

REAPING THE DEMOGRAPHIC DIVIDEND: SKILLS AS THE NEW GLOBAL COMMODITY WHAT PRICE FOR SKILLS?

South Asian Policy Dialogue
THE QUEST FOR EXCELLENCE
The Skills Revolution in the UK and South Asia



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BANGLADESH





WORKFORCE

EMPLOYERS

GOVERNMENT

TRAINERS

NGO/
DEVELOPMENT
PARTNERS



BANGLADESH: VISION 2021

- **SKILLS VISION 2016 (midterm):
NATIONAL POLICY TVET SYSTEM**
- **ACHIEVE MIDDLE-INCOME COUNTRY
STATUS: 2021**
- **CREATE 20M NEW JOBS**



VISION 2021:

The 21st Century Bangladesh Workforce Profile

- TVET, HIGHLY-SKILLED, KNOWLEDGE-BASED, WORLD-CLASS WORKFORCE
- COMPETENCY-BASED, ENGLISH-PROFICIENT, ENTREPRENEURIAL, IT & TECHNOLOGY-ORIENTED
- EMPLOYABLE TECHNICAL & SOFT MULTI-SKILLS
- COMPETITIVE & GROWTH SECTOR READY -
Shipbuilding / RMG / Agro-Food / Tourism/ IT / Jute
- TECHNOLOGY UPGRADABLE,
LEARNING-BASED, ADAPTABLE COMPETENCIES
- INNOVATION-DRIVEN
- GLOBALLY COST-COMPETITIVE



BANGLADESH'S DEMOGRAPHIC DIVIDEND

- 50% youth and young adults are illiterate & low/semi skilled

(This cohort (14-45) consists of the most 'productive' group in the population)

- 2 million people join the labour force each year

8 million + overseas employees and increasing

Need for about 16 million jobs until 2015, around 2 million overseas



Unemployed 4.1 million
20.3% under-employed

Bangladesh's WORKFORCE

- 56.7m Labor Force (total 160m) BBS, '10
- ~2m youth enter yearly Swiss contact
- 2.6m unemployed BBS, '10

■ SYSTEMIC SKILL GAPS

- Quantitative & Qualitative Skill Mismatch
- Skills Supply \neq Demand -GOB, Trainers
- **'Unemployable Skills' Trap**
- OECD 2012 BETTER SKILLS, BETTER JOBS, BETTER LIVES REPORT



THE NEED FOR DECENTRALIZATION OF SKILLS DEVELOPMENT

INFORMAL VS. FORMAL ECONOMY

- 88% Informal Workforce: **~50m**

92% rural : 8% urban

ADB Report'09

- 12% Formal Workforce: **~7m**

ADB Report'09

- GDP contribution to economy:

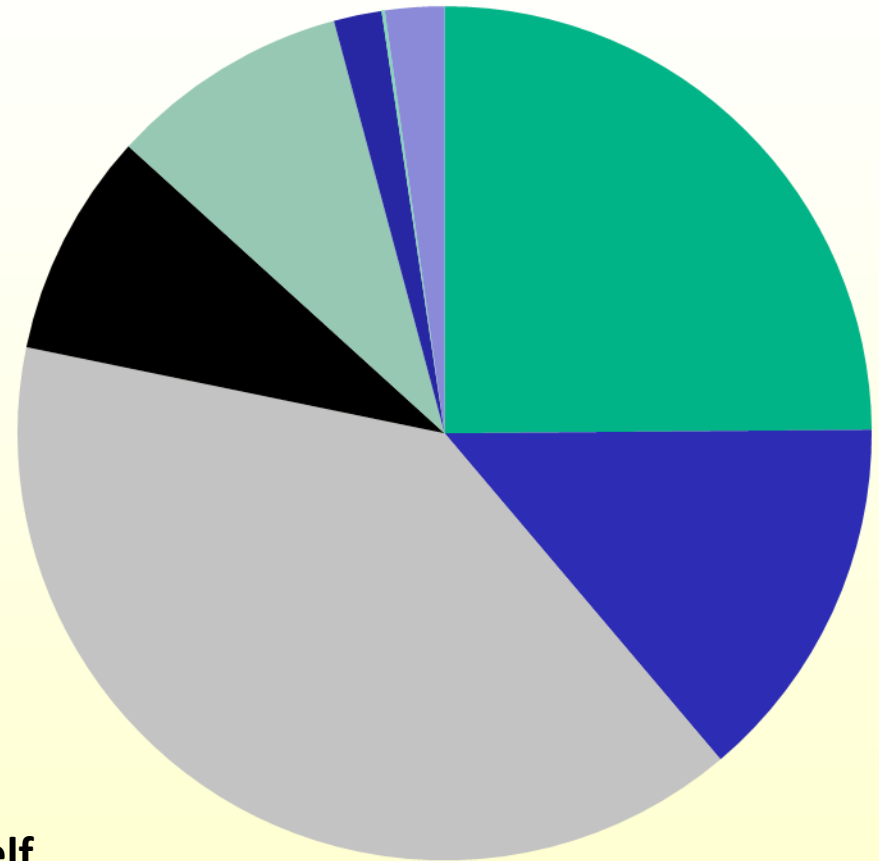
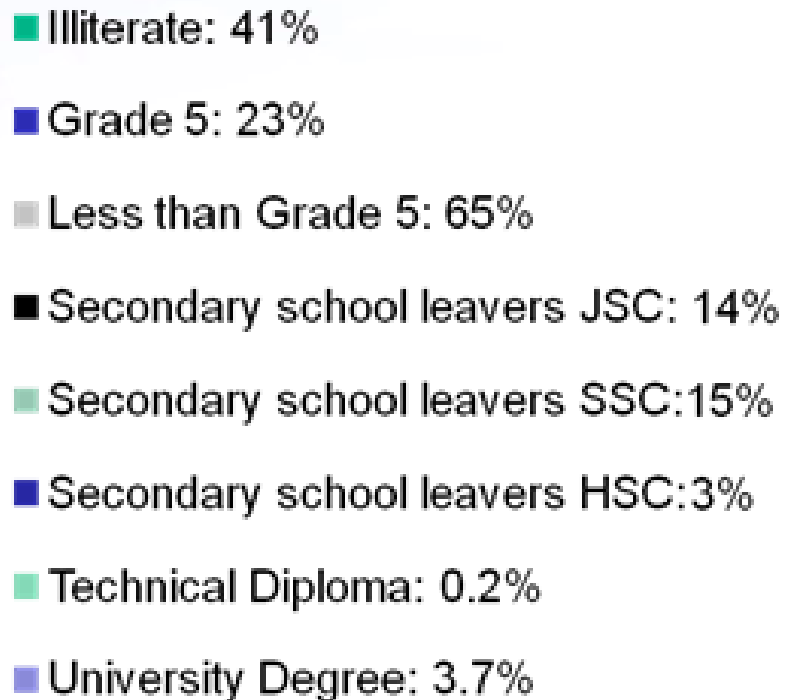
- 65% Informal

- 35% Formal

Swisscontact



BANGLADESH: EDUCATION LEVELS OF WORKERS



9.7 million day laborers and 8.9 million self employed workers are illiterate, characterizing the labour force as largely illiterate and informal.

Sector skilled workforce shortages

■ Rmg: 900,000 workers 2009, GIZ

- 200k workers needed yrly
- 20% workforce unskilled
- 40% growth/yr
- US\$20B (McKinsey Study – US\$60B)

■ Shipbuilding: 100K workers

- 40k welders in next 2 yrs

■ Leather: 60,000 WORKERS (42K – Youngone;

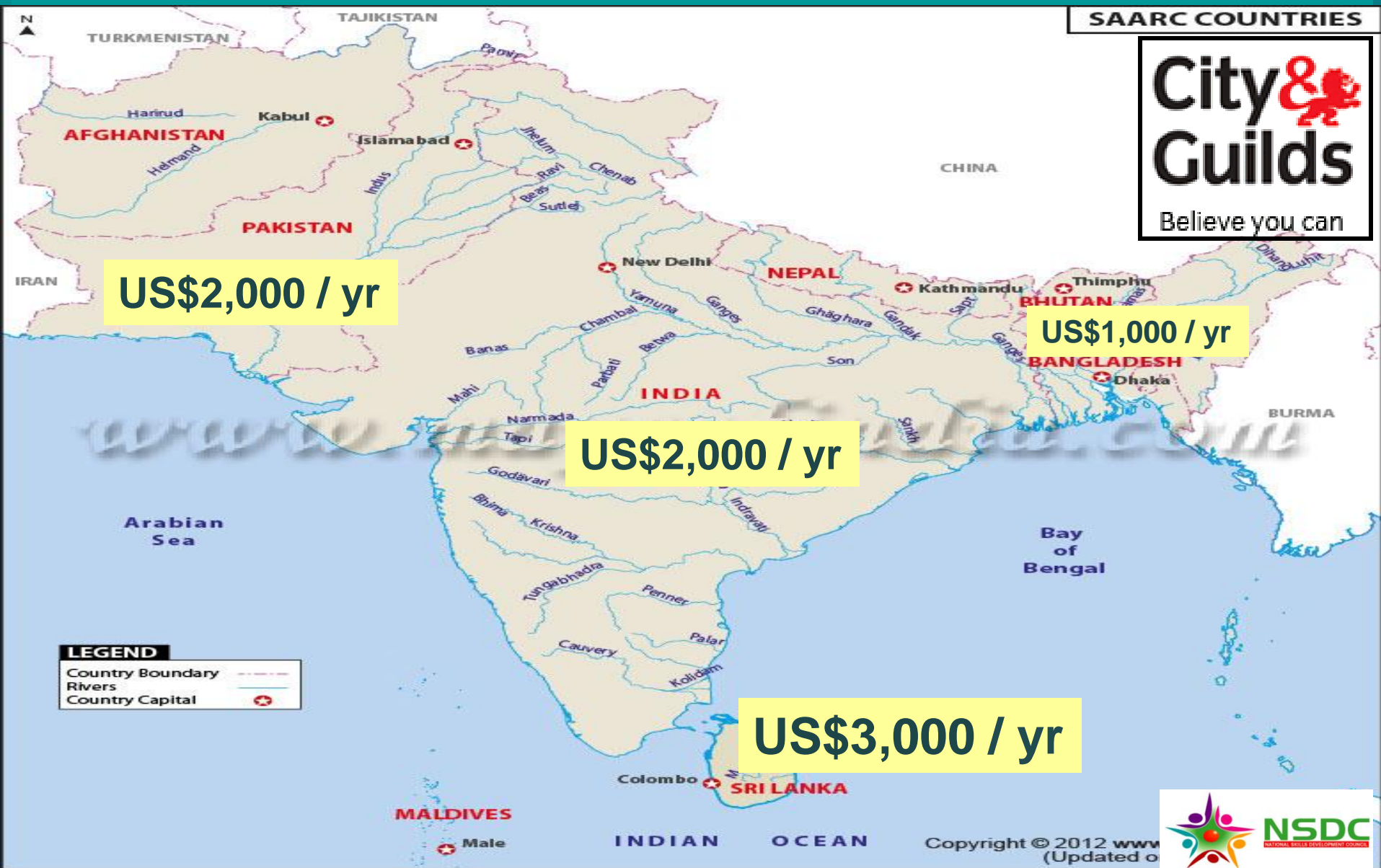
20K – China)



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MIGRANT WORKERS per capita income



Bangladesh skills development strategy

■ NATIONAL SKILLS DEVELOPMENT POLICY

•NTVQF QUALIFICATIONS

•COMPETENCY BASED TRAINING

- INDUSTRY DEMANDS & STANDARDS

•SKILLS QUALITY ASSURANCE

•EMPLOYABILITY & INCOME GENERATION

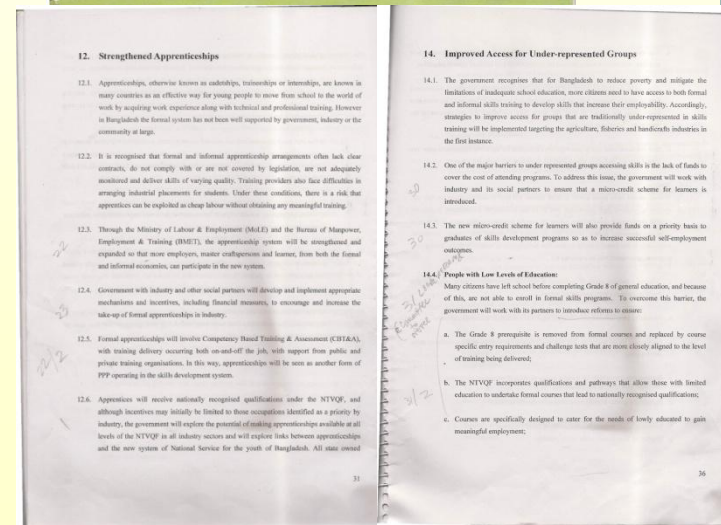
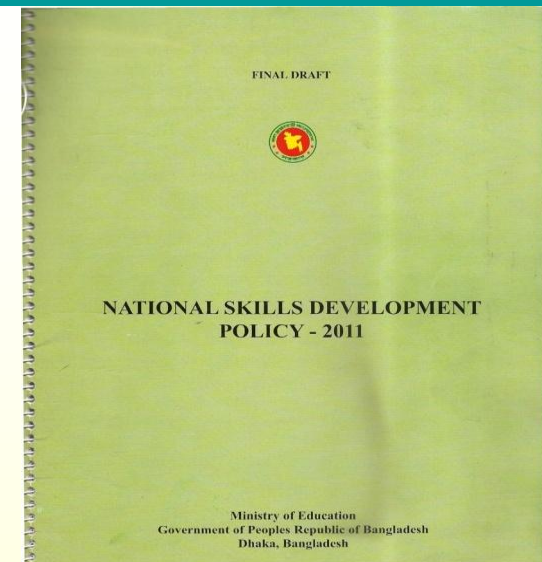
•PUBLIC-PRIVATE S.M.A.R.T. PARTNERSHIPS

(Specific-Measurable-Achievable-Realistic-Time-Bound)

➤GOB – SKILLS FACILITATOR

➤INDUSTRY – SKILLS DEMAND-DRIVER

➤NSDC – PPP apex body to oversee and coordinate all Skills Development activities and policies



SKILLS DEVELOPMENT

- ECNSDC must coordinate all DP projects holistically to avoid duplication and ensure integration
 - All DPs To Coordinate Projects On Sector-wide Approach (SWAP) To Avoid Duplication (CIDA Funded Ilo Project To Establish SWAP Through ECNSDC)
- DP Projects to be selected from and aligned with NSD Policy & NSDC Action Plan
- DP Project Design Documents must include:
 - Private Sector/Employer engagement in DP project planning to ensure employment outcomes
 - Other DP projects coordination
- Industry needs to take ownership of Skills Development to ensure success



ACTIONS FOR IMPLEMENTING National POLICY: invest in SOFT INFRASTRUCTURE & models

TTCs / TSCs HOLISTIC PILOTING:

DEVELOP MODEL SKILLS TRAINING INSTITUTES FOR EMPLOYMENT - 'Garage Start-up phase'

- INSTITUTIONAL MANAGEMENT – Industry representation by Sector Associations/Chambers
 - INDUSTRY-DEMAND SKILLS CURRICULUM & TEACHERS
 - COMPETENCY BASED TRAINING (CBT)
 - QUALITY ASSURANCE
 - INDUSTRY CERTIFIED INSTRUCTORS
-
- TRIALS, UPGRADATION, FEEDBACK, IMPROVEMENT
 - ORGANIC REPLICATION OF SUCCESSFUL MODELS -
PHASE-WISE – from Division to District-level



actions for implementing national policy: getting industry demand-driven

▪GOB TO INCENTIVIZE INDUSTRY / ISCs EMPLOYERS WITH DONOR SUPPORT

- Job sectors Need assessment – Domestic & Global
- Informal/Formal Apprenticeships (cost-sharing, tax incentives)
- People with Disabilities (tax incentives, networking)
- TVET Equipment (cost-sharing, tax incentives)
- ISC Industry participation & expansion (ISC uniformity)
- ISC regional networking/JVs with other ISCs (Malaysia, Sing'pore, Aus



▪WORK WITH MATURE ISCs (Industry Skills Councils)

- Leather/Transport/RMG/Tourism/Agro-Food/IT
- Develop appropriate modalities to engage with other ISCs
- Establish new ISCs

actions for implementing national policy: UTILIZE EXISTING INFRASTRUCTURE ONLY

- GOB TO LEASE TTCs/TSCs with GOB/Donor funding
 - Trade Associations & Chambers
 - Best-practice TVET Institutions — UCEP / MAWTS
- PILOT TO REPLICATE MODELS at TTCs/TSCs
- **DEVELOP PERFORMANCE –BASED TARGETS & INCENTIVES FOR GOB & PRIVATE TRAINERS**
- **NO NEW HARD INFRASTRUCTURE-** only Soft Infrastructure



actions for implementing national policy: Development partner Technical assistance

▪ **GOB & DP MIGRANT WORKERS' TECHNICAL ASSISTANCE** (TESDA model)



▪ **BILATERAL TRAINING INSTITUTES for OVERSEAS EMPLOYMENT** (ex. BD-Korea TTC : MALAYSIA / KOREA / UAE / - Job Placem't)



▪ **BILATERAL TECHNICAL ASSISTANCE FOR TTCs/TSCs COMPONENT EXPERTISE** (TOT, CBT, QA, M & E : JICA – ASEAN/KL)



actions for implementing national policy

- Skills Development must be a National Priority to realize the Demographic Dividend
- Domestic & Migrant Workforce Quality Assurance meets national and global skill demands
- Enactment of National Skills Development Act (2013)
- **NATIONAL HRD FUND** (1% of remittance by MOF)
 - Malaysian/Singapore Models – TA
 - Donor matching Funds
 - Industry Levy / Training cost Reimbursement
 - Grants to seed Private Sector TI – WMSI/COEL/IT
- **BIM – Convert into PPP Centres Of Excellence :**
 - European B-School Linkages, replicate China Model



towards **“SKILLED BANGLADESH”**

TO ACHIEVE MIDDLE INCOME COUNTRY STATUS BY 2016

Thank you

