

Examining Skill Gap in Bangladesh’s Key Industries

The concept of skill gap, as identified by ILO, has two major aspects to look into- qualitative (gap between skills supply and types of skills needed) and quantitative (gap between skill supply and numbers needed).¹ In both cases, there are supply and demand sides. Hence, while making any comments on the skill gap, a commenter needs to address the challenges of both supply and demand.

For Bangladesh, a country where a third of the total population is youth, and where more than 2 million youths enter the workforce each year, the demand for job is omnipotent. Yet, almost all the key employment generating sectors face skill gap, either in quantity or in quality.

In this brief, from the Youth Policy Forum, we put together our efforts to look into the skill gap of three key sectors of Bangladesh. Two major barriers for us are: one, we had to rely on data and projections made before the pandemic, and two, the brief in entirety relies on secondary data sources.

Skill Supply Gap and the Numbers

One good way to shed some light on the problem of skill supply gap is to compare the projected demand of jobs in a certain sector and the supply of trained or skilled labour in the market. One estimate made by the BIDS based on the Labour Force Survey 2013, suggests stark differences in the projected demand for the skilled workers in the five major sectors and the projected supply of skilled labour force in 2025.

Readymade garments

Another estimate suggests that, by 2025-26 FY, Bangladesh’s RMG industry will be employing more than 7.5 million individuals.

But the capacity of public technical training centers to supply skilled workers by 2026 stands at 46,198, as of 2017.

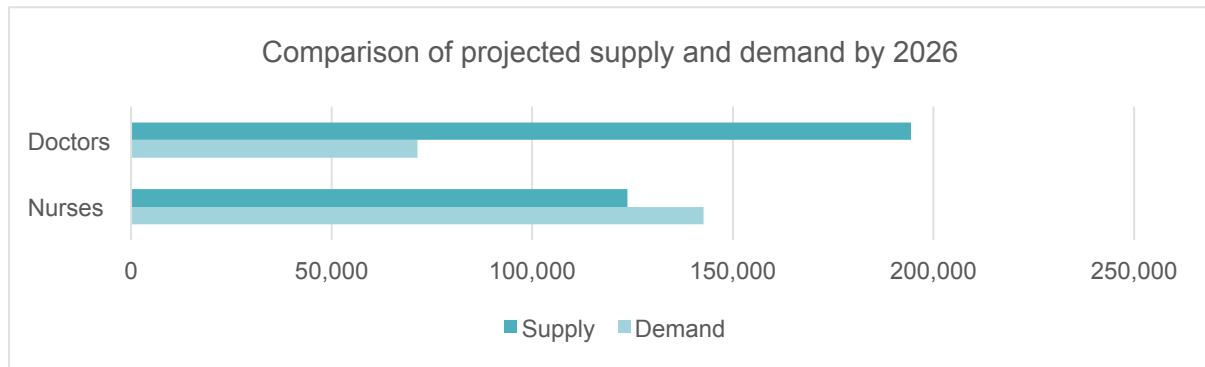
Healthcare

An interesting scenario can be seen in the healthcare sector. Based on WHO estimates, for every doctor, there should be at least 3 nurses, and 5 medical technicians. In Bangladesh, however, the respective ratios are one doctor, 0.40 nurse and 0.24 medical technicians.



¹ Gregg C., Jansen M., Uexkull E., 2012. Skills for Trade and Economic Diversification: A Practical Guide. International Labour Organization, Geneva. 03 pp.

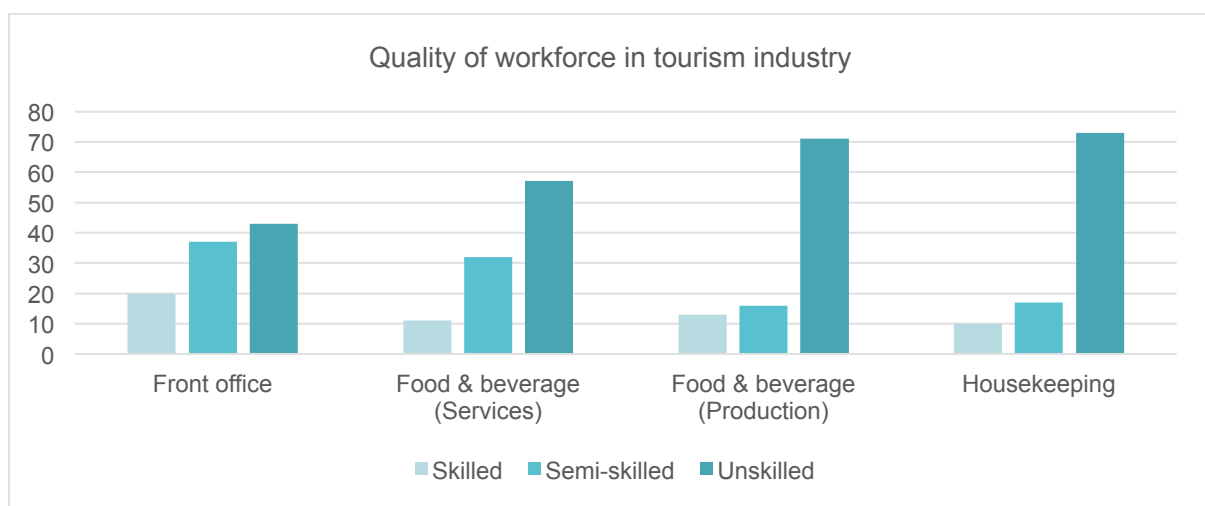
Another comparison can be made between the projected demand and supply of healthcare professionals. According to the estimates of BIDS Study Report on Labour Market and Skill Gap in Bangladesh, the projected demand for doctors by 2026 will be much lower than that of the projected supply, i.e. potential graduates. On contrary, projected demand for nurses will be much higher than that of the supply of nursing institute graduates.²



Note: Demand is based on GoB doctor/nurse ratio of 1:2 and population/doctor ratio of 2,552:1; supply equals registered nurses available in the country, 23,119, as of 2014, increasing annually at the rate of 15 per cent.

Hospitality and Tourism

Hospitality and tourism sector is one of the 15 major sectors that are used to estimate the GDP of the country. This ever expanding sector saw a 7 times rise in employment in seven years, from 2003 to 2010. The number of persons engaged increased from 220 thousand in 2003 to 1561 thousand in 2010.



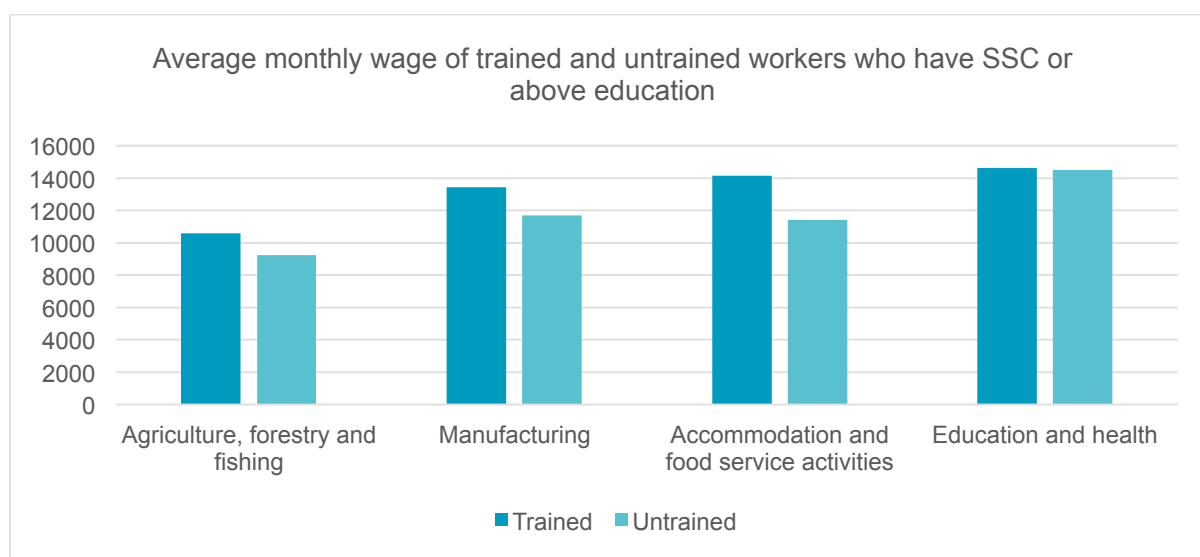
But the exponential growth came with the expense of the prevalence of unskilled workforce. According to the BIDS Skill Gap Survey 2016, the industry has 61% unskilled and another 21.5% semi-skilled workforce.

² Begum, A. 2017. BIDS Study Report: Labour Market and Skill Gap in Bangladesh. [www.bidslink.bids.org.bd/bidsorgbd/completed_research/LABOUR_MARKET_AND_SKILL_GAP.pdf]. Accessed October 24, 2020.

Challenges with Incentives

Bangladesh's youth has a sense of reluctance to join certain job opportunities partly because of low growth and low-income opportunities. These problems are coupled with the stigma and insufficient incentives to join technical training centers.

One study clearly identifies that trained or skilled workers are hardly recognized by most of the industries, when it comes to paying better wage. The insignificant wage gap among trained and untrained workers lead to reluctance in joining skills training.³



The Way Forward

To mitigate the problem with skill gap, Youth Policy Forum suggests:

- 01) Developing a Public Employment Service platform like France to provide jobseekers with social benefits and helping them find work or return to work and, on the other hand, to help companies find and hire workers,⁴
- 02) Mainstreaming the technical education in the national education and publicizing the important of technical training,
- 03) Recognizing the skilled workforce with better benefits and higher wage during recruitment,
- 04) Designing facilities with one-stop training services for all basic technical training at all sub-districts.

³ Rahman, R.I. 2017. BIDS Study Report: Labour Market and Skill Gap in Bangladesh. [www.bidslink.bids.org.bd/bidsorgbd/completed_research/LABOUR_MARKET_AND_SKILL_GAP.pdf]. Accessed October 24, 2020.

⁴PUBLIC EMPLOYMENT SERVICE. Competence Plus. [https://competenceplus.eu/public-employment-service/#:~:text=P%C3%B4le%20emploi%20is%20the%20main,companies%20finding%20and%20hiring%20workers] Accessed October 24, 2020.