Trilateral Collaboration Between Educational Institutes, Employers and Policy Makers to Address the Skills Gap in Bangladesh

Mohammed Tahmid\(^1\)\(^*\)
\(^1\)Department of Chemical Engineering
Bangladesh University of Engineering and Technology (BUET), Dhaka
(*Corresponding Author: tahmidmohammed@yahoo.com)

ABSTRACT

In spite of the growth of many higher education institutes in Bangladesh over the last two decades, there exists a skills gap, which has resulted in a significant fraction of the educated workforce being unemployed. This paper aims at exploring the reasons behind this problem. Deficiencies in the education system, absence of soft and specialized skills among graduates, underestimation of the role of TVET, improper planning by policy makers and many more reasons have been presented as key contributors to skills gap. In the light of the findings presented in the study, an attempt has been made to outline the major implications for policy. Collaboration of higher education institutes, employers and policy makers has been suggested as the way forward. To name a few, pairing of industry with local institutes, analysis of demand and supply of skilled labor and a mechanism to address the gap between demand and supply have been discussed.

Keywords: tertiary education, skills gap, trilateral collaboration

1. Introduction

A recent survey conducted by the Bangladesh Bureau of Statistics (BBS) shows that the unemployment rate is 11.2% among people having tertiary education, while the overall unemployment rate is 4.2% [1]. The number of students pursuing higher degrees has increased over the years, so has unemployment rate among people having higher education. This is disheartening as the potential of a significant fraction of the educated labor force of the country is not being utilized while employers lament over the shortage of skilled labor. This clearly indicates existence of a skills gap as stated by Seventh Five Year Plan (7FYP), “As Bangladesh continues to industrialize and undergo structural change, it has been observed that the skill level of workers were not aligned with the stage of growth. Industries in the private sector consistently identify low skill levels amongst the labor force as a fundamental constraint to Bangladesh’s growth.” [2]

This article attempts to identify the reasons behind this skills gap and explore how better coordination as well as individual development of educational institutes, employers and policy makers can address this issue.

2. Higher Education in Bangladesh, Unemployment and Skills Gap

Tertiary education in Bangladesh has three distinct subsectors: (1) the university subsector, (2) the college subsector, and (3) the technical and vocational education and training (TVET) subsector. In 2015, 30.6% students were enrolled in the university subsector and 59.9% and 9.5% students were enrolled in the college and TVET subsector respectively [3].

The total number of students in tertiary education has gone up from 1.60 million in 2010 to 2.84 million in 2015. The number of tertiary education institutions grew by over 60 percent over the same period [3]. However, the increasing number of educated youth seem to be unable to secure a job as reflected by the increase in unemployment rate from 10.2% in 2017 to 11.2 % in 2018 among higher educated people [1]. Surprisingly, a survey conducted by the Ministry of Finance of the Government of Bangladesh has revealed that many of the major economic subsectors
of the country (e.g. RMG, IT, leather goods and footwear, construction) are suffering from a shortage of skilled labor [2] as reflected in Table 1. This undoubtedly implicates a skill gap, i.e. a mismatch between the skills required on the job and the actual skills possessed by the employees.

Table 1: Estimates of labor demand and labor shortage in the coming years in the shipbuilding and construction industry

<table>
<thead>
<tr>
<th>Year</th>
<th>Demand for skilled labor (thousands)</th>
<th>Shortage of skilled labor (thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Shipbuilding</td>
<td>Construction</td>
</tr>
<tr>
<td>2016</td>
<td>25</td>
<td>500</td>
</tr>
<tr>
<td>2018</td>
<td>28</td>
<td>600</td>
</tr>
<tr>
<td>2020</td>
<td>30</td>
<td>800</td>
</tr>
<tr>
<td>2022</td>
<td>33</td>
<td>1000</td>
</tr>
</tbody>
</table>

3. An Insight into the Reasons Behind the Skills Gap

The mismatch between the skills possessed by the employees and that expected by the employers can be attributed to several factors, each of which is discussed below:

3.1. Deficiencies in Educational Institutes and absence of connection between the world of education and the world of work

The number of universities and university enrolment has increased over the years, but has the quality of education improved? Many public universities do not review their curriculum on a regular basis which is essential in this era of ever-evolving technology. Performance is primarily judged based on a final exam, instead of encouraging presentations, case studies and other types of analytical assignments [4]. The last two decades has seen the growth of many private universities, a large fraction of which is providing very low quality education [4]. Accreditation bodies do not have a strong framework to monitor the activities of these universities. TVET institutions suffer from poor quality, inefficiency, and a lack of resources [5]. The Bangladesh Technical Education Board’s (BTEB) capacity is very limited in terms of technical competence and has almost no linkage with industries. Thus, they remain ignorant regarding the skills that industries look for in job aspirants [6]. In many cases, professors and lecturers do not have any real work experience when teaching job-oriented degrees [4]. This has led to skills that have limited real-world application.

3.2. Absence of specialized skills and soft skills among job applicants

Despite more university graduates, employers are struggling to find workers who possess both specialized technical skills as well as soft skills such as English language proficiency, computer, communication and problem-solving abilities [4]. Employers believe that people with a solid command of soft skills can analyze critically, solve problems, work as a team, give critical feedback, motivate fellow employees and set an example for the rest of the workforce [7].

3.3. Underestimation of the importance of TVET

Vocational education has proven to be one of the crucial elements in enhancing economic productivity. Unfortunately, in Bangladesh, there has been a deep-rooted pessimism about the usefulness of TVET. Technical education is considered by many socially less acceptable than the general stream. As a result, enrolment in the vocational institutes has been less than the capacity [2]. However, the unemployment rate among the labor force with technical training is significantly less than those with a university/college degree and also decreased from 6.99% in 2005 to 1.2% in 2010 [2]. In spite of this positive side of technical education, enrolment in TVET remains low in Bangladesh as discussed in Section 2. TVET enrolment in 2011 was 4% of the age group of the population which is significantly low compared to 41% in Indonesia, 43% in Malaysia and 43% in Australia [6]. These institutions are underfunded, with

---

1 Adapted from BIDS Study Report 2017 (http://bidslink.bids.org.bd/bidsorgbd/completed_research/LABOUR_MARKET_AND_SKILL_GAP.pdf)
public spending amounting to less than 5% of the education budget [8], resulting in poor quality of education.

3.4. More generalists and fewer specialized graduates

In 2011, about 6 lac and 10 lac students were enrolled in Humanities and Business subjects respectively compared to about 2.5 lac in science [4]. With high enrolment in business and social science programmes, a large number of students are graduating without specific technical skills. A survey conducted by IIEP Bangladesh study reveals that 66.7% of humanities graduates believe that their training was moderately/not at all useful in getting a job [9]. This implies that employers will have to invest additional time and effort training graduates for desired tasks.

3.5. Lack of planning of policy makers

Policymakers are often not actively looking at how many tertiary-level graduates in various degree programmes are needed for the labor market. Bangladesh is the second largest garment exporting country but not much emphasis is being put on textile education. The same goes for leather, another key industry [4].

4. Bridging the Skills Gap: Trilateral Collaboration between Educational Institutes, Employers and Policy Makers

Improvement in quality of education, better training by employers and proper planning and research by policy makers can help reduce the skills gap, but what’s more important is greater connectivity between these three sectors. How this is to be achieved is discussed below. Figure 1 pictorially depicts the proposed idea.

4.1. Collaboration between educational institutes and employers

Educational institutes and employers need to collaborate to identify the skills needed and thus train the labor force accordingly. This can be achieved by partnership of industry with local institutions in order to provide structured internship programmes. This will enable the students to gain first-hand practical experience and thus acquire the skills required at work. This partnership will also mean that many of the interns will be readily recruited by the employers. JMS Holdings Limited, a Chittagong based garment manufacturer has achieved exemplary success by providing internship to female students engaged in the four-year diploma program in textile engineering at the Chittagong Mohila Polytechnic Institute (CMPI). If such partnerships exist all over the country, the worlds of education and work are sure to merge.

4.2. Dialogue between policy makers and employers

Policy makers need to have constant dialogue with industry to make an assessment of the demand for skilled labor in different subsectors of the economy (IT, construction, RMG etc.). This will need a specialized government agency, which shall hold data on demand for various levels of skills by sector. This will help identify the growing sectors/sectors which have potential for growth (such as IT, Agro-food processing, Tourism and hospitality, etc., as outlined in the Perspective Plan of Bangladesh: 2010-2021) and thus project the structure of the labor force needed in the future.
4.3. Policy making and education: Minimizing the gap between demand and supply of skilled workforce

As discussed earlier, dialogue with employers can help policy makers assess the demand for skilled labor. The next thing to do is to determine the supply of skilled/trained graduates from different educational institutes. This will enable the policy makers identify the gap between the demand of skilled workforce from the industries and supply of trained graduates for employment by the educational institutes. If such analysis is done, policy makers can accordingly establish new educational institutes and introduce new programmes/curb number of seats in non-technical programmes in existing institutes in order to close the gap between demand and supply.

Policy making must also take into account the need for specialized technical workforce in the rapidly developing economy and thus establish more TVET institutions and increase funding in this sector. Stronger accreditation framework is needed to monitor the activities of all institutes. Private universities need constant monitoring, so they don’t compromise the quality of education for profit and public universities must encourage modern teaching methods and innovative curriculum. The importance of soft skills had been emphasized in the previous section. The University Grants Commission and other responsible authorities should encourage institutes to introduce courses on communication, creative thinking, problem-solving etc. in order to improve the soft skills of the graduates.

5. Conclusion

This paper identified skills gap as an obstacle to the growth of the Bangladesh economy and explored the reasons that have led to this issue. Deficiencies in the education system, absence of soft and specialized skills among graduates, underestimation of the role of TVET, improper planning by policy makers and many more reasons have been presented as key contributors to skills gap. Active cooperation between higher education institutes, employers and policy makers have been suggested as the way forward. How this is to be achieved has been elucidated in the previous section. Pairing of industry with local institutes, analysis of demand and supply of skilled labor and a mechanism to address the gap between demand and supply has been discussed. If the recommendations presented in this paper are implemented, even if on a pilot basis to begin with, Bangladesh is sure to enjoy a more productive workforce and thus diminished skills gap in the near future.

References