
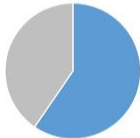

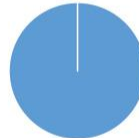


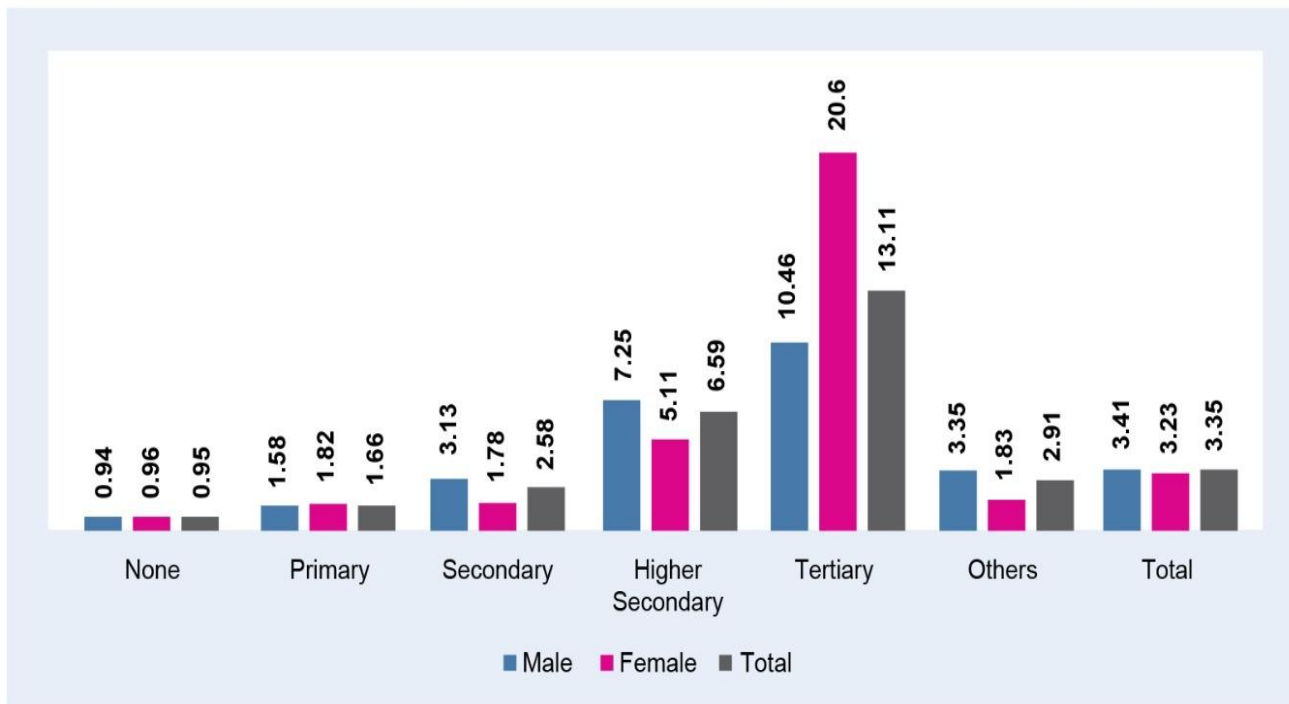
Tackling Youth Unemployment & Skilled Migration

Fahim Mashroor
Founder, Bdjobs.com

National Unemployment vs. National Unemployment

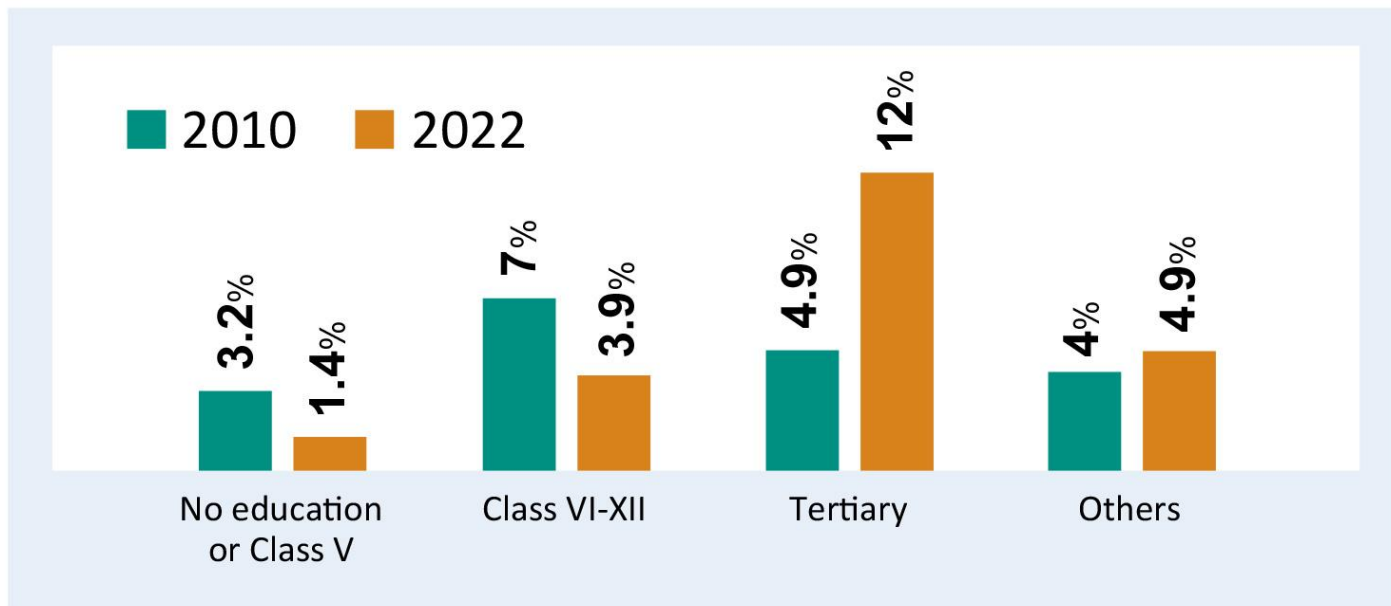
	15-29 yrs	30-64 yrs	64+ yrs	Total
Unemployment rate	7.27%	1.15%	0.50%	3.25%
% of Labour Force (total unemployment number)	36.34%  19.4M	59.57%  5.05M	4.00%  0.15M	100%  24.6M
% of Total unemployed	78.80%	20.50%	0.60%	100%

Unemployment Rate (%) by level of Education



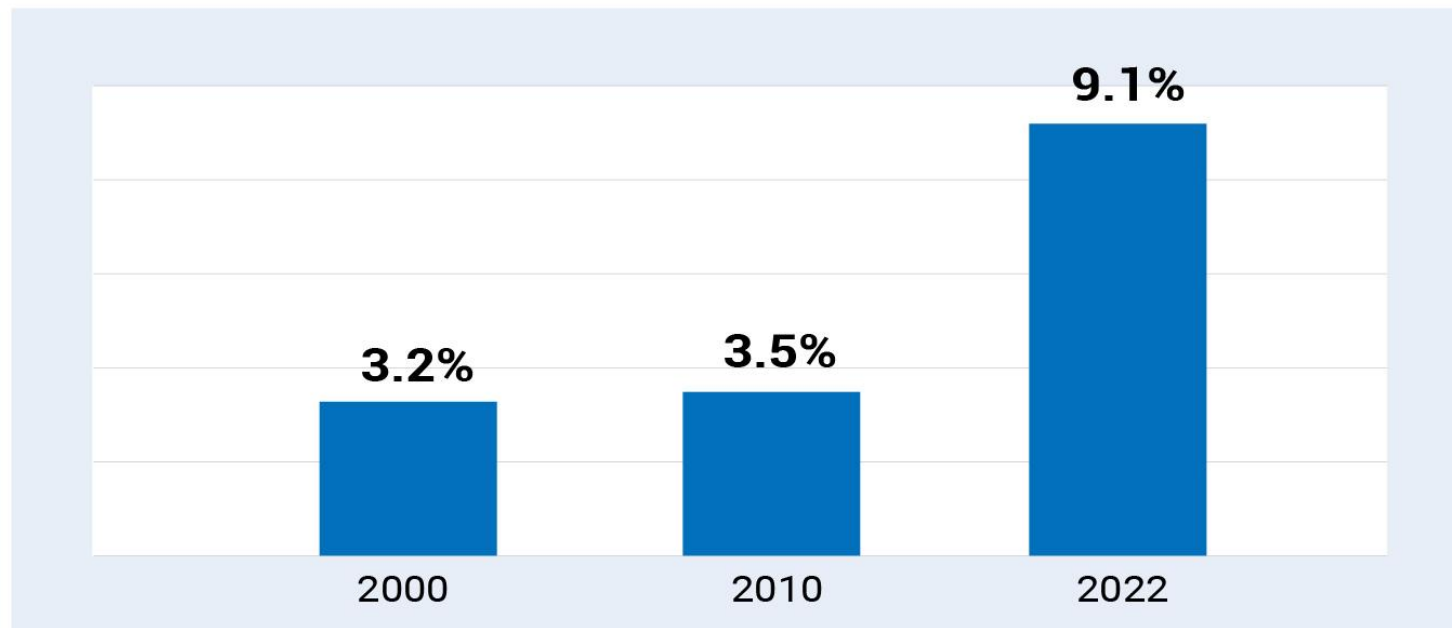
Unemployment rate : 2010 vs 2022

By level of education : In %



Source: BBS and LFS

Increasing % of Graduates (tertiary degree holder) in Labour Force

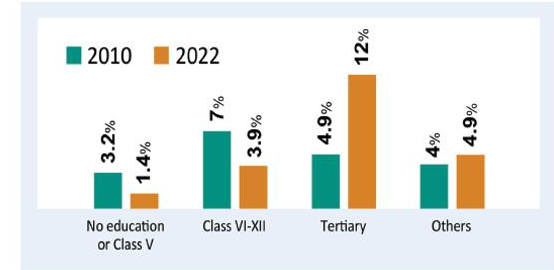


Problem Statement

- ▶ The youth unemployment is 2 times more than national unemployment rate
- ▶ The unemployment situation is more severe in tertiary educated group of youths than less educated (graduate unemployment rate is 4 times than that of non graduate)
- ▶ In 2010, the graduates constituted **3.5%** of labor force, that increased to **9.1%** in 2022 (over 2.5 times only in a decade)
- ▶ The largest job creation occurs in manufacturing, agriculture-related industries, and specialized service sectors (e.g., hospitality, healthcare, transportation/logistics, retail, maintenance). However, graduates are reluctant to enter these high-demand sectors and prefer fields such as government, banking, education, and technology, where job openings are far scarcer. This demand–supply gap, intensified by a substantial over-supply of graduates in recent years, has become the primary driver of high youth unemployment.
- ▶ Every year over **7 lakh** graduates are graduating and joining the labor market (one third of total joining). Out of this **7 lakh**, over **60%** are coming from **2,200+** colleges under National University. Most of these colleges don't offer any courses/training that can make the graduates employment ready.

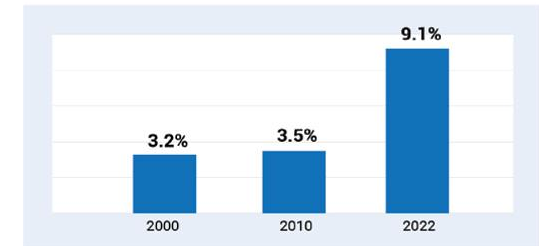
Unemployment rate : 2010 vs 2022

By level of education : In %



Source: BBS and LFS

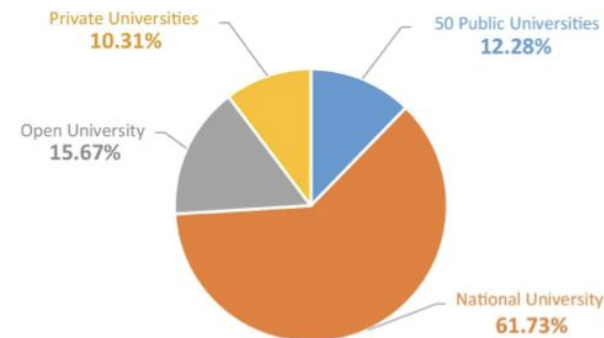
Increasing % of Graduates (tertiary degree holder) in Labour Force



Number of students who passed from Universities (2022)

50 Public Universities	86,237	12.28%
National University (2,200+ colleges)	433,320	61.73%
Open University	110,030	15.67%
Private Universities	72,406	10.31%
Total Number of students who passed	701,993	100.00%

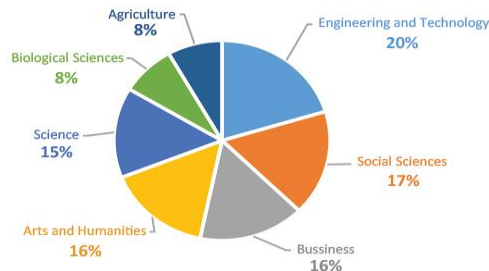
University Graduates in 2022



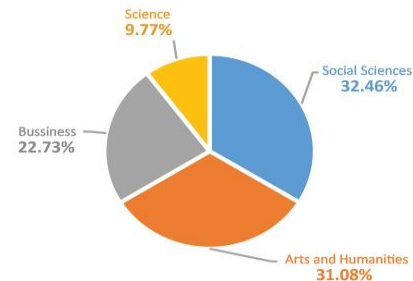
Source: UGC Annual Report 2022

Demand Supply Mismatch is More Serious in National University Graduates

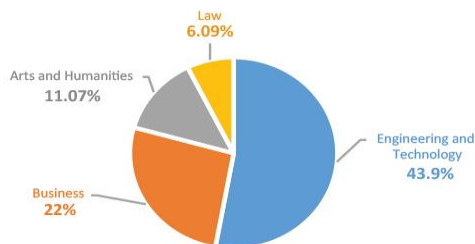
Faculty-Wise 50 Public University Students Distribution



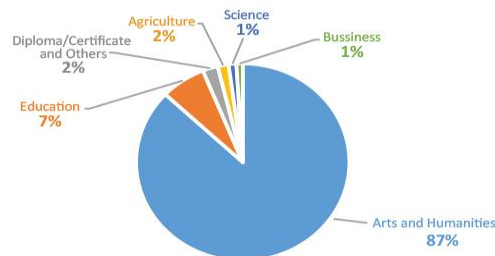
Faculty-Wise National University Students Distribution



Faculty-Wise Private University Students Distribution

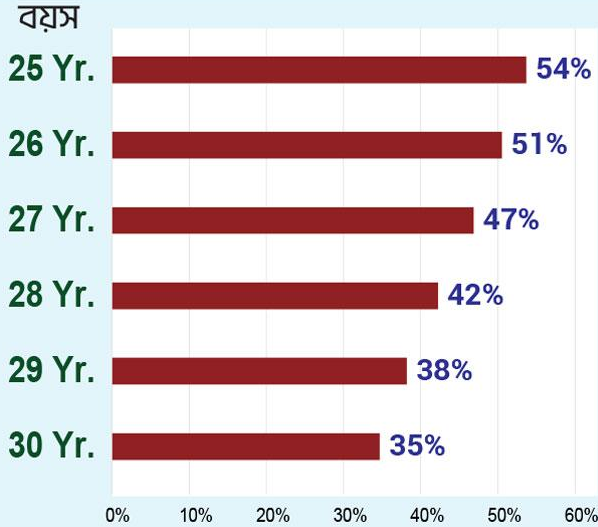


Faculty-Wise Open University Students Distribution



গ্র্যাজুয়েশন শেষ করার পরেও এখন পর্যন্ত যাদের চাকরি হয় নাই (% হার)

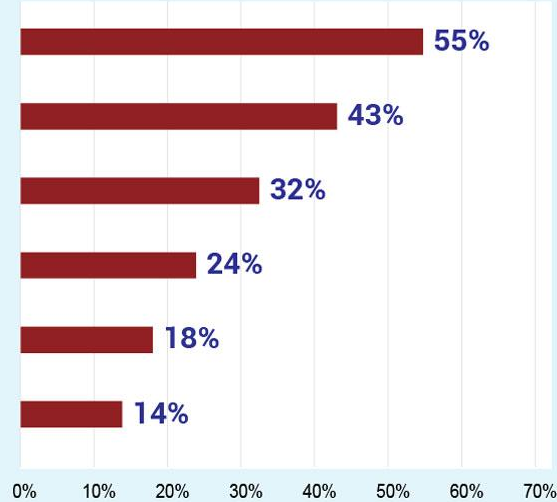
National University



Total number of profiles surveyed in the above age groups :

2.7 lakh

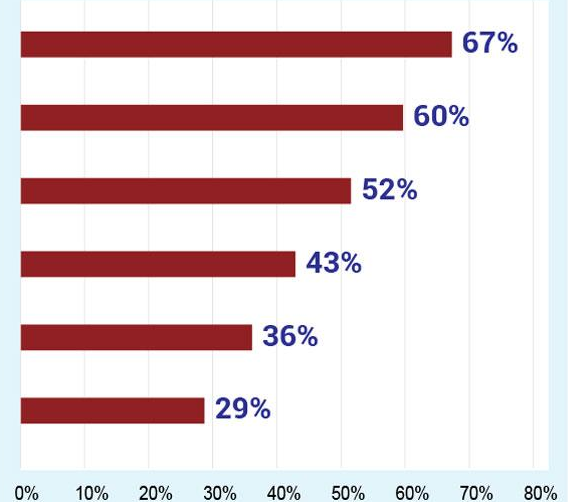
Private University



Total number of profiles surveyed in the above age groups :

64K

Public University



Total number of profiles surveyed in the above age groups :

81K

Source: bdjobs.com

Main Reasons for Youth Graduate Unemployment

- *Oversupply of graduates in last 2 decades compared to market demand of graduates*
- *Changing Aspiration of youths (jobs created in manufacturing and agriculture are not attracting graduates). Youths are much more interested in government jobs than private sector jobs.*
- *Very slow growth of service sectors (e.g. IT, hospitality, healthcare, financial service, modern retail, supply chain/logistics etc.) that could hire extra graduates in the labor market*
- *Zero skills of students in applied and functional job fields*
- *Entrepreneurship driven self employment is very low*
- *Low level of white-collar migration*

Key Activities & Implementation Strategy

1

Target National University and embed Vocational training

The target of initiatives for tackling youth unemployment should be on tertiary educational institutes that are producing the highest number of graduates without any employable skills. **2,200+** colleges under National University (producing over **4.5** lakh graduates per year) should be primarily targeted in this regard. Courses of vocational skills must be included and made mandatory for all graduates of national University. These vocational skills will increase employability of graduates in both local industries and overseas market

2

Promote and Facilitate migration of youth graduates

Since there are not enough jobs for graduates in the local job market, special schemes should be taken to promote migration of low/mid quality graduates to countries like Japan, China, South Korea, Europe and South Africa.

3

Compulsory 3rd language in selected colleges (outside Dhaka)

Introduce third language courses (e.g., Japanese, Mandarin, German, French, etc.) in selected colleges in the short term, with the long-term goal of making a third language mandatory at all tertiary institutions.

4

Student loan for education leading to migration in selected countries

All banks (public and private banks) should be instructed to give Tk **5-10** lakh loan (low interest loan to be repaid in **5-8** years) if any HSC pass/graduate under **24** years of age having a foreign language certificate (e.g. N4 in Japan) wants to go to certain countries (where there is high demand of foreign labor) for education or direct job migration. Bangladesh Bank can refinance such loans (like green loan or MSME loan) and the finance ministry can facilitate partial credit guarantee for such loans.

5

Incentivise Industry for hiring and training fresh graduates

For ensuring skill investment to be effective, more responsibility should be taken by industries/employers. To incentivise employers to hire and train fresh graduates, industries need to be financially supported by the government (e.g. 6 months partial salary of fresh hires and training expense. Max cost per fresh graduate will be Tk **1** lakh. Salary should be directly transferred to hired graduates in these companies). Also, tax policy support can be given to employers who hire and train fresh graduates.

Industry led training instead of institute led training

For local market focused skill development, industry should take lead in training (currently govt funds technical training institutes or providers). If industry takes the lead, impact and RoI will be much higher.

Govt. can design incentive plan (e.g. tax credit, training cost sharing etc.) for private industry to hire fresh graduates and train themselves.

Divert part of government fund from 'in-country training' to 'training outside country'.

Since it will take time to fix our technical and vocational training system, the approach should be to invest in education migration (let them train themselves outside the country with particle support from govt - in loans or subsidy).

Case Study :

- ▶ For Japan, a student going in education visa (language and technical training for 2 years) needs Tk 10 lakh. Part of that money can be given as loan (long term low cost loan) by banks.
- ▶ For China, it takes only Tk 5 lakh to enroll for a 3 year diploma

Focus on “ease of entering business” for new entrepreneurs and reduce all regulatory friction for YOUNG micro entrepreneurs.

For first 3 years, no licensing and compliances (e.g. Auditing, tax return etc.) should be required. They should be allowed to get bank loans easily.