next economic cycle will see a greater reliance on self-employment, and that self-employment (own account working) is formal employment and perhaps an excellent opportunity and aspiration for some programme participants. That needs some adaption to programming, but not fundamental.

The main conclusions and recommendations to this edition of the labour market assessment is then that:

1. The gaps in the labour market on disability confidence of employers and employment readiness and self-confidence of job seekers remains as relevant in 2021 as it was in 2019.
 - a. Inclusion Works programme has demonstrated that there are significant numbers of people with disabilities with skills relevant to the employment they aspire to, albeit within an education system which is far from inclusive, but still are unable to realise

those employment aspirations. There are still considerable, and unnecessary, barriers to remove in recruitment processes and changes in employer attitudes towards disability. An imperative then that the programme continues to focus on these, and less on familial stigma – which the OPD movement see as a lesser priority at this point.

- b. Key to this will be embedding capacity building into the system, will be to continue working with and strengthening the Bangladesh Business and Disability Network (BBDN), and with BBDN deepening its relationship with Organisations and Persons with Disabilities and proactively (meaningfully) engaging with OPDs as key resources members in the network.
 - c. Equally, key is strengthening the capacities of OPDs to engage with employers and relevant stakeholders (supporting functions) in the labour market system, for example local authorities. This strengthening necessarily includes the financial sustainability of OPDs.
 2. The future of work will in part be more distanced and digital in Bangladesh and so an imperative to support jobseekers with disabilities to acquire deeper digital and interpersonal skills. Programmes like Inclusion Works must be engaged with emerging Government initiatives relevant to this, ensuring that these are accessible in every dimension to peoples with disabilities.
 3. CSMSEs will likely be even more relevant for employment in the economic cycle starting from 2021 than that ending in 2020. Within this, waged employment will likely continue to lag for some time, and self-employment will be an imperative for many – either as an aspiration or a means towards waged employment later. This needs then to have greater focus in programmes like Inclusion Works.
 4. There are important elements of the regulatory framework which Inclusion Works, and others, must influence in terms of inclusion. This includes the SME Policy, employment policy and jobs strategy. But also, further development of the punitive provisions in the Finance Act 2020, to ensure these apply, and are applied equally, to employers as much as education institutions and NGOs – and that the incentive provisions are better communicated to employers.
 5. The barriers and vulnerabilities of women with disabilities in employment are considerable in Bangladesh and must now be a priority to employment programmes and have practical actions in programmes like Inclusion Works to reduce those vulnerabilities.