

# BANGLADESH

The ILO Work4Youth project worked with the Bangladesh Bureau of Statistics to implement the School-to-work transition survey (SWTS) in 2013 (January-March). The results of the survey were published in Kazi Ali Toufique (2014): *Labour market transitions of young women and men in Bangladesh*, Work4Youth Publication Series No. 13 (Geneva, ILO). The objective of this country note is to offer a general summary of youth labour market trends in Bangladesh based on the SWTS. Youth is defined as 15–29.

## Main findings of the ILO SWTS

### *Human capital and mismatch*

- Most of the surveyed youth had attended school or a training programme at some point in their lives (86.1 per cent in 2013). About one-quarter of the youth population (23.5 per cent) was enrolled in school in 2013 while only 7.9 per cent had completed their education and a disturbingly large share (54.7 per cent) had some schooling but left before graduation. The survey showed that still too many young people are excluded from the educational system, with 13 per cent of young men and 14.9 per cent of young women having never attended school in Bangladesh.
- SWTS results showed a strong correlation between the levels of education and a young person's labour market transition: 46.7 per cent of tertiary educated youth had completed their transition to a stable or satisfactory job, as compared to 30.5 per cent of youth with secondary education and 41.2 per cent of youth with primary education.
- With relatively low levels of educational attainment in the country, it is not surprising to find that a majority of employed youth in Bangladesh are undereducated for the job they are doing (62.1 per cent). Only a small fraction of employed youth (2.9 per cent) were deemed overeducated for their occupation.
- About one-fifth of Bangladeshi students showed a preference for future work in the government/public sector while 48.7 per cent aimed to work in the family business or farm.

### *Underutilization of the youth labour potential remains a top concern*

- The survey registered a high youth labour underutilization rate, particularly among young women: it was 74 per cent for young women and 48.8 per cent for young men. The share of underutilized labour potential consisted of 20.1 per cent of the youth population in irregular employment (either in self-employment or paid employment with contract duration less than 12 months), 4.6 per cent unemployed and 37.6 per cent inactive non-students.

The ILO **School-to-work transitions surveys (SWTS)** are implemented as an outcome of the Work4Youth (W4Y) project, a partnership between the ILO and The MasterCard Foundation. The project has a budget of US\$14.6 million and will run for five years to mid-2016. Its aim is to “promote decent work opportunities for young men and women through knowledge and action”. The immediate objective of the partnership is to produce more and better labour market information specific to youth in developing countries, focusing in particular on transition paths to the labour market.

See the website [www.ilo.org/w4y](http://www.ilo.org/w4y) for more information.

- The youth unemployment rate (strict definition)<sup>1</sup> stood at 10.3 per cent in 2013, which is slightly below the regional average for Southern Asia in the same year (11.0 per cent).<sup>2</sup> Young women were almost four times as likely to be unemployed than young men with unemployment rates of 22.9 and 6.2 per cent, respectively.
- The most disadvantaged in finding work are those who attain higher levels of education: the unemployment rate of a young person with primary education was half that of a young secondary graduate at 6.4 and 12.3 per cent, respectively. University educated youth found it even more difficult to find suitable jobs, which is reflected in the higher unemployment rate of 26.1 per cent.
- The duration of unemployment is often long. Almost half (46.8 per cent) of unemployed youth had been looking for work for longer than one year in 2013.
- The share of youth neither in employment nor in education or training (NEETs) in Bangladesh stood at 41 per cent in 2013. The share of NEETs among young women was more than five times higher than that of young men at 65.7 and 12.7 per cent, respectively, reflecting primarily the inability of many young women to go to school and the early age of family formation in the country.

### *Low quality jobs remain a strong hindrance to the country's productive transformation*

- Almost four out of ten (37.9 per cent) young Bangladeshi were employed in 2013 with far more young men working than young women. Too many youth work from a very young age; 21.8 per cent of young adolescents aged 15–17 were out of school and working.
- Although more than half of employed youth (54.6 per cent) were working as wage and salaried workers, a large share remained in vulnerable employment as own-account workers (31.7 per cent) or unpaid family workers (11.1 per cent). At the same time, nearly three-quarters (72.8 per cent) of youth in paid employment were engaged without a written contract.
- Youth employment was distributed almost equally between the three broad sectors of agriculture (34.5 per cent), industry (31.9 per cent) and services (33.6 per cent). Young women were more likely to work in industry than their young male counterparts (42.5 and 29.1 per cent, respectively).
- Informal employment affected virtually all (95.1 per cent) young workers in Bangladesh, with similar rates for young men and women.

## Selection of data tables

**Table 1. Youth population by educational status and sex, 2013 (%)**

<b>Educational status</b>	<b>Total</b>	<b>Male</b>	<b>Female</b>
Never attended school	13.9	13.0	14.9
Dropped out before graduation or completion of school	54.7	57.8	51.1
Currently attending school	23.5	20.4	26.9
Education completed	7.9	8.7	7.0
Total	100	100	100

<sup>1</sup> The “strict” definition of unemployment refers to persons without work, available to work and actively engaged in a job search. The “broad” definition excludes the job search criteria. The youth unemployment rate is the number of unemployed persons divided by the youth labour force (employed plus unemployed).

<sup>2</sup> ILO, *World Employment and Social Outlook: Trends for Youth 2016* (Geneva). Note, the regional figure covers youth aged 15–24 while the data on the SWTS refer to youth aged 15–29. The youth unemployment rate in Bangladesh for the age range 15–24 was 13.3 per cent in 2013 based on the SWTS.

**Table 2. Key youth labour market indicators – traditional distribution by sex, 2013 (%)**

	<b>Total</b>	<b>Male</b>	<b>Female</b>
Employed	37.9	64.3	14.9
Unemployed	4.3	4.3	4.4
Inactive	57.7	31.4	80.7
Total youth population	100	100	100
Youth labour force participation rate	42.3	68.6	19.3
Youth unemployment rate (strict definition)	10.3	6.2	22.9

**Table 3. Key youth labour market indicators – alternative distribution by sex, 2013 (%)**

	<b>Total</b>	<b>Male</b>	<b>Female</b>
In regular employment	17.9	29.2	8.0
In irregular employment	20.1	35.2	6.9
Unemployed (broad definition)	4.6	4.7	4.6
Inactive students	19.9	22.0	18.0
Inactive non-students	37.6	9.0	62.5
Total youth population	100	100	100
Youth labour force participation rate (broad definition)	41.8	67.7	19.1
Youth unemployment rate (broad definition)	11.1	6.9	24.1
Youth labour underutilization rate	62.3	48.8	74.0

**Table 4. Youth neither in employment nor in education or training (NEETs) by sex and composition, 2013 (%)**

<b>Sex</b>	<b>NEET rate</b>	<b>of which:</b>	
		<b>Inactive non-students</b>	<b>Unemployed non-students</b>
Total	41.0	37.8	3.2
Male	12.7	9.3	3.4
Female	65.7	62.7	3.0

**Table 5. Employed youth by status in employment and sex, 2013 (%)**

<b>Status in employment</b>	<b>Total</b>	<b>Male</b>	<b>Female</b>
Wage and salaried workers (employees)	54.6	54.3	55.9
Employers	0.5	0.5	0.2
Own-account workers	31.7	34.3	21.7
Contributing (unpaid) family workers	11.1	8.8	19.9
Other	2.1	2.1	2.3
Total employed youth	100	100	100

**Table 6. Young wage and salaried workers by type of contract and sex, 2013 (%)**

<b>Type of contract</b>	<b>Total</b>	<b>Male</b>	<b>Female</b>
Written agreement	27.2	19.8	54.3
Oral agreement	59.3	65.9	34.9
No contract	13.5	14.2	10.8
Unlimited duration	77.7	76.4	82.4
Limited duration	22.3	23.6	17.6
<i>Of which:</i>			
– Less than 12 months	65.2	73.8	22.5
– 12 months to less than 36 months	13.2	11.7	20.7
– 36 months or more	21.6	14.5	56.8
Total young wage and salaried workers	100	100	100

**Table 7. Distribution of youth employment by sector, aggregate and 1-digit level, and sex, 2013 (%)**

<b>Sector</b>	<b>Total</b>	<b>Male</b>	<b>Female</b>
<b>Agriculture</b>	<b>34.5</b>	<b>36.8</b>	<b>26.0</b>
<b>Industry</b>	<b>31.9</b>	<b>29.1</b>	<b>42.5</b>
<b>Services</b>	<b>33.6</b>	<b>34.1</b>	<b>31.6</b>
Agriculture, forestry and fishing	34.5	36.8	26.0
Mining	0.6	0.7	0.6
Manufacturing	23.7	19.3	40.7
Electricity, gas, steam	0.2	0.3	0.0
Water supply	0.3	0.3	0.2
Construction	7.0	8.6	1.0
Wholesale and retail trade	10.7	12.7	3.1
Transport	8.3	10.3	0.4
Accommodation	1.3	1.5	0.7
Information and communications	0.3	0.3	0.1
Financial activities	0.4	0.4	0.2
Real estate	0.1	0.1	0.0
Professional scientific activities	0.5	0.5	0.2
Administrative and support activities	1.0	1.2	0.4
Public administration	0.7	0.8	0.3
Education	3.2	1.7	8.8
Health and social work	0.8	0.5	1.9
Arts and entertainment	0.1	0.2	0.0
Other services	4.5	3.2	9.6
Private households	1.8	0.7	5.8

**Table 8. Youth informal employment by composition and sex, 2013 (%)**

	<b>Total</b>	<b>Male</b>	<b>Female</b>
Youth in formal employment	4.9	4.7	5.8
Youth informal employment	95.1	95.3	94.2
<i>Of which:</i>			
Informal employment outside the informal sector	53.3	54.4	49.1
Employment in the informal sector	46.7	45.6	50.9

**Table 9. Employed youth by overeducation, undereducation or matching qualifications and sex, 2013 (%)**

<b>Qualifications match</b>	<b>Total</b>	<b>Male</b>	<b>Female</b>
Undereducated	62.1	62.2	61.3
Overeducated	2.9	3.2	1.3
Matching qualifications	35.0	34.6	37.4
Total employed youth	100	100	100

**Table 10. Youth unemployment rates by level of completed educational attainment and sex, 2013 (%)**

<b>Educational attainment</b>	<b>Total</b>	<b>Male</b>	<b>Female</b>
Less than primary (including no schooling)	3.2	2.2	7.3
Primary	6.4	3.8	16.5
Secondary general	12.3	8.4	22.7
University and postgraduate studies	26.1	22.5	31.5

**Table 11. Unemployed youth by duration of job search and sex, 2013 (%)**

<b>Duration of job search</b>	<b>Total</b>	<b>Male</b>	<b>Female</b>
Less than 3 months	11.8	11.4	12.1
3 months to less than 6 months	25.6	29.2	22.6
6 months to less than 1 year	15.8	17.3	14.6
More than a year	46.8	42.2	50.7
<b>Total unemployed youth</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Table 12. Youth population by stages and subcategories of transition and sex, 2013 (%)**

<b>Stage of transition</b>	<b>Total</b>	<b>Male</b>	<b>Female</b>
<b>Transition completed</b>	<b>28.5</b>	<b>46.6</b>	<b>12.7</b>
Transited to stable employment	11.9	18.9	5.9
Transited to satisfactory temporary employment	3.7	6.4	1.4
Transited to satisfactory self-employment	12.8	21.3	5.5
<b>In transition</b>	<b>20.8</b>	<b>24.7</b>	<b>17.4</b>
Unemployed (broad definition)	3.5	3.7	3.2
In non-satisfactory temporary employment	3.8	7.7	0.5
In non-satisfactory self-employment	3.1	6.0	0.6
Active students	3.6	4.9	2.4
Inactive non-students with aim to work in the future	6.8	2.4	10.6
<b>Transition not yet started</b>	<b>50.7</b>	<b>28.7</b>	<b>69.9</b>
Inactive students	19.8	21.9	18.0
Inactive non-students with no plans to work in the future	30.8	6.8	51.9
<b>Total youth population</b>	<b>100</b>	<b>100</b>	<b>100</b>

Note: Unless other specified, the categories exclude current students.