Technical note

Employment services and institutional capacities in Bangladesh

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A technical note on employment services and institutional capacities in Bangladesh

I. Introduction

Public employment services (PES) play a crucial role in the effective organisation of the labour market to realise the goal of full, productive, and freely chosen employment (ILO, 2018). Such services, amongst others, extend support to workers through providing updated labour market information, placement services, and active labour market policies in the form of skill enhancement training on different trades, public works, employment subsidies, promotion of self-employment and micro-enterprise opportunities, etc. to get to or return to jobs as quickly as possible. An effective PES should also facilitate the enforcement of legal provisions to protect the workers against any kind of malpractices and unfair means like layoffs and delays in receiving wages, benefits, or other allowances. Therefore, strengthening of PES is thus now recognised as essential for promoting unemployment protection measures and ensuring workers’ greater welfare.

Despite Bangladesh’s remarkable socio-economic progress over the past decades, labour market challenges such as persistent unemployment especially amongst the youth, low participation of women, overwhelming dependence on the informal sector for employment, virtually non-existent unemployment protection measures, etc. can disrupt the country’s future socio-economic transformations by obstructing human capital development processes and stalling productivity. With the already existing precarious labour market situation, the onslaught of COVID-19 has further wreaked havoc inflicting massive job losses and exposing the fault line in the country’s social protection system, which lacked support measures for unemployment.

The National Social Security Strategy, adopted in 2015, called for setting up a national social insurance scheme (NSIS), to provide, amongst others, unemployment benefits. However, for an effective unemployment insurance scheme, the role of employment services including active labour market policies cannot be overemphasised (Carter et al., 2013; Landry & Brimblecombe, 2021). In Bangladesh, the provision of PES is not clearly articulated in national development policies. There, however, exist numerous labour market interventions provided by several ministries and/or departments. There is no well-documented review or report bringing together all these programmes and assessing their effectiveness. Against this backdrop, this note attempts to review most prominent labour market programmes with a view to assessing the current state of public employment services in the country.

II. Labour market polices and public employment services

Public employment services (PES) execute many labour market policies to help workers enter the labour market, facilitate labour market adjustments, and cushion the impact of economic transitions. PES typically provide five major types of services namely, labour market information, active labour market policies (ALMPs) and employability improvement support, management of unemployment benefits, management of labour migration by coordinating the geographic mobility, and finally job
brokerage, job search support, and counselling and placement services (Figure 1). Moreover, it also manages various other labour market programmes, for instance, worker displacement assistance, retraining, public service employment etc. PES provide services to both jobseekers and enterprises.

Figure 1: Major types of public employment services

- **Labour market information**: Timely and regularly collected up-to-date labour market information is a prerequisite for formulating, revising, and implementing pragmatic labour market policies. Improving the labour market information system and its functioning is directly related to the promotion of employment opportunities. Both the jobseekers and employers are benefitted using the data for searching and matching purposes.

- **Active labour market policies (ALMPs)**: These comprise a group of policies aimed at increasing or improving the employment opportunities of unemployed or economically inactive persons to get or return to a job (Malo, 2018). The five main types of ALMPs in the context of developing countries are training, public works, employment subsidies, support for self-employment and micro-enterprise, and labour market services.

- **Management of unemployment benefits**: Unemployment benefits usually refer to cash benefits that are paid for a certain period of time to workers who have become involuntarily jobless (ILO, 2015). It plays a significant role in addressing income insecurity as well as supporting re-employment of the unemployed.

- **Management of labour migration**: The relevant policy measures here include public employment services tailored exclusively for the potential migrant workers in helping them obtain jobs.
overseas and in their skill upgradation to ensure labour market mobility. There can be several types of labour migration services namely, assistance to foreign workers already residing in the country; information and advice for the potential migrant workers helping them find jobs overseas; supporting skill upgradation of prospective migrant workers; assistance to returnee migrants; assistance to foreign employees looking for migrant workers; etc.

- **Job brokerage, job search support, counselling and placement services**: There are integral components of employment services that help improve the likelihood, efficiency, and quality of labour market matching by supporting both jobseekers and employers. These services ensure access to the latest labour market information and thereby bridging the gap between the supply and demand sides of the labour market. The services are offered either traditionally by public employment services and/or by private agencies as well.

### III. An overview of the existing public labour market programmes in Bangladesh

Various labour market programmes are being provided in Bangladesh. It is generally perceived that the Ministry of Labour and Employment (MoLE) is primarily and officially responsible for operating and monitoring labour market programmes and various employment services. However, in Bangladesh, multiple ministries, and departments along with the MoLE are involved in this process. As a result, programmes are often apparently being implemented in a fragmented and scattered way. Most of the programmes are related to imparting skills development training while employment services like unemployment benefits, job searching, placement services and counselling are non-existent in Bangladesh. A brief overview of the currently available labour market programmes is provided below:

- **Provision of labour market information system**

While labour related departments/ministries provide labour market information as evident from international experiences, such information in Bangladesh is sourced from the Bangladesh Bureau of Statistics (BBS), under the Ministry of Planning, through its periodical labour force surveys (LFS).¹ The LFS has several limitations including irregular surveys, unavailability of disaggregated micro-level data on a real time basis, inadequate or no information on job vacancy numbers, future job market projections, demand for labour by skill types, etc. There was an attempt to establish and implement a labour market information system (LMIS) using the state-of-the-art statistical methods and more frequent (quarterly) surveys. However, the initiative could not be sustained largely due to capacity constraints of the BBS.

- **Current status of ALMPs in Bangladesh**

The use of the concept of active labour market policies (ALMPs) in addressing labour market issues is relatively new in Bangladesh. The national Jobs Strategy and the 8th Five-Year Plan have referred to these policy instruments (MoLE, 2019; GED, 2020). However, any structured ALMPs to coherently deal

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¹ Some other government databases like Aspire to Innovate (a2i), Election Commission, Bureau of Education Information and Statistics (BANBEIS) etc. are useful sources to extract information on labour market.
with various labour market issues are yet to emerge. Several initiatives are currently in place mostly in a scattered way (Table 1).

Table 1: A summary of currently available ALMPs

<table>
<thead>
<tr>
<th>Elements of ALMPs</th>
<th>Description and objectives</th>
<th>Bangladesh situation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Training</strong></td>
<td>Provide workers with opportunities to acquire or improve on their skill portfolios</td>
<td>Provides a number of training, up-skilling, and re-skilling programmes through several public institutions including, among others, Department of Youth Development, Bureau of Manpower, Education and Training (BMET), Department of Labour, Ministry of Labour and Employment, National Skill Development Authority, Access to Information (a2i)*, Bangladesh Computer Council, etc.</td>
</tr>
<tr>
<td><strong>Public works</strong></td>
<td>Providing employment opportunities on public works projects</td>
<td>Public work programmes within the SSPs aim to address the seasonal job drought during the lean periods when agricultural activities are slow. The workfare options are mostly low-wage employment targeting the unskilled workers in labour-intensive projects such as construction and reconstruction of rural roads, pond excavation, repair or maintenance of rural infrastructure, waste disposal, etc.</td>
</tr>
<tr>
<td><strong>Employment subsidies</strong></td>
<td>Incentive to hiring or maintaining jobs by reducing labour costs</td>
<td>Currently no employment subsidies or employment retention programmes. However, the government provided TK 5,000 crore loan as salary support to export-oriented industries under the programme “Special funds for export-oriented industries”</td>
</tr>
<tr>
<td><strong>Self-employment and micro-enterprise creation</strong></td>
<td>To provide the necessary supports to start an economic activity, either as self-employed or through the development of new business opportunities</td>
<td>PKSF and a2i provide some support both in terms of skills development and financing</td>
</tr>
<tr>
<td><strong>Labour market services</strong></td>
<td>Interventions aimed to connect jobseekers and employers, through a range of activities such as counselling, labour market intermediation and job-search assistance.</td>
<td>There are some services for employee’s welfare. But, job matching, brokerage, counselling etc. are not part of public employment services in Bangladesh. BBS introduced the LMIS portal, with very few information. Later, it removed the portal from the public domain.</td>
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Source and note: Author’s compilation from various sources. * It has now been redefined as "Aspire to Innovate" with the programme moving under the ICT Division under the Ministry of Posts, Telecommunication, and Information Technology.

The Ministry of Labour and Employment (MoLE) and the Department of Labour (DoL) implement some employability improvement support services on a limited scale. MoLE is providing TVET facilities for different target groups with varying age groups and socio-economic backgrounds through public and private training institutes. It is also working to eliminate hazardous child labour. The Minimum Wages Board under the MoLE is in charge of determining the minimum wage for private sector workers once in every five years. MoLE also provides cash assistance to certain workers and their families. However, this support system is not comprehensive in nature and thus the selection of beneficiaries is always a challenge.

The main functions of the DoL are to facilitate effective labour management relations, collective bargaining and negotiations, and ensure settlement of labour disputes in the industrial sectors (ILO, 2020). It is also imparting TVET facilities and other short training programmes. However, the effectiveness of these trainings is not clear, and many argue that they often do not match with the skills demanded in the industry.
• General training (Technical and Vocational Education and Training-TVET) programmes

In total, some 24 ministries and 20 agencies provide various types of skills training and non-formal education programmes. There are also other private training institutes along with several NGOs that are either directly or indirectly involved in the TVET sector. Approximately, 500,000 students are enrolled in the formal TVET programmes. Private providers account for almost 95 per cent of all TVET institutions and around 75 per cent of all enrolments. However, this enrolment number is not adequate in a country like Bangladesh especially where the youth not in education, employment and training (NEET) is excessively high. Moreover, it is a matter of concern that the job placement rate is substantially low among the students who complete the TVET courses.

• ALMPs and employment services targeting (unemployed) youths

Currently, training facilities and credit service schemes are provided to the educated unemployed youth with an aim to create temporary career opportunities by the Department of Youth Development (DYD) under the Ministry of Youth and Sports. These training courses on various trades are offered by the 64 district offices and Upazila youth training centres across the country. The duration of these training programmes varies from 7 days to 6 months. So far, more than 55,000 youths received formal training (Ministry of Youth and Sports, 2020). However, one could argue that this number is very low compared to the number of youths trying to enter the labour market. Data limitations make it difficult to ascertain how many of the youths received training can secure employment. Along with the training programmes, the DYD has rolled out two credit service schemes namely self-employment programme (individual loan) to help recipients set up their own self-employment projects and family-based employment programme (group loan) to be involved in small business ventures. Under the Digital Skills for Decent Jobs for the Youth Initiative, 250,000 youths are aimed to equip with advanced digital skills through 2,500 government-owned Sheikh Russel Digital Labs. The a2i programmes are providing skills development training through apprenticeship and skills for employment programme on RMG for the unemployed youths. It has also developed a National Apprenticeship Management System to provide one-stop service for providing better services to youths.

• ALMPs and employment services targeting disadvantaged groups

Amongst various departments and/ministries, the a2i is offering a range of services with the objective of preparing the youths, especially from the disadvantaged population groups, for the job market under two major initiatives: Skills for Decent Employment (SDE) and Digital Skills for Decent Jobs. The main aim of these initiatives is to mainstream qwami madrasah (religious institutions) graduates in the job market.2 Under the Skill for Employment Investment Programme (SEIP), both male and female aged over 15 from ethnic minority and disadvantaged groups are also being provided with training. DoL has also established skill development activities targeting the Rangamati Hill Tracts tribal workers, who are regarded amongst the disadvantaged population groups.

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2 In Bangladesh, general education and qwami madrasah education follow two different straits of education systems. However, recently, the cabinet approved the draft of a bill designed to recognise the top qwami degree named ‘Dawra-e-Hadith’ as equivalent to master’s in Islamic studies and Arabic. It is expected that around 15 lakh qwami madrasah students will be brought under the mainstream education system as per the new law (The Daily Star, 2018).
• Management of unemployment benefits

Currently, there is no provision for providing unemployment benefits to the workers while there are discussions going on exploring the possibilities for setting up a national social insurance scheme to provide maternity, sickness, workplace injury and unemployment benefits.

During the COVID-19 pandemic, the Ministry of Labour and Employment, the Department of Labour, and the Department for the Inspection of Factories and Establishments (DIFE) worked to ensure timely payment of wages and allowances to the workers and to discourage layoffs. They also provided limited financial support to the workers of export-oriented readymade garment, leather goods, and footwear sectors. Therefore, the interventions remain highly selective.

• Management of labour migration

Bangladeshi migrant workers are mostly from the lower rung of skill distribution in comparison with its comparators such as India, Sri Lanka, and the Philippines. Only 12 per cent Bangladeshi migrants took some form of training prior to departure. The Bureau of Manpower Employment and Training (BMET) is responsible for facilitating and overseeing the training programmes for potential migrants. Currently, training programmes are provided in 45 major trades through some 40 technical training centres and other training facilities.

The Ministry of Expatriates’ Welfare and Overseas Employment (MEWOE) is the central authority for governing migration processes and ensuring welfare of the migrants through formulating polices, enacting laws, rules, regulation, and monitoring development programmes. The BMET and Bangladesh Overseas Employment and Services Limited (BOESL) work as the two most important government wings facilitating the overall recruitment processes. There is also an Inter-Ministerial Vigilance Task Force to monitor the migration process at various stages. There are more than 1,100 foreign labour recruiters working in Bangladesh under the BMET. Besides, the Wage Earners’ Welfare Board (WEWB) works to extend welfare services for migrant workers, deceased migrant workers and their families, sick migrant workers, etc. WEWB services include pre-departure briefing, financial assistance and grants, death compensation, scholarship for the children of migrant workers, legal assistance, awareness campaigning and welfare desk at the airport. Despite all this, cost of labour migration from Bangladesh remains amongst the highest across global economies and Bangladeshi migrant workers continue to flock into less-skilled employment categories.

• Job brokerage, job search support, counselling, and placement services

Assistance to jobseekers in their search for jobs and to employers in their search for the right jobseekers is unavailable in Bangladesh. This searching and matching process is popularly known as employment exchange. In a country like Bangladesh where the formal sector accounts for a small percentage of total employment, the effectiveness of employment exchange is rather limited. Moreover, career counselling and placement services are virtually non-existent. However, some private providers are attempting to provide such services on a limited scale through online portals. However, their services are disproportionately related to urban centred formal white-collar jobs.
• Employment through public workfare schemes

The workfare schemes comprise a significant component of social security programmes (SSPs) aiming to address the seasonal job drought during the lean periods when agricultural activities are slow. The workfare options are mostly low-wage employment targeting the unskilled workers in labour-intensive projects such as construction and reconstruction of rural roads, pond excavations, repair or maintenance of rural infrastructure, waste disposal, etc. The major workfare programmes are Test Relief, Food for Work, Work for Money, and Employment Generation Programme for the Poor. While the schemes are geared towards rural poor and vulnerable groups, there are no such schemes for the urban poor, many of whom are employed in the informal sector.

• Skill development initiatives within the social security programmes

Some of the social security programmes (SSPs) are also supposed to provide their participants with skill development opportunities. There are as many as 16 such skill development and training based SSPs. The objectives of these programmes are (i) to provide short term income support and (ii) to enhance the participants’ future employability in the job market as well as to help them with self-employment. The participants under these schemes are provided with training on income-generating activities like entrepreneurship skills, life skills, and various trade courses (e.g., jobs for ready-made garments and construction sectors). Some skill-based training programmes (i.e., beautification, block and batik, sewing and embroidery) are tailored specifically for the women. On the other hand, the National Services Programmes are programmes targeting the youth. Currently, it is not known to what extent these training programmes have been effective and/or if scaling up of these programmes would be helpful in tackling some of the labour market challenges.

• Provision of ALMPs in the national jobs strategy

The country’s first-ever national jobs strategy (draft) mentions ALMPs is one of the three broad pillars of employment creation strategy. The proposed major programmes related to ALMPs documented in this strategy include an entrepreneurship development programme for supporting self-employment, a programme for creating wage-employment for the unskilled, a national youth employment programme, a women’s employment programme, programmes to support career guidance, job search and job matching. It is not yet clear how the proposals will be implemented. Given that so many training programmes are already in place, it remains to be seen if some of the existing programmes will be scaled up as part of the strategy or new programmes will be devised. Programme management, monitoring and evaluating impact assessments are areas where not adequate attention is provided.

IV. Institutional capacity in implementing labour market programmes

Currently, the labour market programmes in Bangladesh are provided within a complex institutional landscape involving various ministries and departments. The effectiveness of the programmes greatly depends on the adequacy of institutional capacity within the implementing agencies. However, the concerned implementers often lack administrative capacity, financial resources, skilled manpower, and adequate institutional infrastructure or support mechanisms. Furthermore, lack of (or limited)
collaboration among the relevant ministries and/or departments and strategic thinking means opportunities for scaling up more effective programmes are not considered, and efforts are often duplicated. Thus, labour market programmes in Bangladesh result in less-than-optimal outcomes.

- Limited capacity and institutional facilities for the collection and dissemination of timely and need-based labour market information is one important issues worth highlighting.

- Lack of strategic consideration and coordination amongst different public and private agencies have generated rather fragmented and overlapping skill development, TVET, and other training programmes. Effectiveness of these training programmes is not clearly understood.

- Most of the training programmes’ quality is affected by partly due to the lack of trained teachers and instructors (almost 50% of the teaching positions are vacant particularly in public training institutes), inadequate provisioning of modern learning facilities, shortage of financial resources to maintain facilities, use of old-fashioned equipment, consumables and training materials, irregular updating of industry-driven training curriculum and manual, lack of managerial capacities among the providers etc. (World Bank, 2018a). Lack of a competency-based qualification framework is also responsible for the poor quality of training programmes. There also exists no effective monitoring system of the training programmes.

- Inadequate capacity of the judicial system coupled with weak institutional capacity of the MoLE results in laxed enforcement labour laws. Most industrial and labour disputes do not make it to the legal course and of the remaining few that do so have to face lengthy waiting period. Reports by national dailies suggest that there were at least 1,900 labour cases pending with seven labour courts across the country, while more than 900 cases were waiting for settlement for more than five years. Most of the cases are related to layoffs-related disputes, retrenchment, non-payment or delayed payment of wages and other benefits, compensation of workplace accidents and violation of trade union rights. Furthermore, lenient penalties and punitive actions also contribute to weak compliance. For instance, an employer can get carried away with only BDT 5,000 (less than $60) for non-compliance with the order of the labour court. Limited institutional facilities and a lack of human resources of the Department of Inspection for Factories and Establishments (DIFE) result in a weak monitoring mechanism to oversee the implementation of labour laws. Besides, there are a large number of factories and establishments are operating in the informal sectors where monitoring and application of the legal provisions are excessively challenging.

- Migration management has also been fraught with issues resulting in scrupulous recruitment processes through middlemen (dalals) charging migrant workers excessive fees and service charges making the cost of migration excessive (World Bank, 2018b). A significant amount of migration continues to take place through informal channels with serious concerns about worker’s safety and welfare.
  - Resource shortage (both human and financial) severely undermine the capacity of such government agency as the Ministry of Expatriates’ Welfare and Overseas Employment (MEWOE) to perform its key functions.
• Absence of a well-designed institutional framework means the ALMPs are currently being provided in a scattered manner and their adequacy and effectiveness are not being evaluated.

• There is also a lack of institutional capacity in offering job searching and matching facilities in the country.

V. Way forward for strengthening institutional capacity for implementing labour market programmes

Strengthening the protection measures for the workers is largely dependent on the strengthening of the existing labour market programmes through well-designed and well-functioning PES and ALMPs. Promoting institutional capacity holds the key for effective labour market policies and public employment services. Based on the discussions above, some ways forward are mentioned below.

• The significance of the PES needs to be comprehended better in Bangladesh and this should be adequately reflected in development strategies.

• The fragmented labour market programmes implemented by different ministries, departments, and private agencies need to be brought under a holistic institutional framework. Bolstering coordination among the implementing agencies must be ensured under that framework to scale up the most effective programmes, avoid duplications, and to ensure efficiencies of the programmes and realise the optimal outcomes.

• Strengthening the capacity of the relevant institutions to generate and disseminate labour market information on a regular basis is important and should be considered as a priority for informed decision making for labour market interventions as well as individual. This will require boosting up statistical infrastructure, providing adequate human and financial resources, and building trust among the respondents.

• The labour market needs assessment should be given due policy priority so that skill gaps are correctly identified to make the training programmes effective. The skill development training programmes should be adequately tailored for the appropriate target groups based on skills requirements for the emerging jobs.

• Effective measures should be undertaken to ensure the quality of the skills training programmes. The technical training institutes (TTCs) should recruit trained and experienced teachers in the vacant positions. Adequate financial resources should be mobilised towards the TTCs to procure state-of-the-art technologies and equipment for imparting training. Moreover, the TTCs in collaboration with the Ministry of Education can review and redesign their training curriculum and manual to cater for the needs of the industry. It is important to have a national skills qualification framework in the country to oversee the quality of the training programmes. Measures need to be taken so that all the public and private providers use the currently available ‘Skills Quality Assurance System’. Finally, the National Technical and Vocational Qualification Framework (NTVQF) needs to be fully operational.

• The legal framework to support the workers in the event of employment termination needs to be carefully reviewed and modernised to address the existing loopholes and provide the legal basis for strong enforcement. Ensuring more justified punitive measures against the
breach of labour laws and speedy dismissals of labour court cases are critical for a credible legal environment. Strengthening the capacity of the DIFE can also help improve compliance.

- A timely and market oriented ALMP framework needs to be in place to ensure efficiency in the labour market. Effective ALMPs can work as a catalyst to impart need-based skill development training.

- Introducing job search mechanisms accessible to all labour market participants to facilitate improved matching between prospective jobseekers and employers’ needs. The services can easily be provided through online portals. However, considering the significance of informal labour market and the limited online access opportunity, providing employment services through physical offices/job centres cannot be overemphasised.
References


