

7th Plan should 'target employment-led growth'

Economists call for pursuing Look-East Policy

FE Report

Economists and development experts urged Thursday the Planning Commission to frame the next five-year development plan targeting employment-led economic growth for a sustainable development of the country.

They also advised better utilisation of the country's current 'demographic dividend population' for the sustainable economic growth and cutting incidence of poverty.

The General Economics Division (GED) of the Planning Commission organised a view-exchange meeting with economists and the vice-chancellors of different public universities at the NEC conference room in the city in a bid to draft the 7th Five-Year Plan (FYP).

The GED has started work on framing the 7th FYP from the financial year (FY) 2016 to FY2020 as the tenure of the current 6th FYP will end in June 2015.

Presided over by Planning Secretary Bhuiyan Shafiqul Islam, Planning Minister AHM Mustafa Kamal was present as the chief guest at the view-exchange

meeting. GED Member Professor Shamsul Alam presented a concept paper of the upcoming 7th FYP.

Former central bank governor Dr Mohammed Farashuddin said the next FYP should accord the highest priority to employment-based economic growth as a large number of people in Bangladesh are still unemployed and under-employed.

He said: "The trickle-down impact on creation of employment is not a good policy at this global situation. The country needs to facilitate a speedy productive employment for ensuring higher growth and cutting poverty."

Quoting a BIDS research, which shows the country's under-employment rate at 38 per cent, Dr Farashuddin said such unemployment needs to be turned into proper employment. He also laid emphasis on quality education for faster economic growth.

The former central bank governor also suggested laying emphasis on development

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of the micro, small and medium enterprises, decentralisation of the government, export diversification and expansionary monetary policy for accelerating the GDP growth.

Executive Director of the Policy Research Institute Dr Ahsan H. Mansur said Bangladesh's economic growth has remained stagnant at 6.0 per cent on an average over the last one decade. The government needs to identify the causes of economic stagnancy and the ways of recovering from it, he said.

Bangladesh should go for 'Look East Policy' at a time when economic weight is shifting to the East, he said terming the South-South cooperation policy is an ineffective diplomacy.

Centre for Policy Dialogue executive director Mustafizur Rahman said the current public investment could uplift Bangladesh's economic growth by 2.0 percentage points to 8.0 per cent from

the current rate of 6.0 per cent if good governance is ensured in public spending.

"Bangladesh geographically is in a better position as it is surrounded by Asian giants India, China and Japan. This opportunity should be utilised by adopting Look-East Policy," he added.

Referring to India's ICT growth, he also called for putting focus on some particular sectors like leather and ICT in line with the global demand in the upcoming 7th FYP.

Professor Mustafiz said Bangladesh has had the 'demographic dividend' till the year 2035 which should be utilised properly for fostering the GDP growth.

Acting Director General of the Bangladesh Institute of Development Studies (BIDS) Dr Rushidan Islam Rahman also emphasised on employment-led growth policy for cutting the country's poverty at higher pace.

She also said the government should remain careful on income inequality through enhancing the social safety-

net programmes.

CPD research director Dr Fahmida Khatun said the South-South cooperation policy has already proved ineffective. 'The Look-East Policy is imperative for Bangladesh as economic power is shifting from the West to the East,' she said.

Putting importance to job-led growth, she said jobless growth has negative implications for living standards.

Dr Fahmida also came up with recommendations including job-led growth, green growth and easing of traffic jam for accelerating growth.

Chairman of Unnayan Onneshan Rashed Al Mahmud Titumir said the country's informal jobs are growing faster than the formal jobs. "If the government can ensure more formal growth, the country's GDP can grow further."

CPD's additional research director Dr Khandker Golam Moazzem said the Planning Commission should find out Bangladesh' prospective economic growth-drivers and take plans as well to facilitate those.

Meanwhile, planning minister AHM Mustafa Kamal said they would take views and opinions from different professional groups of the country for framing an effective and time-bound 7th FYP.

Flood damages crops

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Joint secretary (extension

input aid is now essential for farmers in flood-hit areas," he commented.