

## Recent Changes in Employment Status of the Youth Labour Force of Bangladesh

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**Abstract** *The study investigates the changes of employment status of the Youth Labour Force (YLF) of Bangladesh over the period 1999/2000-2010. It discusses the changing trends in the number of YLF, number of students among the youths, number of no schooling and educated persons in YLF, their growth rates, and the dynamics of Youth Labour Force Participation Rate (YLFPR) over the period. It analyses changes in the sectoral and occupational status of employment of the male and female YLF. It identifies the changes in the status of employment of the YLF over time (1999/2000 – 2010) as self employed, employer, employee, unpaid family helper, day labourers and others. It depicts unemployment rates among the educated YLF, identifies constraints to employment generation for the YLF and suggests several paths to eliminate youth unemployment, which would decrease the incidence of poverty among the youths and achieve higher economic growth in Bangladesh.*

### Introduction

During the first decade of the twenty-first century, Bangladesh achieved considerable success in accelerating economic growth and social development, and in reducing poverty. Current development agenda of the 6<sup>th</sup> Five Year Plan (FY2011-FY2015) includes further acceleration of economic growth, faster pace of poverty reduction through income generation, improvement of the living standards of its millions of impoverished citizens. Among different factors, employment is most important for income generation, poverty reduction,

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improvement of living standard, empowerment of labour force and economic growth of the country.

The youths are the most energetic citizens of any country. Reports on Labour Force Survey (LFS) of Bangladesh define Youth Labour Force (YLF) as those belonging to the age group of 15-29 years. In 1999/2000 approximately 36% of the total labour force of Bangladesh was YLF, which increased to 37% in 2010. In 1999/2000 about 88.92% of the YLF was employed, which increased to 92.55% in 2010 and the unemployment of the YLF was 11.08% and 7.45% in 1999/2000 and 2010, respectively. The modest rate of youth unemployment “hides the true employment challenge in Bangladesh” (GED, Planning Commission, 2011, part- 1, p. 15) and of “disguised unemployment” of the youths “characterized by the concentration of a large number of workers in low hours, low productivity and low income jobs” (Ibid, p.15). For this reason the document of the 6<sup>th</sup> Five Year Plan (FY2011-FY2015) declares that “the unemployment rate among the young population in Bangladesh is higher than that in India and Vietnam”. (Ibid, p. 15) The planners of the 6<sup>th</sup> Five Year Plan honestly recognized that “limited data available from the Labour Force Survey (LFS) and the census data and reports compiled by the Bangladesh Bureau of Statistics (BBS) are inadequate and often inconsistent and noncomparable overtime” (Ibid, p. 41), for which reason the actual ratio of comparable disguised unemployment of the YLF of Bangladesh remained unresolved in recent research works. According to BBS data in the LFS-2010, considering all youths working less than 35 hours per week, including youths working less than 15 hours per week, the percentage of disguised unemployment/underemployment was 34.26% of the YLF. If one adds youth unemployment and disguised youth unemployment then it shows higher rates of unemployment among the YLF of Bangladesh. Excluding this, recent data published by the BBS demonstrate multidimensional obstacles of employment of the YLF. But to integrate the YLF of Bangladesh to its growing economy and in finding for them “good jobs” with high productivity and high income it is necessary to create employment friendly climate. For this reason the objective of the present study is to analyse recent changes in the employment status of the YLF of Bangladesh. In view of that the author analysed the dynamics of YLF growth over the first decade of twenty first century, the growth of educated YLF, the dynamics of youth labour force participation rate (YLFPR), distribution of YLF by major industries, occupations and status of their employment. Problems of educated youth’s unemployment are discussed elaborately, and finally conclusions are drawn on the study.

### **Methodology**

The study is based on secondary data over the period 1999/2000-2010, published research works of different authors, publications of Ministry of Planning and Ministry of Finance and research publications of Bangladesh Economic Association (BEA), Bangladesh Institute of Development Studies (BIDS) and foreign research organisations. Tabular form analyses were resorted to in addressing the research issues. Logical analyses of the research work is supported by both quantitative and qualitative information.

### **Magnitude of the youth labour force in Bangladesh**

The population of Bangladesh is increasing despite falling fertility rates. In 1999/2000 the total population of Bangladesh was 127.5 million, which rose to 137.3 million in 2005/06 and 148.7 million in 2010. It is evident from the statistics of table-1 that the working age population of Bangladesh has been increasing more rapidly than the total population. Every year in an average 2.1 million people are entering the labour force. Analysis shows that the ratio of working age population to total population was 58.20 in 1999/2000, 60.57% in 2002/2003, 61.62% in 2005/2006 and 64.29% in 2010. It means that the ratio of working age population is rising steadily due to the impressive progress made by Bangladesh in fertility reduction. So the dependency ratio is decreasing in the country and there are more people who can contribute productively to the growth of Bangladesh. This demographic dividend needs to be cashed in Bangladesh. Analysis indicates that youth population as percentage of total population and youth labour force as percentage of total labour force are increasing gradually. Increasing life expectancy at birth and lower child mortality rate have contributed to the rapid population growth of Bangladesh. These youths who are students, or engaged in household works and other activities are not included in youth labour force. Their number is increasing gradually.

Analysis of Labour Force Surveys (LFS) from 1999/2000 to 2010 shows that the number of students among the youths, which are not included in labour force, are increasing. Though a major weakness of the labour force of Bangladesh is their very low literacy rate, their increasing number as students indicates a steadily increasing number of the literate youth labour force. On the other hand the increasing number of youths in the labour force alarms the policy makers that every year the labour market must absorb a new wave of young entrants.

**Table 1: Trends of youth labour force in Bangladesh, 1999/2000-2010**

Period	Total Population (in million)	Working age population (15 years aged) (in million)	Total labour force (in million)	Total youth population (in million)	Total youth labour force (in million)	Literate youth labour force (in million)	Youths Not included in youth labour force (in million)	Youth population as % of total population	Youth labour force as % of total labour force
1999/2000	127.5	74.2	40.7	30.6	14.5	8.2	16.1	24.0	35.6
2002/2003	133.4	80.8	46.3	35.3	19.0	7.8	16.3	26.5	41.0
2005/2006	137.3	84.6	49.5	34.3	17.8	11.0	16.5	25.0	36.0
2010	148.7	95.6	56.7	39.3	20.9	14.5	18.4	26.4	36.9

*Source: Compiled and calculated from BBS(2002), pp. 19, 21, 71, 75; BBS(2004), pp. 27, 29, 69, 74; BBS(2008), pp. 30, 32, 77, 82; BBS (2011b), pp. 33, 34, 82, 87.*

**Educated Youth and Youth Labour Force Participation Rate (YLFPR)**

It is evident from Bangladesh labour force surveys that in 1999/2000 about 14.5 million youth labour were economically active, of which 56.6% were literate. Among the economically active male and female youths, literacy rate was approximately 60% and 47%, respectively. Report on labour force survey 2010 shows that the number of economically active youths were 20.9 million, of which 69.4% was literate. The same report shows that among the economically active male and female youths, the literacy rate was approximately 68.6% and 71.2%, respectively.

Over the period 1999/2000 – 2010 the growth of literacy among male and female youths was 44.2% and 187.6%, respectively. Among the female youths this achievement was perhaps made possible because of the provision of incentives through awarding stipends and other measures for students upto higher secondary level for the spread of female education. On the other hand, in 1999/2000 approximately 38.6% economically active youths were in the category of no schooling, but in 2010 the economically active youths of no schooling decreased to 26.9% though the absolute number of economically active youths in the no schooling category increased over the period. The statistics mentioned above show that educational attainments in percentage terms among the economically active youths increased over the above mentioned period. At the same time it is evident that a huge number of economically active youths remained illiterate, which ultimately leaves them in hard working jobs with less productivity and in less remunerative sectors of the economy.

Education and skills of the youth population are strongly related to their labour market behaviour. Analysis of the level of education of the economically active youth labour force of Bangladesh (Table-2) shows that over the period 1999/2000 to 2010 more than 6.4 million youths entered into the labour market. The number of economically active labour force increased with attainment of every level of education over the time, excluding degree and above levels. At the same time the percentage of economically active youth labour force in the no schooling category decreased substantially over the period, which indicates a qualitative change of the economically active youth labour force of Bangladesh.

The trend of quantitative and qualitative change is equally applicable for both male and female youth labour force. But at the same time it is clear that only thirty five thousand youths attained technical and vocational education in 2010. “The economy of Bangladesh needs 1.5 lakh skilled and semi skilled labour force every year. But different formal and informal training systems can supply only one-fifth

Table 2: Educational level of the youth labour force of Bangladesh, 1999/2000 – 2010.

Level of Education	Economically active 1999/2000 (in thousand)			Economically active 2010 (in thousand)			Growth over the period (%)		
	Both sex	Male	Female	Both sex	Male	Female	Both sex	Male	Female
Bangladesh Total	14510	10402	4108	20900	13105	7796	44.03	25.99	89.78
No Schooling	5593	3563	2030	5614	3595	2019	0.38	0.90	-0.54
Class I-V	3823	2909	914	5726	3850	1876	49.78	32.35	105.25
Class VI-VIII	2176	1750	426	4018	2423	1595	84.65	38.46	274.41
Class IX-X	972	737	236	2785	1518	1267	186.52	105.97	436.86
SSC/HSC & equivalent	1370	997	372	2251	1353	897	64.31	35.71	141.13
Degree and above (Medical and Engineering included)	576	446	130	455	327	130	-21.00	-26.68	00
Technical Vocational	-	-	-	35	27	8	-	-	-
Others	-	-	-	16	11	5	-	-	-

Source: Compiled and calculated from BBS (2002), p. 75; BBS(2011b), p. 88.

of the required labour force” ( eMg, 2008, c . 205) study conducted by Rahman M. shows that “The Paradox of technical and vocational training in the country is that in one side there is a deficit of technical and vocational training holders on the other side among the training holders who cannot get overseas employment remains unemployed” (ingvb, 1988, c . .210). The deficit and wastage of the technical/vocational trained labour force in Bangladesh indicates weakness of communication among different stakeholders’, e. g. policy makers, academicians, employers, which needs to be improved.

Youth labour force participation rate (YLFPR) is defined by the ratio of youth labour force (employed and unemployed) and youth population aged 15-29 years expressed in percentage. In Bangladesh LFPR declined from 72.1% in 1999/2000 to 59.27% in 2010. But the YLFPR increased from 47.36% in 1999/2000 to 51.72% in 2005/06 and to 53.24% in 2010 (Table-3). It is seen from the statistics of table-3 that YLFPR increases with the increase in age group and the highest participation rate is seen for the age group 25-29. There exists slight variation in the participation rate among the urban and the rural YLF. The participation rate of youth female labour force is much lower in comparison to their male counterparts at national, rural and urban levels. The causes of lower participation rate of the youth female labour force in Bangladesh may be due to (a) higher educational enrolment at the lower age group (15-19 years), (b) the “social and cultural constraints” (Bayes et al., 2007, p. 200) (c) ‘the low bargaining power of women

**Table 3: Trends in youth labour force participation rate of Bangladesh, 1999/2000 – 2010 (in%).**

Locality and Age Group	1999/2000			2010		
	Both sex	Male	Female	Both sex	Male	Female
Bangladesh Total	47.36	71.06	25.67	53.24	69.50	38.22
15-19	41.66	55.85	23.35	39.40	48.40	29.44
20-24	47.04	74.01	26.30	56.70	75.95	40.97
25-29	54.22	91.30	27.08	66.61	92.19	44.71
Rural Total	47.99	71.09	28.34	54.30	70.43	38.92
15-19	39.22	52.23	25.80	40.46	49.64	29.56
20-24	48.81	72.61	29.41	57.08	77.16	42.00
25-29	56.17	92.90	29.51	66.87	92.58	44.99
Urban Total	47.17	71.06	24.85	50.17	66.59	36.32
15-19	42.30	56.70	22.59	36.38	44.51	29.17
20-24	46.46	74.51	25.31	53.08	72.34	38.14
25-29	53.63	90.88	26.34	65.80	90.97	43.84

*Source: Compiled and calculated from BBS (2002), p. 73; BBS(2011b), p. 85.*

within households and society and (d) the physically demanding nature of work in Bangladesh (construction, harvesting)”(Sasin, 2009, p. 115). A study confirms obstacles for their entry in the labour market as “They confront discrimination in credit markets; they have limited access to capital and modern technology; and they are confined to low productive, labour intensive work that offers only low earnings” (Meier, 1999, p. 29). It is interesting that the youth female labour force participation rate in the rural areas of Bangladesh is higher than the youth female labour force participation rate in the urban areas. A field level study in the rural areas of Bangladesh from the year 1988 to 2004 recognizes that “Participation of female labour force in the rural labour market has increased over the years” (Bayes et al., 2007, p. 23). In the rural areas of Bangladesh ‘some times economic demand or pressure encourages the female labour force to break the walls of religion, rituals and other obstacles”(Ibid, p. 201).

#### **Changes in the industrial employment status of the youth labour force**

The labour force surveys of Bangladesh for the years 1999/2000 and 2010 have “applied the same survey methods but due to the addition of two separate modules (volunteerism and literacy) to the labour force survey 2010 the quality of the Labour Force Survey was hampered” (BBS, 2011b, p.13). Nevertheless, to get a comparative picture of the distribution of employed youths by major industry and sex, the present researcher used the statistics of the above mentioned surveys. It is revealed from table-4 that the growth of employed youth labour force by major industries over the years was 50.30%. In mining and quarrying, real estate, rent and business activities over the period, youth employment growth was negative. Positive growth of youth employment is found in all other sectors of the economy. The highest employment growth of youth labour force is found in the construction sector, which is followed by bank, insurance and financial intermediations, public administration, manufacturing, agriculture, health and social works, hotel and restaurant, transport, storage and communication and services etc. The growth of youth labour force employment in different sectors indicates the expansion or development of different sectors of the economy.

1. Includes youths employed in repair of motor vehicles.
2. Youths employed only in real estate activities.
3. The employed youths in defence, compulsory social security are included in the public administration for the year 2010.
4. Included employed youths in professional, scientific and technical activities.

**Table 4: Distribution of employed youths aged 15-29 years by major industry and sex, 1999/2000 – 2010.**

Sl. No	Major Industry	Number in thousand		1999/2000 (in %)			2010 (in %)			Growth of youth employment over the period (%)
		1999/2000	2010	Total	Male	Female	Total	Male	Female	
	Total	12903	19393	100	100	100	100	100	100	50.30
1.	Agriculture	6110	9992	47.35	48.41	44.61	51.52	40.16	71.04	63.54
2.	Mining and quarrying	64	59	0.5	0.2	1.3	0.31	0.37	0.20	-7.81
3.	Manufacturing	1709	2827	13.2	10.1	21.8	14.57	15.47	13.04	65.42
4.	Electricity, gas and water supply	37	39	0.3	0.3	0.2	0.20	0.31	0.03	5.41
5.	Construction	355	1065	2.8	3.2	1.6	5.49	8.12	0.99	200.00
6.	Wholesale and Retail Trade	1752	1793 <sup>1</sup>	13.6	16.7	5.1	9.25	13.85	1.34	2.34
7.	Hotel and Restaurants	197	276	1.5	1.9	0.5	1.42	2.15	0.18	40.10
8.	Transport, Storage and Communication & Services <sup>1</sup>	941	1261	7.3	9.7	0.8	6.50	9.79	0.84	34.01
9.	Bank, Insurance and Financial Intermediations	49	94	0.4	0.4	0.7	0.49	0.59	0.30	91.84
10.	Real Estate, Rent and Business activities <sup>2</sup>	44	8 <sup>2</sup>	0.3	0.4	0.2	0.04	0.06	0.00	-81.82
11.	Public Administration <sup>3</sup>	124	222 <sup>3</sup>	1.0	1.1	0.5	1.14	1.63	0.32	79.03
12.	Education <sup>4</sup>	298	298 <sup>4</sup>	2.3	1.8	3.5	1.54	1.48	1.62	0.00
13.	Health and Social Works	54	76	0.4	0.4	0.4	0.39	0.46	0.28	40.74
14.	Other Community, Social & Personal Service	1168	1383	9.1	5.2	19.3	7.13	5.57	9.80	18.41

Source: Compiled and calculated from BBS (2002), p. 78; BBS(2011b), p. 89-91.

Agriculture remains the most important sector of the economy of Bangladesh in terms of youth employment. It absorbed 47.35% of total youth labour force in 1999/2000, which increased to 51.52% in 2010. In 1999/2000 the share of employed youth male labour force in agriculture was 48.41%, which decreased to 40.16% in 2010. But the percentage of employed female youth labour force in agriculture increased from 44.61% in 1999/2000 to 71.04% in 2010. In 1999/2000 about 4563 thousand male youth labour force was employed in agriculture, which increased to 4924 thousand in 2010 and on the other hand in 1999/2000 employed female youth labour force in agriculture was 1538 thousand, which rose to 5068 thousand (growth over the period was 229.51%) in 2010. It means a good number of fresh youth male labour force are employed in agriculture and the employment of female youth labour force has also increased significantly. “May be behind this change have worked the psychological change of the male member of households for employment of female labour force outside the household in the rural areas and the livelihood pressure in the households from poverty” (Bayes et al., 2007, p. 23).

An in-depth study on employed persons aged 15 years and over in the agriculture sector of Bangladesh in 2005/06 shows that “of 7682 thousand female labour force employed in agriculture, including fishery, 4014 thousand or 52.25% was employed in livestock, poultry farming and in livestock and poultry related other activities” (BBS, 2008, pp. 127, 164-174). An analysis shows that “in 2005/06 total 4228 thousand persons aged 15 years and over were employed in livestock and poultry farming, of which 3981 thousand or 94.16% was female and the rest 5.84% was male” (Ibid, pp. 127, 164-174). So it could be assumed that the increase of employed youth female labour force in agriculture was mainly due to the contribution of livestock and poultry farming. Apart from this, youth female labour forces are also employed in other agriculture related activities.

In 2005/06 about 15084 thousand male labour force was employed in agriculture, hunting, forestry and fishing, of which approximately 13354 thousand or 88.5% was employed in growing cereal crops. In the same year, approximately 14080 thousand male and female labour force was employed in growing cereal crops of which 13354 thousand or 94.8% was male labour force” (Ibid, pp. 127, 164-174). So it is evident that the male labour force is dominating in growing cereal crops in the rural areas of Bangladesh. The same tendency could be assumed for the youth male labour force. There is no scope for an in-depth study of employment of the male and female youth labour force in growing cereal crops, livestock and poultry farming due to the limitations of data contained in the Labour Force Survey 2010. But the trend of employment in the agriculture sector for youth male and female labour force seems to be the same as shown for the year 2005/06. It

means the male youth labour force is dominating in growing cereal crops and the female youth labour force is mainly contributing in livestock and poultry farming in the rural areas of Bangladesh.

Table-4 shows that the growth of youth employment over the 1999/2000-2010 period is 65.42% in the manufacturing sector. But at the same time it is surprising that the percentage of employment of the youth female labour force in the manufacturing sector is decreasing though Bangladesh Garments Manufacturers and Exporters Association (BGMEA) sources claim more than one and a half million female employment in the Ready Made Garments (RMG) sector. A study claims that “nearly two million women workers directly ... associated with this (RMG) industry”(Habib, 2009, p. 129). Another study mentioned that “a million and a half women, mostly unmarried girls in their teens, have transplanted themselves from their villages to work in the RMG factories of Dhaka and Chittagong” (Sobhan, 2004, pp. xix-xx). Report on labour force survey 2005/06 of BBS have mentioned that “5224 thousand male and female labour force aged 15 years and over was employed in the manufacturing sector, of which 1298 thousand or approximately 25% was female labour force. About 2544 thousand youths (aged 15-29 years) was employed in the manufacturing sector, of which only 704 thousand or 27.67% was youth (aged 15-29 years) female labour force” (BBS, 2008, pp. 52, 85). Report on labour force survey 2010 mentioned that in 2010 about 2827 thousand youths aged 15-29 years were employed in the manufacturing sector, of which 930 thousand or 32.90% were female. The above mentioned findings create confusions about the employment of the labour force aged 15 years and over and of the youth (aged 15-29 years) female labour force in the manufacturing sector of Bangladesh – “Part of it may be attributed to data problem”(Rahman, 2007, p. 45).

In 1999/2000, approximately 51.3% of the total labour force was employed in agriculture, 35.6% was employed in services sector and 13.5% was employed in industry. On the other hand in 2010, about 47.56% of the total labour force of Bangladesh was employed in agriculture, approximately 18% was employed in industry and 35% in services sectors, indicating a slow structural change of employment in Bangladesh, which is different from Sir W. Arthur Lewis’s dual sector model and is equally applicable for youth employment.

The above analysis allows the researcher to conclude as follows:

1. Growth of employment of the youth labour force of Bangladesh occurred over the years in every sector of the economy except in mining and quarrying, real estate, rent and business activities.

2. Agriculture remains the most youth labour intensive sector in the economy of Bangladesh, which is followed by manufacturing, wholesale and retail trade, transport, storage and communication and services etc.
3. In agriculture the youth male labour force is mainly employed in growing cereal crops whereas the youth female labour force is employed in livestock and poultry farming.
4. The youth male labour force is gradually coming out of agriculture and being employed in other sectors of the economy.
5. The LFS data on employed youth female labour force in the manufacturing sector is confusing because data provided by BGMEA and different researchers on employed female labour force in the RMG sector is much higher than that provided by LFS on manufacturing sector.
6. It seems that youth labour force which cannot obtain productive employment elsewhere get absorbed in agriculture, where average productivity and wages remain lower than in manufacturing and services sectors.
7. A slow but steady structural change in the youth labour force market is going on because growth of employment over the years is higher in the manufacturing, construction, bank, insurance etc. in comparison to agriculture.
8. Manufacturing sector is lagging behind services sectors, in terms of youth employment, which confirms structural change in the youth labour market of Bangladesh bypassing Lewis's dual sector model.

### **Trends in Status of Employment of the youth labour force**

Before examining the changes in status of employment of the YLF it is necessary to explain briefly the notions used in table-5 of the research work. According to the report on LFS 2010 self-employed means a person working for his/her own household farm or non-farm enterprises for profit. Such persons do not receive wages or salary for the work performed. The employer is a self-employed person who may employ one or more persons in a commercial or industrial enterprise. Employee or regular worker is one who has a regular employment and receives wages or salary from the enterprise or establishment or organization to which he is attached for performing assigned work. Unpaid family helper/worker refers to a person who works at least one hour in the reference period (other than household work) without pay or profit in a family operated farm or in a business organization. Day labour or casual worker refers to a wage earner whose services are solicited only for a periodic time intervals during the reference period.



Table-5 shows the changes taken place in status of employment of both the sex, male and female YLF during 1999/2000-2010. It is revealed from the table that over the study period the growth of employment of YLF in all status categories for both sex, male and female is 50.3%, 30.2% and 104.4%, respectively. In the categories of unpaid family helper and employee the growth of employment of the female YLF is found positive but in all other status of employment the female YLF growth is found negative. It means that over the period the growth of employment of the female YLF has derived mainly from the status of unpaid family helper, may be because she “is devoted to family well-being through income generation, production and processing of goods and services for home consumption and performance of essential household tasks” including livestock rearing, food processing, caring of children and the elderly and so on (Salahuddin, 1989, p. 220). The growth of employment of the female YLF in the category of employee has derived mainly from the manufacturing sector where RMGs are included. A study shows that in 1999/2000 about 730 thousand female YLF was employed in the manufacturing sector which increased to 930 thousand in 2010 registering a 26.02% growth rate over these years. The employee status employment of the female YLF in the manufacturing sector indicates a positive feature of female YLF empowerment and their contribution to the economy and labour market. In the manufacturing sector (mainly in RMG), female YLF are being employed because ‘Economic scarcity operates in conjunction with other “push” factors, such as family conflicts, marital breakdown, problems of harassment and uncertain marriage prospects’ (Kibria, 2004, p. 85). Besides, there are some “pull” factors such as RMG “has also developed a certain image and reputation that may be attractive to young women. Garments work connotes social and economic independence and more generally, modernity” (Ibid, p. 86).

Analysis shows that the growth of employment of the male YLF has taken place in every category except self employment over the above mentioned period. Over this period the growth of the category of self employed declined. The growth in percentage and absolute numbers in the categories of employer, employee, unpaid family helper, day labourers for male YLF have increased over the years. The male YLF in the categories “employers and self employed persons are sometimes referred to as independent and the rest as dependent workers” (BBS, 2010, p. 41). The “Employers and self employed persons, i. e. the entrepreneurial groups” are dominating among the male YLF of Bangladesh indicating progressive economic performance of male YLF (Ibid, p. 42). BBS report on monitoring of employment survey-2009 revealed that in all age groups “employer gets the highest salary, which is followed by employee. Salary in the self-employment category is in the

third place, which is followed by family helper and day labour respectively” (Ibid, p. 50). So it could be assumed that the same trend of salary prevailed among the different status of employment of the YLF of Bangladesh.

### **Changes in the occupational status of employment of the YLF**

In a modern society occupational status of employment of a person primarily determines his social status. So changes in the occupational status of employment of the YLF of Bangladesh could explain the trend of social stratification among the youths. It is revealed from the statistics of table-6 that in 1999/2000 approximately 25.86% of the employed youth labour force was absorbed in white-collar occupations (professional, technical, administrative, managerial, clerical workers, service and sales workers) and the rest were absorbed in blue-collar (miners, quarrymen, workers in transport, craftsmen and production process workers) occupations. In 2010, about 18.18% youth labour force was absorbed in white-collar occupations and the rest were in blue-collar occupations. Over the period 1999/2000 to 2010 the growth of employed youth by major occupations was 49.91%, of which the growth of white-collar occupations was 5.36%, and of blue collar occupations was 65.94%. Among the white-collar occupations except clerical and service workers all others had positive growth over the above mentioned period. Among the employed youth males, the agriculture, forestry and fisheries workers, production, transport and other categories workers and the sales workers occupations were dominating in 1999/2000 and in 2010.

Among the employed youth females, agriculture, forestry, fisheries; production, transport and others; service workers; sales workers; professional and technical occupations were dominating in 1999/2000 and in 2010. But in 2010 youth females appear to have large proportionate shares than youth males in agriculture, forestry and fisheries workers; service workers occupations. It is revealed from the statistics of table-6 that over the decade female youths were substantially inclined to the agriculture, forestry and fisheries sector for their employment and the male youths were gradually coming out of agriculture, forestry and fisheries and entering into the production, transport and other professional and technical occupations.

The following conclusions could be drawn from the above analysis:

- a. The growth of employed youth labour force has taken place over the years in all occupations, except clerical and service workers.
- b. The growth of employment in blue-collar occupations of the youth was higher than the growth of employment in white collar occupations.

Table 6: Distribution of employed youth aged. 15-29 years by major occupation and sex, 1999/2000 – 2010.

Sl. No.	Major occupation	Number in thousand		1999/2000 (in %)			2010 (in %)			Growth over the period
		1999/2000	2010	Total	Male	Female	Total	Male	Female	
	Total	12903	19343	100	100	100	100	100	100	49.91
1.	Professional, Technical	420	539	3.30	2.60	5.00	2.79	3.08	2.30	28.33
2.	Administrative, Managerial	24	213	0.20	0.20	0.20	1.10	1.65	0.17	787.50
3.	Clerical workers	306	224	2.40	2.60	1.70	1.16	1.62	0.36	-26.80
4.	Sales workers	1804	1872	14.00	17.30	5.10	9.68	14.25	1.85	3.77
5.	Service workers	784	669	6.10	3.50	13.10	3.46	3.24	3.83	-14.67
6.	Agriculture, Forestry & Fisheries	6177	9984	47.80	48.20	47.00	51.62	39.84	71.08	61.63
7.	Production, transport and others	3389	5890	26.20	25.60	27.90	30.45	36.32	19.94	73.80

Note: Components may not add to total as some employed persons are engaged in more than one occupation.

Source: Compiled and calculated from BBS (2002), p. 77; BBS(2011b), p. 91-92.

- c. Occupation in agriculture remains the top priority for male and female youths but its importance was declining for the male youths and was increasing for the female youths indicating the shift of male youths to the production, transport and other works. Production, transport and other works remained in second priority as occupation for the male and female youths of Bangladesh.
- d. Excluding agriculture female youths appear to have larger proportionate shares than male youths in service workers occupation indicating female specific employment and empowerment of female youths.

### **Changes of unemployment among educated youth labour force**

Earlier it was mentioned in Table-2 that over the period 1999/2000 – 2010 the growth of youth labour force of Bangladesh was 44.03% (4.20% per annum, employment growth rate was 4.75% per annum). In 1999/2000 about 13.41% youth labour force (absolute number was 1946 thousand) had education above class ten which fell to 13.19% (absolute number was 2706 thousand) in 2010. The growth of absolute number of youth labour force who had education above class ten within 10.5 years was 39.05%. In 1999/2000 and 2010 the unemployment of youth labour force was 11.70% and 7.45%, respectively. The unemployment of the educated youth labour force in 1999/2000 and 2010 was 15.65% and 14.71%, respectively.

The wastage of educated youth labour force for the economy of Bangladesh is very harmful. It is revealed from table-7 that unemployment rate among the male and female youths rises as the level of education rises. Youth unemployment rate among no schooling labour force group was less than educated youth labour force. This implies that the no schooling youth labour force group quickly enters in employment because “historically, incidence of poverty is high among the illiterates”(BBS, 2011a, pp. 40-41). The pressure of poverty dictates them to enter in any type of employment. Excluding this they have no scope to get work of sophisticated status and to kill time for that. Over the past three decades, Bangladesh made substantial progress in providing education to its citizens. Its literacy rate of population aged 7 years and over “was 55.8% and 48.1% for male & female respectively in 2005 which grew to 61.12% and 54.80% for males and females, respectively, in 2010” (Ibid, p. 51). So this increasing rate of literacy supplied more educated youths in the job market, which exceeded the demand of the job market and hence remained unabsorbed. The high rate of educated youth “unemployment prevails as there has been a lack of growth of sectors requiring school educated young persons” (Rahman, 2009, p. 164).

**Table 7: Changes in distribution of educated unemployed youth labour force by level of education and sex, 1999/2000 – 2010**

Level of Education	1999/2000				2010							
	Economically active(in thousand)		Unemployed (in thousand)		Economically active(in thousand)		Unemployed (in thousand)		Unemployment rate (%)			
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female		
Total	10402	4107	988	618	9.50	15.05	13105	7796	895	663	6.83	8.50
No	3563	2030	112	99	3.14	4.88	3395	2019	120	124	3.34	6.14
Schooling Class I-V	2909	914	225	143	7.73	15.65	3850	1876	199	134	5.17	7.14
Class VI-VIII	1750	426	140	99	8.00	23.24	2423	1595	180	129	7.43	8.09
Class IX-X	737	236	189	92	25.64	38.98	1518	1267	164	129	10.80	10.18
SSC/HSC & equivalent Degree & above*	997	372	229	148	22.97	39.78	1353	897	208	125	15.37	13.94
Technical/vocational Others	446	130	93	37	20.85	28.46	327	130	25	20	7.65	15.39
	-	-	-	-	-	-	27	8	none	none	00.00	00.00
	-	-	-	-	-	-	11	5	none	1	00.00	00.00

**Source:** Compiled and calculated from BBS (2002), p. 75; BBS(2011b), p. 88-89.  
 - Means not available. \* Medical and Engineering included.

Table-7 reveals that in 1999/2000 and 2010 the unemployment of female youth labour force was higher than those of male youth labour force almost at every level of education. In 2010 except in class IX-X and SSC/HSC and equivalent levels in all other levels of education unemployment of the female youth labour force was higher than the educated male youth labour force. On the other hand, among the economically active male youths 6.83% was unemployed and among the economically active female youth labour force 8.50% was unemployed. The gap between the unemployment rates for youth male and youth female labour force widens in the degree and above levels of education. These types of unemployment of youth female labour force indicate gender discrimination in the labour market of Bangladesh. The higher rate of unemployment among the SSC/HSC & equivalent level and class IX-X level school completers indicates that enough employment is not being created for them. Besides, “this group does not want to be engaged in agriculture. But the scope for regular non-farm employment is not expanding at a sufficient pace” (The Daily Star, 09 April, 2012). On the other hand, the higher rate of unemployment of the educated youth labour force of Bangladesh would discourage them to enroll in the educational institutions. For the same reason, enhancement of female education would be disturbed, drop out of the female enrolled students would increase and ultimately female empowerment and poverty alleviation through education would be in challenge though Government has declared different encouraging schemes (provision of stipends, supply of free text books, exemption of tuition fees etc.) for female education. So youth employment needs to be increased.

BBS statistics indicate that youth employment in 1999/2000 was 12903 thousand, which increased to 19343 thousand in 2010 (average annual employment growth rate is 4.75%). On the other hand, it is found that average yearly youth labour force growth rate over the last 10.5 years (1999/2000 to 2010) is 4.20% where currently unemployed and underemployed youth labour force are not included. With the assumed employment elasticity of 0.56, an employment growth of 4.20%. (i. e., same rate as labour force growth, not counting the currently unemployed and underemployed) would require a GDP growth of  $(4.20/0.56)$  7.5% per year which is a great challenge in front of the economy of Bangladesh. Because from the document of the 6<sup>th</sup> Five Year Plan (FY 2011-FY 2015) it is clear that in 2010 the real GDP growth of Bangladesh is 6.1%”(GED, Planning Commission, 2011, Part-1, p. 75). To achieve a GDP growth rate of 7.5% per year or 8% according to the 6<sup>th</sup> Five Year plan, (Ibid, Part-1, p. 80) the investment needs to be increased to 32.5% of GDP by Fiscal Year (FY) 2015. But Bangladesh Economic Review shows that the rate of investment has stagnated at “24.46% to

25.15% of GDP over 2006/07-2010/11 year, despite a steady increase in the national savings rate to 28.78% of GDP” (Ministry of Finance, 2012, p. 20). Public and private sectors should contribute to raise the required investment rate during the 6<sup>th</sup> Five Year Plan period. To create favourable investment environment and confidence among the investors the 6<sup>th</sup> five year plan has suggested some key areas for improvement. The areas are “(i) energy supply including electricity and gas; (ii) infrastructure including roads, railways, bridges, embankments and dykes; (iii) telecommunication; (iv) ports; (v) legal and administrative systems including property rights issues; (vi) socioeconomic environment including law and order situation; (vii) sound monetary policy and sustainable management of public finances”(GED, Planning Commission, 2011, Part-1, p. 81). Except the above mentioned areas, a peaceful investment-friendly political environment is necessary for the confidence of investors and for the acceleration of investment, employment and economic growth. All the political parties, stakeholders should come in consensus to create a peaceful investment-friendly political environment for the sake of employment and economic growth of the country. To come out from the problem of huge unemployment of the youth labour force, Bangladesh government, private entrepreneurs and other stakeholders should take initiative to create employment in the labour intensive sectors like furniture, toys, leather industry, and diversified agro processing industries in addition to the garments sector. The above analysis could be concluded as follows:

1. The share of unemployed youth and educated unemployed youth labour force has decreased marginally over the years ‘analysed’.
2. The incidence of poverty is high among the illiterate youths which create pressure on them to enter at any type of job.
3. Over the years the growth of the sectors of the economy of Bangladesh lagged behind to create required employment opportunity for the educated youths.
4. The higher rate of unemployment among the educated youths discourages them to enroll in the educational institutions as future job aspirants.
5. In addition to the garments sector, government and other stakeholders should take initiative to create labour intensive employment for the youths in diversified agro processing industries, furniture, toys and leather industry of the country.
6. All political parties and stakeholders should come in consensus to create a peaceful investment-friendly political environment for employment generation of the youth labour force and economic growth.

## Conclusions

Youth labour force and their status of employment have emerged as an important issue for Bangladesh. It is evident from the statistics of BBS that the total number of youth population, youth labour force, literate youth labour force, youth population as percentage of total population, and youth labour force as percentage of total labour force have increased over last 10.5 years. In an average, every year 6.10 lac youth labour force enters in the labour market of Bangladesh despite its declining fertility rates. It is a great challenge for the policy makers to create scope of employment for the new youth entrants.

Analysis shows that over the last 10.5 years (1999/2000-2010) literacy rates among the economically active youth males and females have increased. The absolute number of economically active youths in the no schooling category has also increased though their share has decreased over time. The growth of literacy among the economically active female youths over the years is 187.5%, which has been made possible with the provision of incentives delivered by the Government awarding stipends and other measures taken upto higher secondary level of education. At the same time a paradoxical situation is observed in the case of technical and vocational graduates. There is insufficient supply of technical and vocational education completers, and among them there are those who cannot get overseas employment and hence remain unemployed. This type of wastage of the skilled youths indicates lack of communication among different stakeholders.

It is observed that the growth of population in Bangladesh has declined (1.34% in 2011), and the ratio of working age population to total population has increased due to fertility reduction, which means that the economic dependency ratio is declining offering the country the opportunity to cash in on its demographic dividend. The participation of youth male labour force is now much higher than the youth female labour force. But in the rural areas female youth labour force participation rate is higher than youth female labour force in the urban areas.

Analysis of the changes in the industrial employment status of the youth labour force of Bangladesh shows that over the period under study agriculture remains the highest place for youth employment. Within the agriculture sector the male and the female youth labour force are dominating in growing cereal crops and livestock (including poultry) farming. The youth male labour force is coming out of agriculture steadily and is being employed in other sectors of the economy. Manufacturing is the second highest sector in terms of youth employment, which is followed by wholesale and retail trade. The share of employed youth male labour force in manufacturing, wholesale and retail trade, transport, storage, communication and services is higher than the female youth labour force. The

statistics provided by LFS, BGMEA and other sources and researchers create confusion about the employment of youth female labour force in the manufacturing, more concretely in the RMG sector of Bangladesh. A slow and steady structural change in the youth labour market of Bangladesh is going on in favour of the services sector in comparison to manufacturing bypassing Lewis's dual sector model, which means that "the Lewisian transformation of the economy remains elusive in Bangladesh"(Islam, 2009, p. 94).

Analysis of the status of employment of the YLF, both male and female, shows that self employment has declined over the years due to lack of minimum required assets such as cultivable and homestead land, schooling and skills, capital and credit, etc. Employee status provided a secure income inflow for which it has increased for both sexes. Unpaid family helper increased mainly for female YLF. Poverty or economic scarcity and some "push" and "pull" factors attracted the female YLF of Bangladesh to get employment in the RMG sector.

The analysis of the changes in the occupational status of employment of the YLF of Bangladesh reveals that over the years growth of employment of the YLF has taken place in every occupation except clerical and service workers. The higher growth of blue-collar occupations in comparison to white-collar occupations implies that the former contribute substantially to the production process with less management cost, which also indicates efficiency of the white-collar professionals.

It is observed that over the analysed years average yearly growth of youth employment exceeded the average growth of youth labour force, excluding the currently unemployed and underemployed youth labour force. That's why the share of unemployed youth has fallen to some extent. Due to high incidence of poverty among the illiterates, they accept any type of job but the higher rate of unemployment among the educated youths discourages the future job aspirants to enroll in the educational institutions. On the other hand, different sectors of the economy of Bangladesh failed to create necessary employment opportunity for the educated youths. In this regard there may exist gaps between the curriculum of the educated youths and the demand of the job market, which need to be investigated and improved. The national curriculum committee could invite policy makers, academicians, and job providers to eliminate the gaps. Apart from these, there are infrastructural, legal, socio-economic, political, and administrative constraints that hinder the investment climate as well as creation of employment opportunities for the youth labour force which need to be removed. To create an investment friendly and peaceful political climate all political parties, stakeholders should come in consensus, which would increase investment, provide employment to the youth labour force, decrease the incidence of poverty and promote economic growth of the country.

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