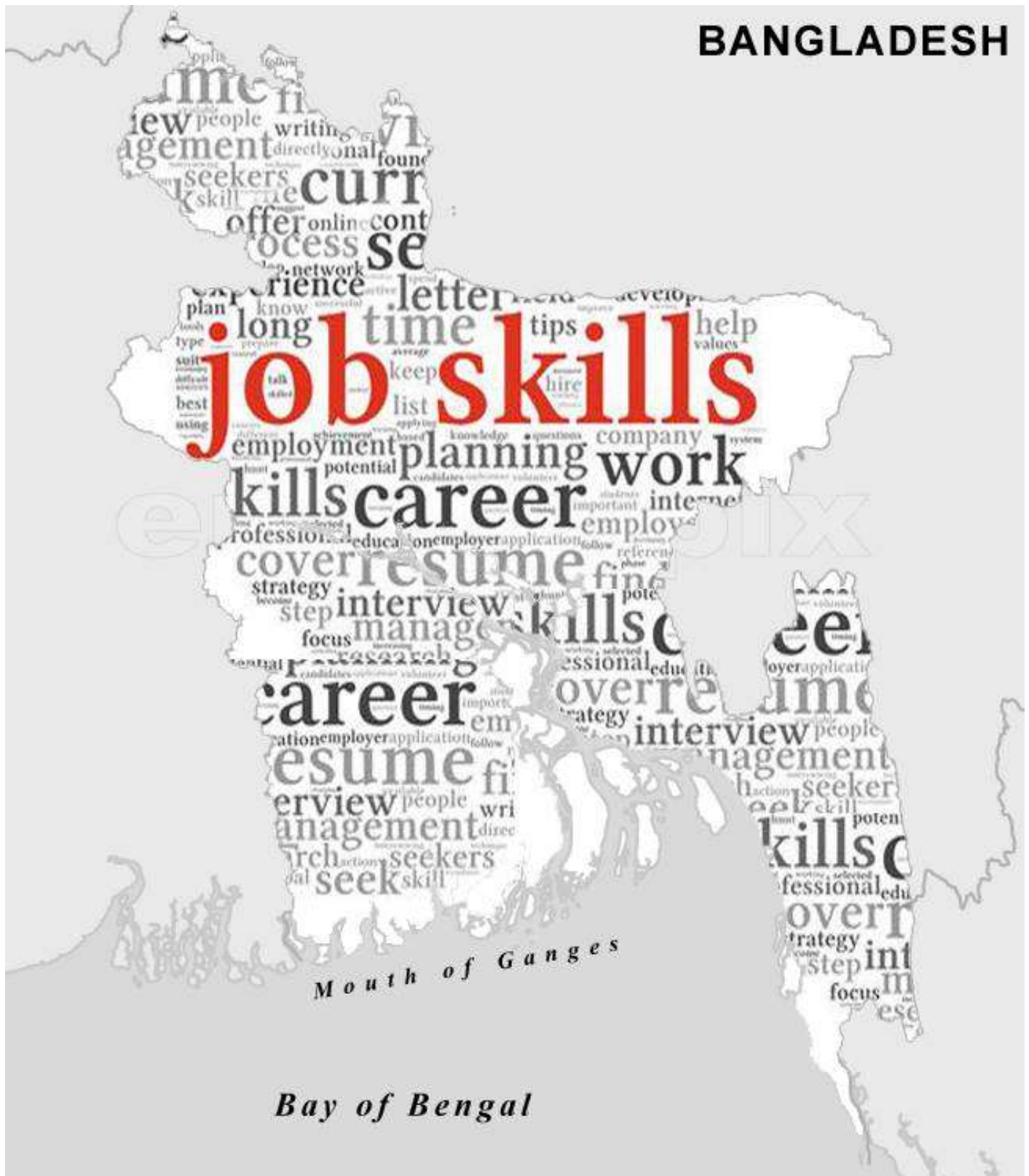


Employment Generating Sector and Skill Development Program for Urban Poor



Report on identifying employment-generating sector of Bangladesh based on Secondary Data Research

Prepared for:

Urban Partnership for Poverty Reduction (UPPR)

UNDP

Prepared by:

Asif Uddin Ahmed

National Consultant

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1. Background:

Reducing poverty remains a formidable challenge for Bangladesh. Although economic growth has improved in recent years, the better economic performance has not translated into satisfactory poverty reduction.

Recognizing this disjuncture between the country's record on economic growth and progress in poverty reduction, current policies emphasize that strong economic growth alone is not adequate for sustained poverty reduction in Bangladesh. For successful poverty reduction, the strategies must also ensure that the poor can get increasingly higher share of the benefits of growth.

In Bangladesh, almost all households depend on employment as their primary source of income. This is especially true for the poor households since the only abundant productive resource that the poor have is their own labor.

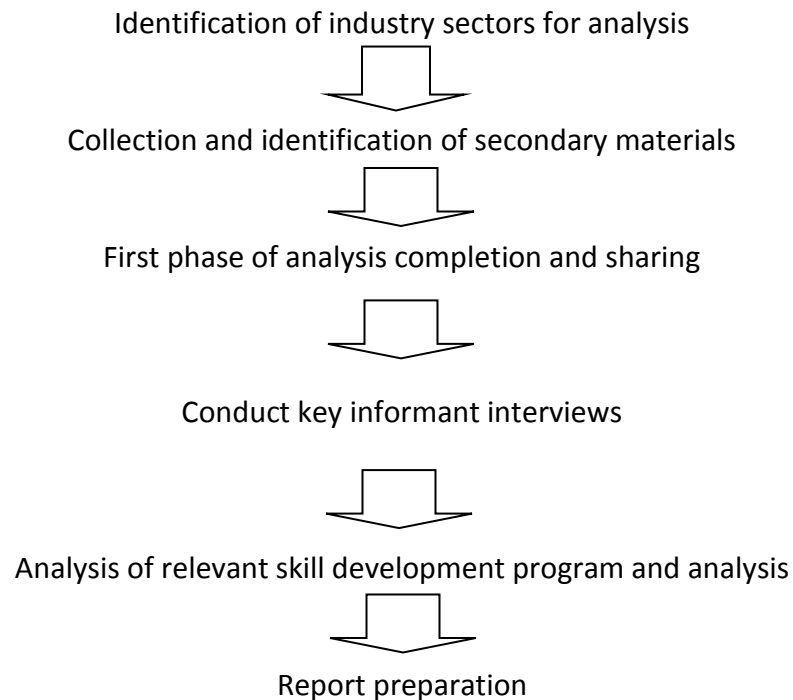
Increasing employment opportunities and raising the returns to labor is therefore the most viable option to reduce poverty and meet the country's human development goals. In this context, one important issue is to recognize that simply having access to employment is not enough to lift the poor households out of poverty. For reducing poverty, both quantity and quality of employment need emphasis for which economic growth alone is not adequate. This requires an employment-centered strategy to growth in which employment opportunities would expand for the poor along with returns adequate to raise the households out of poverty.

Rapid and sustained poverty reduction in Bangladesh thus calls for integrating three elements within the growth policy framework: *first*, sustained economic growth at reasonably high rates; *second*, expansion of productive and remunerative employment opportunities; and *third*, expanding the access to jobs for the poor. The government's development strategy recognizes the need to orient growth policies toward creating decent employment opportunities for which several options given emphasis on, such as adopting policies for making growth more employment-friendly, increasing overseas migration of workers, and undertaking special employment creation programs through micro credit and employment based safety nets and public works programs.

Based on the above note, The National Consultant has been tasked by Urban Partnership Poverty Reduction (UPPR) program of UNDP to identify potential sector for employment for urban poor, find progressive private sector companies from the identified sectors and develop modality of partnership among Private Sector, Development Projects, local government and community.

This report is an essential part of the final report strategy the compilations of the field report (KII and FGD) is put under a spider matrix and narrow the secondary identification to lesser sectors in terms of labor intensively and pro-poor strategy.

2. Methodology:



The first phase of the report involved identifying the seven Industry sectors with the maximum potential to create quality jobs in adequate quantity for significant skill development of the country's workforce. To identify these sectors, a preliminary evaluation of the overall economy was necessary. The sector identification process involved looking at the economy from a broad perspective with reference to all employment-generating sectors that prioritize labor intensive strategy in the economy. The information sources for identification were a list of secondary sources like websites and reference reports of donor value chain projects and also national information sources like Board of Investment, Bangladesh Bureau of Statistics, etc. The sectors with positive indicators were selected for the primary and secondary research which were then subject to further analysis and evaluation. The chosen industrial sectors with prospects were:

- 1) Agro & Processed Food Industry
- 2) Textile & Apparel Industry
- 3) Leather & Leather Goods Industry
- 4) Light Engineering Industry
- 5) Jute Products Industry
- 6) Ship Building Industry
- 7) Construction Industry

The second phase involved identification and collection of secondary data for analysis of each sector. The secondary sources also included national information sources, reports and references from national and international donor projects. In addition to this, more sector-specific websites, reports, journals and publications were reviewed and consulted. The objective was to obtain as much intra-sectoral information as possible to enable relevant analysis of each sector. The analyses of the seven (7) sectors were based on some key criteria which are: size and growth trends in the industry; demand and supply of labor; occupation and competencies required and training opportunities. Identification and collection of data were done in context of these criteria.

The Primary research phase of the report involved Key Informant Interviews (KII) and focused group discussions. The first task in this process was the selection of KIIs through secondary research and personal networks. A list of 7 most suitable interviewees from each sector were selected and shared with UPPR management which is included in the Annexure. The next step involved construction of the KII questions which would provide relevant information for strategy formulation. The questions include mainly sector-specific questions as well as some general questions about overall economic conditions. The questions were designed keeping in mind the areas of focus of the study which were essentially the size and growth trends, availability of labor, labor competencies required, training opportunities and scope of intervention of UPPR. Although the questionnaires were structured, the discussions were kept open within the framework to identify issues within current skill development programs and to enable future recommendations for UPPR. The Q&A sessions provided valuable insight into the industry based on practical understanding of the industry dynamics and accumulated experience of the interviewees.

The next phase in the process involved validation of the findings of secondary research and development of a list of four sectors for UPPR to focus on. This was achieved through evaluation of primary research data and a process of threshold scoring and spider test. The information from the key informant interviews and focused groups were analyzed and the inter-sector results were cross referenced to enable the scoring system and construction of the spider diagram.

In the next section of the report the current landscape of skill development programs of the country were assessed where the current issues facing the workforce were addressed. This section also includes an overview of all the partner funded vocational skill development programs currently in operation. The next section looks at the mission and functions of UPPR and discusses its scope of operation with regards to skill development programs.

In the strategy section of the report some important cross-cutting issues were addressed. The proceeding section discusses recommendations to improve the quality, relevance, sustainability, monitoring and evaluation of training provided in UPPR supported initiatives. In addition to the specific strategies recommended for UPPR for improved training and skill development, a more broad set of suggestions for Bangladesh as a whole in terms of skill development is also included in the section. Finally the report explains how these strategies can

help private and public sectors to work together for creating high skill workforce and can open more employment opportunities in the economy.

3. Findings of Seven Sectors:

3.1 Agro and Food Processing Industry

Agro-processing industry is, as always, an important industry in Bangladesh. The industry plays an important role in contributing to the country's GDP through employment generation, increase in incomes of primary producers, prevention of post-harvest losses and value addition to most primary products. Not only does the country have a huge supply of raw materials for this industry, it is the traditional employment-generating sector for men and women. At the national level, the highest 47.3% of employment was absorbed by agriculture, forestry, and fishery industry – in rural areas the employment rate is higher (54.2%) than in urban area (23.9%)¹.

Besides being an important source of income for rural area, the industry is also suitable for urban area. Bangladesh has the basic attributes for successful agro-based industries; namely, rich alluvial soil, a year-round frost-free environment, an adequate water supply and an abundance of cheap labor. Increased cultivation of vegetables, spices and tropical fruits now grown in Bangladesh could supply raw materials to local agro-processing industries for both domestic and export markets. Fruits and vegetable production has also increased significantly in recent years.

3.1.1 Size of the Industry & Growth Trends:

There has been a growing trend in Bangladesh where the country's GDP share is experiencing a decline in agriculture and an increase in manufacturing and services industries as a result of export oriented industrialization. If we compare the GDP shares we can find that, in 1974 they were 59.26% in agriculture, 7.19% in manufacturing and 33.44% in service sector, while in 2008, the GDP shares in agriculture sector shrank to 20.87% and increased in industry to 17.77% and also increased in service sector to 61.36%². In this scenario, agro-processing industries are playing a vital linkage between

¹ Bangladesh Labor Force Survey, 2010

²Tanvir Mahmud Bin Hossain and Eleni Papadopoulou, Competitive capacity and export potential of agro-processing industries under the trade liberalization regime of Bangladesh, 2010

agriculture and industry. These industries are gradually getting the attention of policy makers and investors who recognize the potential to boost the economy through more agro-based industrialization. The food processing sector accounts for 2% of GDP of the Bangladesh economy. In the period 1996-2007, the production growth rate of agro-based industry was 5%. The average annual growth rate for export of all food products was 10% and imports 15% in the period 1991-2007.

The production of local food is particularly well suited for small-scale production for reasons such as small capital requirement, ready availability of raw materials, simple technology and its adaptability and accessibility to local market, and high return. As a result the number of agro processed manufacturers has increased steadily over the years. The vast majority of the agro processing firms in the country are very small, with fewer than 50 workers. Currently, there are only about 246 medium-sized food processing firms and 184 large firms (firms with 100 workers)³. Food processing firms accounts for 19 per cent of employment in the manufacturing industries and about 8 per cent of the total employment in the manufacturing firms. Rural areas generate roughly 70 per cent of the jobs related to food processing⁴. Rice mills account for the largest share of employment in the industry, generating about 40 per cent of the employment. Manufacture of bakery products account for 14 per cent, and tea and coffee processing accounts for 19 per cent of total employment⁵. Processing of high value products remains quite limited.

Although the agro processing industry is small in Bangladesh compared to other Asian countries, it has been growing at almost 8 per cent per year, comparable to growth rates in India (7.8 percent) and China (9.4 percent). Bangladesh is now exporting agro processed products, after meeting the local need. Since its inception in 1994, Bangladesh Agro Processors Association (BAPA) has been functioning actively in organizational and promotional work aimed at finding channels or creating new opportunities for increasing export of non-traditional agro products. This being a relatively new industry, exports at the early years was not worth-mentioning. However, exports soon gained momentum; both the number of items of exportable processed foods and the countries exported to has increased. Despite unfavorable economic conditions in the west, the industry has enjoyed a robust 15% growth rate in the last five years⁶. According to BAPA data, in 2009 -2010 the

³ Structure, Performance and Action Plans for Six Industries in Bangladesh, 2010

⁴ Economic Census of Bangladesh 2006

⁵ Bangladesh Bureau of Statistics, 2006

⁶ Bangladesh Agro Processors' Association, 2014

export was UDD 52.28 million and USD 59.15 million in 2010-2011⁷. Bangladesh now exports over 90 agro processed products to over 85 countries all over the world⁸. The major export markets of Bangladeshi agro processed products are Middle East, EU countries, South East Asia and USA. The following tables show the major export markets and the main products being exported:

COUNTRY WISE EXPORT (FY: 2011-12) (BAPA Members)

Sl. No	Country	Million \$
1	UAE	20.2
2	KSA/ SAUDI	20.1
3	INDIA	14.08
4	UK	5.86
5	USA	3.68
6	BHUTAN	2.06
7	MALAYASIA	4.01
8	KUWAIT	2.48
9	SINGAPORE	1.65
10	QATAR	1.9
11	OTHERS	10.89
	TOTAL	86.91

Source: Bangladesh Agro Processors' Association 2014

PRODUCT WISE EXPORT (FY: 2011-12)(BAPA Members)

SL No.	Product Name	Million \$
1	JUICE	9.5
2	SPICES	21.46
3	CHANACHUR	6.98
4	MUSTARD OIL	5.34
5	BISCUITS	6.86
6	DRINKS	12.64
7	PUFFED RICE	9.77
8	SNACKS	4.87
9	POTATO CRACKERS	2.54
10	F.VEGETABLE	1.85
11	PICKLE	1.11
12	OTHERS	3.99
	Total	86.91

⁷ Export Promotion Bureau, 2012

⁸ Board of Investment, 2012

3.1.2 Labor Occupation & Skill Gaps:

From the labor demand perspective, employers expressed concern about the quality of graduates. They perceived that the system is continuing to produce graduates for old and marginal trades, which have no market demand, while newer trades with substantial skilled labor needs are left unmet. Employers were also not content with available VET training facilities including machinery, equipment and trainers. They suggested that the government be more proactive in involving them in the management of the system to ensure that VET was responsive to their needs. They also felt that students lacked general business and management skills as a result of which most graduates fail to get promoted. This has a ripple effect in terms of discouraging better students from entering the VET system. The industry also has strong potential to increase their output and efficiency through increased Total factor productivity (TFP). Since the industry does not exploit the available technologies fully means they are inefficient in using the technologies and choosing the proper technologies for technical progress. There is an acute shortage of technological knowhow in the existing workforce and enterprises operating in the food processing industry.

Occupancies in the industry with identified skill gaps are the following: beheading worker; grading worker; cold storage worker; processing assistant; general worker; cleaner; production operator; helper; lab assistant; production assistant; production worker; machine operator; mixer man; packaging worker; oven man; supply receiver; and penning worker. Although current level of technical skill is low in the sector, there is an advantage in terms of skill development in the sense that the transfer of worker from the traditional agricultural sector to the agro processing sector can be achieved with relative ease. Hence, the sector has potential transform the low income, low productive agricultural workforce into a higher income and more productive workforce.

3.1.3 Training Opportunities:

Both the government and NGOs have been conducting regular training programs in developing a skilled manpower for this industry. The public vocational education and training system provides a four year diploma program on agriculture. The quality of the system seems low as evidenced by low capacity utilization and low passes rates. In both vocational education and vocational training institutions, close to half the student capacity remains unutilized. At the same time, pass rates in standardized examinations have also dropped significantly over the past few years – from about 62 percent in 2000 to slightly over 50 percent in 2004⁹.

⁹ Bangladesh Vocational Educational and Training System: An Assessment, 2006

An active institution taking initiative to enhance skill development in the agro food processing sector is the 'Centre of Excellence Agro Food Skills Foundation' or CEAFS in short. It is a non-profit organization founded in November 2009 and governed by board members who are also members of 'Industry Skills Council' (ISC). It targets to develop skills shared by government, industry, workers and civil society. They are also looking to enter into partnership with Development Agencies to reduce poverty with sustained development with 15-20% per annum¹⁰. The institution has an ambition to minimize skills mismatch (quality and quantity) in the processed food industry sector targeting 50% by 2020. CEAFS has work experience with BTEB, BMET through TVET Reform Project, thus it has scope to create forward and backward linkage through alliance and partnerships with development agencies. The centre is allowed to contract out any kind of partnership, agreement, service arrangement and any sorts of collaboration that will support in activities of industrial skills development in the agro industry sector. Current initiatives taken by CEAFS to increase productivity and competitiveness are in the following areas:

- Training as a whole is Industry demand driven
- 60-70% Training takes place at workplace &30-40% in classroom (Skill Centre).
- Work process approach under actual work condition.
- Minimize Skills mismatch (Quality and Quantity).
- Increase the speed of Transferring Technology to the people.
- Develop training culture in the company.
- Earning more foreign currency by exporting skilled manpower.

Several other prominent non-government agencies provide basic skills and non-accredited training, mostly, to underprivileged youth in rural areas. Most of these organizations are very small in terms of enrolment and facilities and usually provide short-term training ranging from 4 to 6 months duration. Most of these training programs and workshops deal with uses of fertilizers to improve productivity, harvesting, post harvesting handling, packaging and transportation of fruits and vegetables. The development of appropriate technology for reducing post-harvest losses can be highly cost-effective and can have an immediate impact on

¹⁰Centre of Excellence Agro Food Skills Foundation, 2014

total production. However, there are no estimates of the size and scope of these small operations nationwide.

3.2 Textile and Apparel Industry

3.2.1 Size of Industry and Growth Trends:

The RMG industry is the only multi-billion-dollar manufacturing and export industry in Bangladesh. Whereas the industry contributed only 0.001 per cent to the country's total export earnings in 1976, its share increased to about 75 per cent of those earnings in 2005¹¹. Bangladesh exported garments worth the equivalent of USD 6.9 billion in 2005, which was about 2.5 per cent of the global total value (USD 276 billion) of garment exports¹². The country's RMG industry grew by more than 15 per cent per annum on average during the last 15 years. The foreign exchange earnings and employment generation of the RMG sector have been increasing at double-digit rates from year to year.

The garment industry is by far the country's most important manufacturer, accounting for about two thirds of all exports. Bangladesh has over 5000 garment factories with up to 10 million livelihoods dependent on it directly or indirectly¹³, as shown in table 1. Currently, the industry provides employment for 4 million people, of which about 80 per cent are women¹⁴. The sector opened up employment opportunities for many more individuals through direct and indirect economic activities, which eventually helps the country's social development, woman empowerment and poverty alleviation.

Year	No. of Garment Factories	No. of Workers in Million
2006 - 2007	4,490	2.4
2007 – 2008	4,743	2.8
2008 – 2009	4,925	3.5
2009 – 2010	5,063	3.6
2010 – 2011	5,150	3.6
2011 - 2012	5,700	4.0

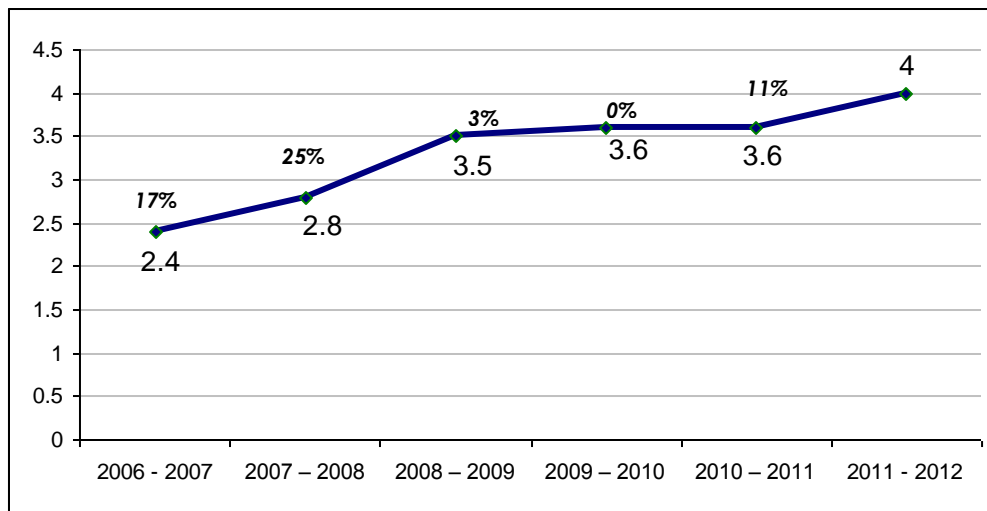
Table 1: Employment growth in RMG industry in Bangladesh

¹¹ Board of Investment, 2007

¹² Export Promotion Bureau, 2007

¹³ BGMEA, 2012

¹⁴ Bangladesh Bureau of Statistics 2013



Source: BGMEA, 2012

Graph 1: Employment growth rate in RMG industry

Source: BGMEA, 2012

More than 95 per cent of garments firms are locally owned with the exception of a few foreign firms located in export processing zones. By taking advantage of an insulated market under the provision of Multi Fiber Agreement(MFA) of GATT, it attained a high profile in terms of foreign exchange earnings, exports and industrialization in the last 20 years. Based on Bangladesh Garment Manufacturers and Exporters Association (BGMEA) data, in 1997 more than 75 per cent of the firms employed a maximum of 400 employees each. Garment companies in Bangladesh form formal or informal groups. The grouping helps to share manufacturing activities, to diversify risks; horizontal as well as vertical coordination can be easily found in such group activities.

The fatalities due to building collapses and fires in Bangladeshi apparel factories have had an impact on apparel sourcing worldwide. In McKinsey's 2011 apparel CPO survey, respondents were asked to pick "The top 3 country hotspots over the next five years" for apparel sourcing. More than 80 percent of respondents ranked Bangladesh among the top three. However, their latest survey in September 2013, shows that this number has dropped to 52 percent¹⁵. Nevertheless, Bangladesh remains the number one alternative to China. Buyers plan to increase their sourcing share in Bangladesh through 2020, even as ongoing debate takes place over safety issues and political developments in the wake of the disasters.

¹⁵ Bangladesh: The Next Hot Spot for Apparel Sourcing, 2013

The recent trade experiences show a positive outlook about Bangladesh's possibility into the markets. According to the Table 5, the overall export performance of Bangladesh apparel in these targeted ten markets is significant over the last ten years. Interestingly the export earnings from these markets were increased by about hundred times¹⁶.

Table 5. Bangladesh export performance to new emerging markets (value in million US\$)

Country	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Australia	2.19	2.15	5.50	7.91	8.21	14.43	26.87	74.02	105.28	248.19
Brazil	0.23	0.07	0.31	0.68	2.83	9.41	31.90	41.41	61.18	123.62
China	0.24	0.62	1.87	1.68	5.24	6.96	7.96	16.11	38.09	82.38
Hong Kong	6.44	7.71	8.01	7.77	12.79	14.69	19.02	21.28	26.40	473.79
Japan	14.8	14.6	16.8	14.28	16.60	22.28	36.65	111.13	186.72	345.55
S. Korea	3.09	3.22	5.50	4.66	5.04	9.16	10.42	20.54	44.52	93.51
Mexico	7.52	12.	15.6	20.35	33.35	53.43	99.43	86.70	89.50	92.81
Russia	1.00	1.12	1.95	4.11	6.17	10.13	46.63	43.65	87.97	66.91
S. Africa	0.66	1.49	2.26	3.97	6.01	19.48	37.89	39.34	37.89	55.00
Turkey	0.25	2.51	10.3	24.62	52.69	91.09	301.86	370.42	595.21	471.61

Source: ITC Trade Map & EPB Bangladesh

3.2.2 Labor Occupation & Skill Gaps:

According to industry officials, there is not enough skilled workers in the labor market to meet the rapidly growing demand of skilled labor. In the last 5 years the demand for skilled labor has increased 80 to 100 percent. The occupancies in which the factories are experiencing shortage in terms of personnel and skills are:

Operators; supervisors; quality controllers; IT officers; technicians; cutting supervisors & managers; factory managers; HR managers; compliance managers & supervisors; doctors & paramedics; Dyeing managers, supervisors technicians; knitting managers supervisors & technicians; washing managers, supervisors & technicians, printing managers, supervisors & technicians; embroidery managers and technicians; backward linkage managers, supervisors & technicians for operations involving accessories, buttons, zipper, thread, cartons, polybags, etc.

Personnel and skills required for operation and maintenance for Dyeing, Knitting, Printing, Washing & embroidery department is especially high. These machines are highly sophisticated and the technologies involved in these machineries are constantly being upgraded. As a result,

¹⁶ International Journal of Economics and Financial Issues Vol. 3, No. 4, 2013, pp.938-948 ISSN: 2146-4138 www.econjournals.com, The Effects of Market Diversification Activities on Bangladesh RMG Export

the operators and maintenance have to learn and adapt to the machines within a very short time. In these cases the level of skilled required for maintenance and operators falls short.

3.2.3 Training Opportunities:

Vocational schools and training ‘in house’ remain as the predominant source of training. Over the years, some interesting private sector initiatives have contributed in developing vocational skills. The BGMEA Institute of Fashion and Technology (BIFT), a fully self-financed training institute established by Bangladesh Garments Manufacturers Export Association (BGMEA) is one such example. BIFT was established in 1999 to meet the need to increase efficiency, productivity and product value of the readymade garment industry. Most private training providers, especially those that are not subsidized by the government, tend to focus on training in less expensive areas such as computer and language courses.

BGMEA is taking active initiatives for skill development in the sector. The trade body has signed an MoU for the project titled ‘Skill Development Project’ in August 2013. The program has been designed on the concept of Private Public Partnership (PPP) arrangement. It is providing upgraded curriculum, job placement, suggesting training method, supervising and evaluation the training sessions as well as the trainees. The Bureau of Manpower, BMET and DTE under the ministry of Education are partners of the trade body providing training centers, trainers, training equipments, dormitory facilities and also necessary funds. The GoB, ADB and Swiss Agency for Development and Cooperation (SDC) are financing this project. This projects aims to increase the access to relevant TVET and enhance the employment opportunity of youths.

Ten Technical Training Centers (TTCs) has been established in different districts to execute the project since November 2013. The training instructors undergo a 5 days ToT conducted by BGMEA University of Fashion and Technonoly. The TTC produced its first batch of 300 female operators on January 2014. The following are the list of TTCs that have been established:

Sl no.	Name of Training Center & Address	Sl. No.	Name of Training Center & Address
1.	<u>Faridpur TTC, Sriangan, Faridpur</u>	6.	<u>Mymensingh TTC, Mashkanda, Mymensingh</u>
2.	<u>Rajshahi TTC, Sapura, Rajshahi</u>	7.	<u>Comilla TTC, Coatbari, Comilla</u>
3.	<u>Khulna TTC, Teligati, Khulna</u>	8.	<u>Bangladesh German TTC, Mirpur #2, Dhaka</u>
4.	<u>Chittagong TTC, Nasirabad, Chittagong</u>	9.	<u>Bangladesh Korla TTC, Darus Salam Dhaka</u>
5.	<u>Rangamati TTC, College Gate, Rangamati</u>	10.	<u>Shekh Fazilatunnisa Majib Mahila TTC, Mirpur Dhaka</u>

Source: BGMEA, 2014

The BGMEA is also partnering with government and non-government agencies in 'Skill Development Programs'. The following is the list of existing partnerships:

Joint Venture with Department of Youth Development (DYD): BGMEA and DYD started youth training program by signing a MoU in the Northern Part of Bangladesh through 2 centers at Gaibandha & Kurigram.

Skill Training Program with Ministry of Education: Two centers one in Tungipara and another one is Kotalipara that BGMEA runs with co-operation of BGMEA University of Fashion & Technology (BUFT).

Project with Manusher Jonno Foundation (MJF): MJF is a reputed NGO working to promote Human Rights & Governance initiative in Bangladesh. BGMEA in collaboration with MJF started a training program funded by DFID in Sripur District.

Training for the Youth Supported by Local Government of Bangladesh : Considering the demand of garment based job and also the desire of Local Government, BGMEA & BUFT jointly contributed machine, materials & job placement to set up 3 individual centers in Bagerhat, Faridpur & Bogura by infrastructural support of Local Government.

Collaboration Partnership with Bangladesh Ansar: Bangladesh Ansar & BGMEA started two different centers (sweater machine & plain sewing machine operator) in Ansar Academy Shafipur.

Training Program for Capacity Building for RMG Workers & Management: A training program is in operation since 2010 financed by Ministry of Commerce for Skill Development of existing workers and midlevel management

MEA Training Center: BGMEA has set-up a full fledged training center of 6328 sq/ft at Tongi area. The capacity of this center is 3200 trainees per year. Presently BGMEA is conducting training program with Ministry of Commerce and UPPR over there.

Skills and Training Enhancement Project: BGMEA has signed a Memorandum of Understanding (MoU) with Directorate of Technical Education under Ministry of Education. The objective of this project is to train man force and to turn them in to skill workforce for the RMG sector.

However, the incidence of in-house training in factories still remains very low, with only 25 percent of manufacturing establishments in Bangladesh providing in-service formal training to their employees. Furthermore, conditional on providing training, Bangladeshi employers extend in-service training to only a marginal fraction of its workforce – around two percent¹⁷. The female employees lag behind their male counterpart in enrollment in training and make up less than a third of total enrollments.

A number of prominent non-government agencies are engaged in providing basic skills and non-accredited training, mostly, to underprivileged youth in rural areas. Most of these organizations are very small in terms of enrolment and facilities and usually provide short-term training, ranging from 4 to 6 months duration, in income generating activities such as tailoring/sewing, embroidery for women. However, currently estimating the size and scope of nationwide operations of these organizations remain a challenge.

NGOs and private providers face a number of challenges while providing services. At the institutional level, there are very little link between VET institutions and employers, resulting in slow and inadequate responses to labor market developments. There is no scope for employers to participate in policy or curriculum development. Adequate and systematic data are the prime elements in designing and developing curriculum. However, no such data is available. There is virtually no way for students, employers, training providers or other organizations to get consolidated and reliable information regarding VET.

3.3 Leather and Leather Goods Industry

3.3.1 Size of Industry and Growth Trends:

The leather industry in Bangladesh is well established and ranked fourth in terms of earning foreign exchange. In consideration of being a value added sector the Government of Bangladesh (GoB), Ministry of Industry (MoI) has declared it as a priority sector. The leather products sector have huge opportunities in generating employment, entrepreneurship and investment by increasing export of higher value added products rather than finished leather and by utilizing locally made raw material to convert into more value added leather products, including footwear and other leather goods. In 2011-12, the

¹⁷ Bangladesh Vocational Educational and Training System: An Assessment, 2006

leather sector grew by 17.5 percent and earned USD 765 million in revenue¹⁸. Of this USD 434.8 million was attributed from leather products, accounting for approximately 57 percent of the total revenue.

The leather sector includes 220 tanneries, 3,500 micro small and medium enterprises and 110 large firms of leather products controlling more than 90% of the export market. Most of the enterprises are located in Dhaka, followed by two big clusters at Bhairab and Chittagong. The sector generates direct and indirect employment for about 850,000¹⁹ people, including a significant number of women, particularly in the leather products industries.

Current No. of workers	Required Workers in next two years
850,000	60,000

Source: Center of Excellence for Leather Skill Bangladesh Limited (COEL)

At present the leather industry accounts for 3-4 per cent of total export earnings. Hardly 45 per cent of the total hides and skins is now processed into finished leather -- 18 per cent low grade for local consumption and 27 per cent for export either in the form of finished leather or leather products²⁰. Only a few tanneries are capable of producing export quality finished leather for export. There are about 15 export oriented shoe manufacturing units located mostly in and around Dhaka city. Only 6-7 producers are responsible for 40 per cent of footwear exports, while over 2000 shoe making units take care of domestic demand²¹. Leather and leather products have the potential to make a major contribution to export earnings and to the economic development of the country.

Bangladesh has a long established tanning industry which produces around 2-3%²² of the world's leather from a ready supply of raw materials, making the country an attractive location to source and outsource the manufacture of finished leather products. About 95% of leather and leather products of Bangladesh are marketed abroad, mostly in the form of crushed leather, finished leather, leather garments, and footwear. Most leather and leather goods go to Germany, Italy, France, Netherlands, Spain, Russia, Brazil, Japan, China, Singapore and Taiwan. Value addition in these exports averages 85% local and 15% foreign.

¹⁸ Export Promotion Bureau, 2013

¹⁹ Bangladesh Leather Service Center, 2012

²⁰ Bangladesh Leather Service Center, 2010

²¹ Bangladesh Leather Service Center, 2010

²² Board of Investment, 2012

The export of finished products such as shoes, slippers, leather jackets, hand gloves, bags, purses, wallets, and belts also earn a sizeable amount of foreign exchange. Bangladesh intends to increase its range of leather products to penetrate new market segments. Fine grain leather of Bangladesh enjoys preferential demand in Western Europe and Japan. Low wage level and the ban on exporting wet blue leather helped the industry receive a new thrust in the country.

Leather goods producers in Bangladesh tend to be associated only with manufacturing and exporting. They do not have much control over downstream operations. However, the success of a number of Bangladeshi firms in attracting such brand names as Puma, Pivolinos and Hugo Boss to source from this country proves that there is ample scope for the industry's upward mobility.

Bangladeshi leather products have flourished due to a tariff concession facility to major importing countries under Generalized System of Preferences (GSP) coverage. The government is in the process of setting up a separate leather zone, relocating the existing industry sites to a well-organized environment.

3.3.2 Labor Occupation & Skill Gaps:

Bangladesh is currently experiencing an estimated labour force growth of around 2 million people annually. Most of these employment seekers are either unskilled or semi-skilled. Skills development has become a priority objective of the Bangladesh government in order to create employment opportunities for its citizens. The quality of the existing skills training programs in the country is poor and formal skills development programs have not effectively addressed the needs of the engaging, leading and emerging industries to offer skills to the employment seeking population. The leather goods/footwear sector is a fast-growing export-oriented sector in Bangladesh, which currently employs around 850,000 people and contributes to around 4% of the country's export earnings. Although, it has been observed that in the Bangladesh, unit labor cost as well as productivity per worker is lower than in neighboring countries

A recent industrial survey in the leather producing sector was conducted with a sample size of 18,000 workers and having above 15 working forces in the leather industry²³. The study shows that about 60% are skilled (having experiences of more than 3 years), about 21% are semiskilled (having experiences of 1-3 years), around 15% are unskilled (having

²³ M.D Musawir Hasan, *Analysis of Leather Industry of Bangladesh*, 2012

experience of less than 1 year) and less than 4% are professionals. 80% of the leather sector employees are full-time employees, and most of them belong to skilled employees category. A notable number of about 18% of all the manpower are seasonal employees. Of the total employees about 59% are employed in the leather processing units, 37% in the footwear manufacturing units, and remaining 4% are in leather good manufacturing firms. Among the total employees about 73% are male and remaining 27% female. About 97% of the total female employees are full-time employees and about 28% of the male employees are either seasonal or part-time employees.

In the leather processing firms, most of the employees are involved in the production of wet-blue and crust leather and they account for over 70% of the total labour employed in the leather processing firms. There is division of labor at different departments in leather processing firms, although selected workers are involved in more than one department in some firms. About 30% employees in the management are professionals. Number of professional involved in the production of wet-blue, crust, and finished leather ranges from 2.5-4 % of their respective number of employees. Similar to the overall leather sector, most employees in the leather processing sector are male and are full time employees. Age distribution of the employees' show that most employees involved in the production of wet-blue, crust, and finished leather belong to the age group of 15-29 years followed by 30-44 years. In the management however, over 60% employees aged between 30-59 years. Naturally professionals are highly paid as compared to the other employees. Of the full time other employees, skilled employees get maximum payment followed by semiskilled and unskilled. No such trend is observed in case of part-time employees. Male employees draw better salaries compared to the female employees, and as expected skilled employees involved in the management get better payments in the leather processing sector.

3.3.3 Training Opportunities:

Driven by the need of skilled labor force in order to attain an increased growth of the leather industry, a number of key industry stakeholders have formed private and public partnership to develop the manpower of this industry. Center for Excellence for Leather Skills Bangladesh (CoEL) is one such organization, which works for the improvement of labor skills of the workforce in leather sector. CoEL offers a variety of services with core focus on skills development of the workforce, while building its own capacity through international accreditation and such. This is an industry led public private partnership (PPP) facilitated by EC Funded TVET Reform Project in order to enhance work place learning and productivity through improved skills of the employees.

The Industry-led Apprenticeship Pilot Project was initiated by CoEL and supported by the Swiss Agency for Development and Cooperation (SDC), along with other donors, with a view to establishing a viable and ultimately self-supporting industry-led apprenticeship system in the leather industry, and operating as a public-private partnership and corresponding to the national Skills Development Policy. This project intends to demonstrate that formal apprenticeship is a promising solution for skills development in the sector. It aims to solve a range of regulatory, administrative, technical and financial issues not yet addressed in the practical implementation of the Skills Development Policy. The overall objective of the project is to increase sustainable employment opportunities for the unskilled and unemployed labor force in the leather industry. In the current phase of the project an apprenticeship model will be introduced and tested in the leather industry, ready for up-scaling and replication. It will also increase the skills and employability of selected workers in the leather industry and institutionalize cooperation between key stakeholders in the field of skills development in the leather industry.

The project implementation strategy of the apprenticeship project contains the following elements:

- COEL will conclude MoUs with participating companies defining the conditions for the training and placement of trainees.
- The overall training duration will be 12 months, with more intensive off-job and on-job training during the initial 3 months.
- Trainees will also be taken to the Bangladesh College of Leather Technology (BCLT) for further exposure and use teachers and trainers from BCLT.
- After a 3-months start-up period, COEL will enroll a maximum of 8 batches of 40 trainees per month, bringing the total number enrolled to 3000-3500 during the second year of implementation²⁴. There will be a mentor for each batch, supervising their training progress through a log-book kept by the trainee. The mentors will be provided by participating companies.
- COEL will register the trainees with the Bureau of Manpower, Employment and Training (BMET), and ensure that the curricula are approved by the Bangladesh Technical Education Board (BTEB).
- COEL will in parallel run a TOT program for teachers, mentors and factory supervisors.

²⁴Swiss Agency for Development and Cooperation (SDC), 2014

- The financing model underlying the initiative, in particular the buy-in by leading companies in the leather industry, has been tested and validated.
- Up-to-date curricula and occupational standards for the machine operators in the fields of sewing, finishing/lasting and cutting has been developed and tested by COEL and later approved by the Bangladesh Technical Education Board (BTEB).

Finally, a Project Coordination Group comprised of SDC and other partner companies will regularly monitor the progress of the apprenticeship project.

The expectations of the Apprenticeship Pilot Project are the following:

- Around 32,000 mostly poor primary school graduates (70% female) will be enrolled into a 12-months apprenticeship in the leather and leather goods industry, the majority of who will gain long-term employment in the industry thereafter.
- Around 7,000 teachers and factory supervisors will be trained in modern methodologies and training approaches.
- Graduate certificates will be accredited within the National Technical Vocational Qualification Framework for level 2 or 3.

Another private sector project which supports the development of the sector is the P.R.I.C.E project, funded by USAID. The project focuses on training-related activities and assists the Leather goods & Footwear Manufacturers & Exporters Association of Bangladesh (LFMEA) for workers' skill development through curriculum development and supply of trainers. It has also formed strong cooperation with the EC/ILO TVET Reform project and has also contributed to the development of COEL.

3.4 Light Engineering

Light Engineering is an important industry in Bangladesh in terms of its contribution to growth and poverty reduction. Light Engineering enterprises have potentials to make significant contribution towards technological advancement and economic development along with wide opportunities for employment generation. The sector has been fueling the growth of many other industries by supplying various types of machineries and spare parts and by providing repairing services.

3.4.1 Size of Industry and Growth Trends:

LE enterprises are scattered throughout Bangladesh, which implies employment generation in a wider span of areas. There are roughly forty thousand industrial units of this kind, while most of them are small. Manufacturing sector now contribute 18 percent of GDP²⁵. Currently about 40,000 firms are generating employment for 0.8 million people. There are about 1200 light engineering industries presently enlisted with Bangladesh Small & Cottage Industries Corporation (BSCIC)

Firm Sizes	No. of firm	White collar worker	Production worker	Other Worker	All worker
3-9	38	0.66	3.92	0	4.58
10-49	87	2.82	16.11	0.16	19.09
50-99	17	7.41	64.47	2.47	74.35
100+	8	7.75	188.13	1	196.88

The product lines of the Light Engineering sector are quite large and diversified. This sector is now manufacturing a wide range of spare parts, casting, molds and dices, oil and gas pipelines fittings and light machinery, as well as repair services. Various mills and factories like jute, cotton, sugar, paper, textile, garments, fertilizer, tea plantation and processing etc., use the machinery and spare parts produced by the entrepreneurs of this sector. In the agricultural sector, all the shallow tube-well spare parts like liner and diesel engines are now coming from the light engineering sectors located in the rural areas of the country. The customer industries range from tooth-brush and buckets to auto-parts and parts of machine used in textile, pharmaceutical and other sectors to diesel engines, irrigation pumps, power tillers etc.

This sector has emerged as a potential cost-cutting sector by providing at least 50 per cent substitutes of imported items in the country²⁶. Manufacturers in the sector claim that electrical goods like switch, socket, light shed, channel, cables and electrical fans manufactured by light engineering are now meeting most of the country's demand that was earlier met through import.

²⁵ SMEF (2008): 'Sector Study Report on Light Engineering and Metal Working', SME Foundation Bangladesh. (2008)

²⁶ Business Promotion Council, Ministry of Commerce, 2014

The local market of the LE Sector in Bangladesh is big and unsaturated enough; thus this sector has huge potential to grow. This is a sector which has strong forward linkage as well as backward linkage. There is sufficient demand within the various manufacturing concerns such as textile mills, railways, jute mills, shoe manufacturers, sugar mills, RMG, washing plants etc. This sector has also potential for producing import substituting goods if proper support is given. Moreover export potential of light engineering products is also rising as the cost of production, especially labor cost is low. Because of such role in the economy, LE sector has received special attention in government policies. For example, Industrial Policy, 2009 and Industrial Policy 2005 –both have considered this sector to be a thrust sector for development. This has also been considered a priority sector in Export Policy 2006-09 and Export Policy 2009-12.

However, raw materials for these firms mainly come from ship breaking firms situated in Chittagong. The quality of the raw materials is often not up to the marks. Some chemicals are imported from abroad. But the firms' owners do not directly import them rather they are imported by importers. Most of the firms start business with a capital of 2 to 3 hundred thousand Taka. Access to finance is a major constraint for the growth of this sector. Such problems include lengthy and cumbersome procedure to receive bank loans, difficulty to get required amount of loan, non-availability of sufficient working capital, difficulty to get financial help for technological innovation and development and for risky investment, non-availability of venture capital, high interest rate on bank loan etc. Disruption in electricity supply is another major problem. It is very costly for the small firms to maintain generator for regular supply of electricity. Other problems faced by the entrepreneurs include non-availability of metal testing facility to identify the metal and its quality, space constraint for extension of the workshop, fluctuation of price, non-availability of heat treatment facility, lack of designing capability, absence of R&D facilities, lack of knowledge on how and where to patent the product etc.

LES may be grouped under the following categories:

a) Machine shops: Machine shops use cast iron (foundry products) as basic materials and do the machining jobs. They produce finished form of metal products (machinery & spare parts).

b) Repair workshops: They do different types of repair jobs required by the agricultural, industrial or transport sector. They either directly contact clients to procure these jobs or receive job orders at their premises. They carry out the activities mostly by themselves.

Only in some cases they have to go out for getting some jobs done in foundry or to other process facilitating units like electroplating, adding plastic components makers, etc.

3.4.2 Labor Occupation & Skill Gaps:

In Bangladesh, the Technical and Vocational Education Training system is hampered by inadequate links with industry, outdated curricula and delivery strategies, and little flexibility to respond to training needs at the local level. Bangladesh has an outdated national skills standard that lacks international compatibility. No system is in place to provide employers with reliable signals of the skill levels of job applicants.

Light engineering firms use conventional technology due to lack of availability of skilled manpower. At present, some of entrepreneurs want to install modern computerized and numerically controlled (CNC) technology to target local big corporate houses and international market through improving quality and quantity. These entrepreneurs are trying to produce high-quality homogeneous products in a large quantity by employing CNC lathes and hiring designers and engineers from India to run the CNC machines, as skilled labor is quite scarce in Bangladesh to operate these sophisticated machines. Recently, a few machinists have been successful in selling their products to the government and large private companies by competing with large importers. Due to lack of skilled manpower in CNC technology, especially programming, operation and trouble shooting, entrepreneurs can not procure the desired level of CNC technology. More widespread adoption of CNC technology will help the industry to produce quality product on mass scale. There is a growing need for CNC training centres in the sector which is crucial for the sector to operate modern CNC machineries and equipment and achieve higher productivity and quality of products on a large scale.

3.4.3 Training Opportunities:

Technical and Vocational Training for the light engineering sector is carried out by government institutes and colleges with even diploma courses and degree level courses being offered for 4 years in this regard. Besides this, the Ministry of Education leads a project implemented by the Directorate of Technical Education (DTE), called the Skills Development Project (SDP). The Skills Development Project works to strengthen the capacity of the Technical Vocational Education and Training system by making it more responsive, flexible, demand-driven, and inclusive towards serving the disadvantaged population. The project creates the necessary inter linkages between the technical vocational institutes, the industries and the non-government agencies who are involved in providing technical skills training and employment.

3.5 Jute Product Industry

3.5.1 Size of Industry and Growth Trends:

Jute manufacturing sector is one of the oldest traditional manufacturing sectors of Bangladesh, which emerged in erstwhile East Pakistan in the early 1950s. During the 1960s and 1970s major share of the manufacturing sector in national income and manufacturing employment was accounted for by this sector. However, both share and importance of jute and jute goods in manufacturing, export and overall foreign exchange earnings, and the Gross Domestic Product (GDP) have gradually declined over time. The sector currently accounts for a more 3.9 per cent of the country's total export, which is of extremely low significance when compared to its contribution in the overall export observed during the 1970s (89.9 per cent in 1973). The ascendancy of the export-oriented readymade garments (RMG) was a major reason. However, this was also the result of successive policies pursued by Bangladesh alongside decline in the demand for jute goods in both domestic and international markets over time.

Currently, the size of the global jute yarn import market is estimated at 4,50,000 tonnes and Bangladeshi spinners accounts for around 3,60,000 tonnes which is 80 per cent of the supply. Currently a total of 205 jute mills are in operation, of which 27 mills operate under the public sector and the remaining 178 mills operate under the private sector. Of the 178 private mills, 97 mills were owned by the BJMA (Bangladesh Jute Mills Association) members while the remaining 81 mills were owned by the BJSa (Bangladesh Jute Spinners Association) members. Most of these mills are located near the Ganges Delta. Some recent statistics of the industry are given below:

1.	Average land area under jute cultivation	:	12.35 Lac acres								
2.	Average production of jute carryover	:	<table border="1"> <tr> <td>58 Lac bales (1.04 Million Ton.)</td> </tr> <tr> <td>3 " (0.05 Million Ton.)</td> </tr> <tr> <td>61 Lac bales (1.09 Million Ton)</td> </tr> </table>	58 Lac bales (1.04 Million Ton.)	3 " (0.05 Million Ton.)	61 Lac bales (1.09 Million Ton)					
58 Lac bales (1.04 Million Ton.)											
3 " (0.05 Million Ton.)											
61 Lac bales (1.09 Million Ton)											
3.	Average internal consumption of jute	:	38 Lac bales (0.68 Million Ton)								
4.	Average Export of raw jute with value	:	<table border="1"> <thead> <tr> <th>Quantity</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>21.00 Lac bales (0.37 Million Ton)</td> <td>1000 Cr. Tk.</td> </tr> </tbody> </table>	Quantity	Value	21.00 Lac bales (0.37 Million Ton)	1000 Cr. Tk.				
Quantity	Value										
21.00 Lac bales (0.37 Million Ton)	1000 Cr. Tk.										
5.	Number of jute Mills:	:	<table> <tr> <td>Under BJS A</td> <td>81</td> </tr> <tr> <td>Under BJMA</td> <td>97</td> </tr> <tr> <td>Under BJMC</td> <td>27</td> </tr> <tr> <td>TOTAL :</td> <td>205 UNITS</td> </tr> </table>	Under BJS A	81	Under BJMA	97	Under BJMC	27	TOTAL :	205 UNITS
Under BJS A	81										
Under BJMA	97										
Under BJMC	27										
TOTAL :	205 UNITS										
6.	Number of workers employed in Jute Mills (Approx.)	:	<table> <tr> <td>BJS A Mills</td> <td>55,868</td> </tr> <tr> <td>BJMA Mills</td> <td>39,000</td> </tr> <tr> <td>BJMC Mills</td> <td>61,681</td> </tr> </table>	BJS A Mills	55,868	BJMA Mills	39,000	BJMC Mills	61,681		
BJS A Mills	55,868										
BJMA Mills	39,000										
BJMC Mills	61,681										

Source: Bangladesh Jute Mills Corporation, 2014

Acronyms:

- BJS A Bangladesh Jute Spinners Association (Private Sector)
- BJMA Bangladesh Jute Mills Association (Private Sector)
- BJMC Bangladesh Jute Mills Corporation (Public Sector)
- CBC Carpet Backing Cloth.

7.	Average production of Jute goods	:	B,SA Mills	3,60,500	M. Tons
			B,MA Mills	1,56,500	M. Tons
			B,MC Mills	1,46,000	M. Tons
			TOTAL :	6,63,000	M. TONS
8.	Average internal consumption of Jute goods	:	B,SA Mills	20,000	M. Tons (yarn/twine)
			B,MA Mills	48,000	M. Tons (sacking/hessain)
			B,MC Mills	21,000	M. Tons (sacking/hessain)
			TOTAL :	89,000	M. TONS
9.	Average Export of jute goods with quantity, value	:		Quantity	Value
			B,SA Mills	3,42,195	2014
			B,MA Mills	97,160	58
			B,MC Mills	96,523	537
			TOTAL :	5,35,878	3139
10.	Spindles in Jute Spinning Mills	:	1,75,114	Installed	
			1,47,124	Operated	
11.	Installed Looms in Jute	:			
	Mills (As on 30 th June 2010)				
	BJMC: Installed		Hessian	Sacking	CBC
	Operated		3790	2930	579
			2341	2930	513
	BJMA: Installed		6532	5257	711
	Operated		1421	2530	183
				200	4334

In July 2007, Government of Bangladesh (GoB) took a number of decisions as regards public sector jute mills and their poor performance. The major decisions included: closing down four jute mills – Peoples, Karnaphuli, Forat-Karnaphuli, and Kaomi and retrenchment of 14,000 workers from 22 state-owned jute mills, of which 6,000 workers were from the four closed down jute mills and another 8,000 workers were from the remaining 18 jute mills as a result of which the total work force of Bangladesh Jute Mills Corporation (BJMC) mills was decreased by 50 per cent²⁷.

²⁷CPD Occasional Paper Series, 2008

According to a report published by the FAO, global demand for jute and jute goods declined. This happened because of the influence of two CPD Occasional Paper Series interrelated factors, such as the intensity of competition with, and the displacement by, synthetic fibers and extension of commodity bulk handling facilities. The decline of jute demand, in the period under consideration, was much higher in developed countries (40 per cent) compared to that in the developing countries (10 per cent).

If appropriate moves are taken at the international level, the use of synthetic fibers can be prohibited world-wide and opportunities can also be created for the use of natural fibers instead. Many prospects could also be created then for the use of jute products in the automobile industry. But the exploiting of all such opportunities would require sound plans and their implementation.

A global consciousness has already developed against the use of artificial fibers and synthetic products, which are now being replaced by the environment friendly jute goods. The Govt. of Bangladesh banned production, sale and use of polythene from 01 March, 2002. As a result the demand of Jute & Jute goods is increasing. There is also a huge local demand of jute stick as a primary substitute for diesel/wood. Moreover, Jutes ticks are very useful material for various purposes as fencing and roofing materials for making sheds. Next, due to increasing price of Jute & Jute goods more entrepreneurs (SMEs) are entering the market for Jute business and introducing new Jute Diversified Products. Jute is a rapidly growing crop with 120 days for its production. In addition, Jute and Jute products are renewable, biodegradable, eco-friendly, easily disposable and natural commodity.

3.5.2 Labor Occupation and Skill Gaps:

Number of workers declined by 13 per cent between 2002 and 2007; where employment in BJMC mills decreased by 15.6 per cent, while it increased in the private sector mills (especially in BJSa mills) by 24 per cent²⁸. In order to achieve higher levels of output, BJSa mills recruited more workers in their mills, mainly in the winding and batching sections. BJMA mills also increased their workforce, especially in spinning operations. BJMC mills increased their employment in sections such as batching, spinning, weaving, etc.

Poor capacity utilization was a major concern for both the BJMC and BJMA mills. A high level of capacity utilization could have enhanced employment of workers, who are currently underemployed or unemployed, particularly in the BJMC mills.

²⁸CPD Jute Survey, 2007-08

Workers in 2007	Workers in 2012	Projected Workers 2015
34000	70000	90000

Source: <http://www.scribd.com/doc/99567270/Problems-amp-Prospects-of-Jute-Industry-in-Bangladesh>

3.5.3 Training Opportunities:

The Ministry of Textile and Jute offers no medium term expenditure plans in terms of vocational training for the jute industry. Instead its focus is more towards the textile and handlooms industry. For jute and jute products, the ministry is looking to increase the use of these products while maintaining the quality of these products.

The Training Department of BJMC imparts useful and necessary training to its officers, employees and workers. It has two regional training centers: one at Gul Ahmed Jute Mills Ltd in Chittagong region and the other at Jessore Jute Industries Ltd in Khulna region. The training program on the Foundation Course for the newly recruited officers, has been launched in both the centers since 15 May 2010 and 585 officers have received the training so far²⁹. Besides the Foundation Course, the Training Department provides training to its officers, employees and workers compatible to their trade at the invitation from different Government and Non-Government reputed training organizations of home and abroad. About 102 officers, employees and workers have received such training so far since May 15, 2010.

3.6 Shipbuilding Industry

Bangladesh is traditionally a sea faring nation and has a rich heritage of timber shipbuilding of many hundred years. Bangladesh is presently contributing to the shipbuilding industries globally through its exported workforce. These facts do not speak only of a heritage but of an inbuilt ability of shipbuilding of people of this region which had been for ages dependent on waters. Only over a period of 40 years after independence, Bangladesh has developed a large fleet of about 20,000 vessels comprised of inland & coastal commercial vessels, and various types of working and fishing craft. There are indigenous shipyards, more than 200 in numbers building and repairing these vessels and

²⁹ Bangladesh Jute Mills Corporation (BJMC), 2014

in turn have provided a strong prepared base for building ships of international standards. This industry currently employs More than 250,000 skilled and semi-skilled workers.

3.6.1 Size of Industry and Growth Trends:

In recent times, more connectivity among different nations has led to increase in international shipping. As a result, shipbuilding demand is increasing annually. Also, the replacement requirement of a large number of small ships operating around the globe, enforcement of use of double skin ships, and a strong desire of fuel efficient and environmentally friendly ships will keep the demand growing for the world market. The internal demand in national and regional waterways in the areas of service and support craft, supply vessels, port servicing craft, fishing fleets, smaller ships for feeder services etc. has been also consistent. As a result, Bangladesh may lookout for the market segment of small and medium sea going vessels for the international market, as traditional shipbuilding nations like Japan, Korea and even China are losing interest in this section of market.

3.6.2 Labor Occupation & Skill Gaps:

Availability of cheap human input is the main strength of this country and this is one of the main determinants in allowing this labor intensive industry to flourish. Also, easily trainable workers can provide this country with a decisive edge over other prospective countries. Shipbuilding lifecycle around the world has shifted from Europe to Asia and the single most driving force behind this phenomenon is lower labor cost. Bangladesh is in very much an advantageous position in this respect as labor cost is the cheapest among other shipbuilding countries around the world.

The number of available graduates, skilled supervisors, foreman, specialized welders, cutters, fitters, machine operators and other technical skilled manpower that are required for shipbuilding and allied industries are far less than the minimum requirement. Substantial number of skilled manpower leaves the country for overseas employment as there is inadequate number of shipyards in the country. The local shipyards lack of dedicated human resource department. Government also does not have long-term vision as well as accomplishing her mission for human resource development for the country.

3.6.3 Training Opportunities:

Shipyards are training grounds and impart through on job practice very high skills turning the society, on the one hand, technologically advanced and on the other hand enriching the manpower export of the country. Shipyard's personnel such as electricians, pipe fitters, shipwrights, welders & cutters are highly valued in all industrial fields. Shipbuilding is subsidies in various countries including the developed ones taking into consideration, among others, this need.

There are vocational training institutions financed and managed by the government with an intake capacity of some 35512 annually producing skilled manpower, a portion of which may flow to shipbuilding industries.³⁰ In addition, there are institutions under NGOs and the private sector which impart trainings for manpower export. On demand, private sector training institutions may feed shipbuilding industries. Any shipyard may have license to initiate its own training program and get trained personnel certified of a particular skill in various fields of artisans.

Bangladesh is a very new entrant in the international shipbuilding scenario. There are weaknesses which must be overcome by appropriate steps to meet challenges so that further vocational training can be provided and the industry can be more competitive. The industry needs to meet its weaknesses of scarcity in capital, high financing costs for specific vocational training, inadequate management pool for maintaining these training programs, and bureaucratic problems.

3.7 Construction Industry

3.7.1 Size of Industry and Growth Trends:

The building construction industry is considered as one of the fastest and largest sector in Bangladesh. In terms of employment, it has been growing at 7.3 percent during 1991-2006 periods. The growth rate in terms of GDP has been 6.7 percent during 1995-96 to 2008-2009. It has a significant role in the overall infra-structural development of the Bangladesh and its economy. In 2010, total construction sector employment stood at 2.024 million. Real Estate sector is a major part of the construction sector. Most of the labor force engaged in the construction sector is basically engaged in the Real Estate sector. The following table shows the labor force engagement to the construction sector from 1999 to 2010.

Items	2002-03	2002-03	2005-2006	2010 (p*)
Total Labor Force	40,700,000	46,300,000	49,500,000	57,100,000

³⁰ Bari, Abdullahel, *Potentials, Priorities and Prospects of Shipbuilding in Bangladesh*, Proceedings of MARTEC 2010, The International Conference on Marine Technology, 11-12 December 2010, BUET, Dhaka, Bangladesh

Labor Force in Construction sector (unit)	1,147,740	1,569,570	1,564,200	2,512,400
Labor Force in Construction sector (%)	2.82	3.39	3.16	4.4

Even at the current growth rate, the total employment in the construction sector will increase to 2.88 million by 2014 and 3.32 million by 2020. Although construction industry is growing in every city of Bangladesh, the remarkable growth has started from the capital city Dhaka that is the most densely populated city with a population of about 160 million.

The construction industry is a labor-intensive industry, whose capacity of absorbing labor is great. The industry provides many jobs for skilled, semi-skilled and unskilled workers both in the formal and informal sectors. For the migrants from the rural areas the construction industry is often a stepping stone to urban life.

The construction industry of Bangladesh is involved in repair and maintenance works; internal finishes and services, and a wide variety of different type of new work as a road, bridge and dam construction as well as housing, electricity, water and gas supply. During the 70s and 80s it suffered a severe contraction both in absolute and relative size and GDP share rose by 6.19 over the period of 1996-1997 from 6.02 in 1991-2.

The construction sector is set to play an increasingly strong role in the economy amid continued urbanization and an almost full pipeline of large infrastructure projects. Rising urbanization and building of infrastructures including bridges and flyovers, inflow of investment to the sector and a government protectionist policy for the cement factories of the country are the main factors behind the growth of the construction sector. According to provisional data from the Bangladesh Bureau of Statistics, the construction sector accounted for a record 9.1 per cent of GDP (Gross Domestic Product) in fiscal year (FY) 2012/13 (July-June).

However shortage of energy and utility, and non-availability of raw materials, that is cement clinker for the cement factories of the country has been tipped as a main obstacle to the growth of the construction sector. Industry experts expect the cement industry, which produces some 15 million tons a year and plays an important part of the construction sector, to grow by an annual average of 20-25 per cent over the next five years.

An ongoing rapid urbanization has pushed the sector for a record growth, which is likely to be boosted more as the country is being urbanized further. However the country is still much less urbanized compared to most developing countries; less than one-third of 150

million people of the country live in cities. Construction sector in Bangladesh has been booming as cities are growing twice as fast as villages, where infrastructures including roads, houses and bridges are being built. Despite infrastructural development in villages and persuasion against migration to cities from rural areas, thousands of people are moving to the capital Dhaka regularly.

More than 90 per cent construction companies are, currently, facing trouble in implementing public sector projects due to the government's dilly-dallying in adjustment of the skyrocketing prices of construction materials for the last two years. A small percentage of the construction companies could complete their projects while most of them failed to do so in the face of fund shortage.

The government's dual policy would erode the local companies' strength and the foreigners would take the lead. Due to the discrimination foreigners are getting preference and the locals are not getting the minimum help like price adjustment that can spur the industry. If the local contractors are supported, it would accelerate implementation of the ADP projects. In that case, the local companies will gain strength and the quality of work will also increase. Despite an 8 per cent growth in the construction sector, the ADP implementation still suffers every year.

Foreign-aided projects under the ADP are implemented by both local and foreign companies. According to statistics, more than 10,000 contractors are currently engaged in infrastructure development in the country. At present, more than 30 foreign firms are working in Bangladesh to implement such projects, a source with the Public Works Department said, adding that they are eating up a good portion of the local companies' pie.

According to another source with the government's Public Procurement Regulation (PPR) Department, the competition between the local and foreign firms is becoming uneven, as the government charges zero duty on import of civil engineering equipment and also allows them to take it back on completion of projects. But the government charges a higher duty on import of civil engineering equipment by the local firms and most of the equipment remains idle after completion of a project. Local companies can participate in the international bidding for big projects, if the government relaxes rules under the PPR guidelines. The government can relax the rules in the areas of deposit, bank guarantee, turnover and working capital for the local companies. A project director under the Planning Commission said the local contractors should be supported by the government to make them capable of handling the development projects. The quality of work of the local

companies is better than some foreign companies and if the locals are supported by the government, the foreign companies are no more required.

3.7.2 Labor Occupation and Skill Gaps:

There is also high demand for workers in construction sector abroad – specially in the Middle East. According to a World Bank report the highest proportion of migrants—nearly one-quarter (24 percent)—was employed as welding machine operators, followed by general labor, which accounted for 17 percent. The other commonly-held jobs were agricultural labor (7 percent), construction worker (6 percent), waiter/cook (5percent), with motor vehicle driver, and gardener making up 4 percent each.

The construction sector is particularly well-placed to absorb large numbers of semi-skilled workers, including women. Additional reasons for focusing on this industry include: huge market for semi-skilled workers both at home and abroad; no academic qualifications required; and short training periods to acquire semi-skilled status. Additionally, there is ample opportunity to export trained construction workers abroad. The Bureau of Manpower, Employment and Training (BMET) estimates that only 200,000 migrant workers between construction trades and basic engineering go overseas annually while the labor demanded is roughly 1 million, mainly from the Gulf States, Singapore and Malaysia.

Below Figures that draws from this research experience in Master Planning, Design, Program & Construction Management of Large Infrastructure projects around the world, including major markets in the middle-east region-summarizes the potential for Bangladeshi migrant construction workers.

NEW OPPORTUNITIES FOR OVERSEAS EMPLOYMENT FOR BANGLADESHI CONSTRUCTION WORKERS IN SELECT COUNTRIES

Country name	Program name	Opportunities
Malaysia	Demands for workers under G to G (Government to Government)Arrangement ³¹	Plans to recruit 30, 000 workers in Plantation, Industrial and Manufacturing sectors.

³¹Being implemented between Bangladesh and counterpart country governments to minimize the cost of migration for a worker by bypassing unscrupulous manpower recruitment companies that charge large sums of monies.

Country name	Program name	Opportunities
Saudi Arabia	Largest construction sector in the middle-east. Value of projects underway at US\$732 billion In a major policy change, “Iqama” (as an work permit In the Arab World) a transfer opportunity is being offered to Bangladeshi workers in Saudi Arabia	Over 10% increase in workforce requirements envisioned from 2014 onwards Allows Bangladeshi workers to transfer their employer or occupation. A general amnesty until July 2013 for illegal workers to legalize the stay or return home without facing penalty.
Bahrain	Demands for construction workers under G to G program	Plans to recruit 15,000-20,000 workers each year.
Qatar	\$150 billion civil works program that includes expressways, roads and drainage systems, 12state-of-the-artstadiums,90,000additionalhotelrooms ,a brand new subway system, national rail network, new airport and other programs	Over a million migrants are expected to flock to the country to take part in the construction boom.
Oman	With a \$6 billion budget surplus in 2012 and a \$10 billion aid package coming from GCC, Oman is flush with funds that are to be ploughed into major infrastructure development programs- airports; ports; highway construction; and planned communities	Over a million migrants are expected to flock to the country to take part in the construction boom in the next 5 years.

While those workers overseas are now predominantly male, there is room to bring more women into the sector to address this labor shortage. The Bangladesh Association of Construction Industries (BACI) estimates that at least 10-15% of construction workers in Bangladesh are female that are largely employed as unskilled laborers. LBG’s discussions with BACI indicated a strong interest in employing female semi-skilled workers in occupations such as tile-fixing, electrical, carpentry, brick-laying, concreting and mosaic work. This could also help address the constant economic loss of skilled construction workers to overseas jobs, as women are more likely to stay in Bangladesh.

Within the last year, a number of countries including Bahrain, Singapore, Mauritius have expressed interest to recruit workers (including women) under the recently introduced Government to Government (G-G) schemes.

3.7.3 Training Opportunities:

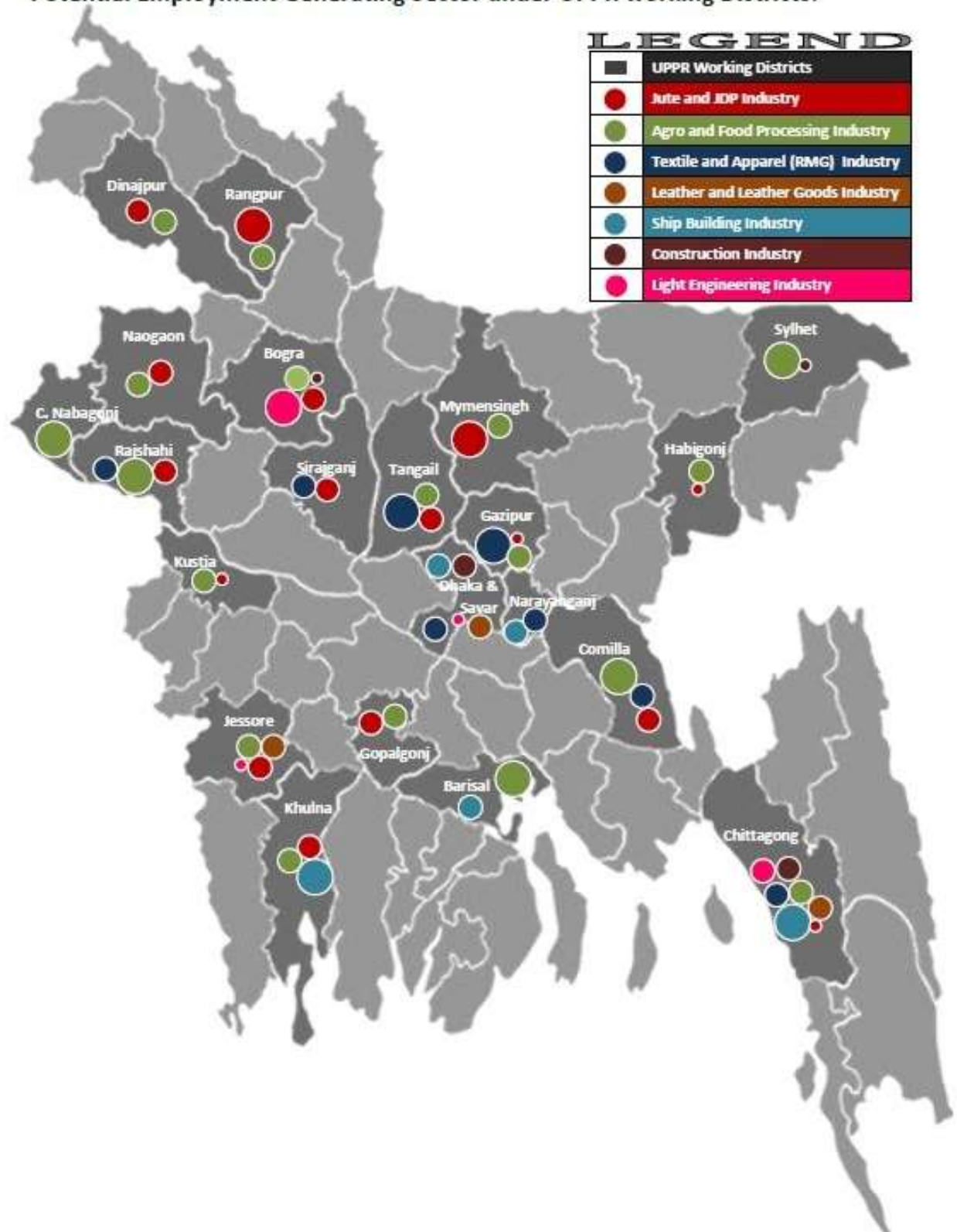
The ADB and Swiss Agency for Development and Cooperation (SDC) is undertaking the Skills Development Project. The project is reinforcing the current reforms in the TVET sector. The project is aligned with the Ministry of Education of GoB. The ADB/SDC Skills Development Project (SDP) has also set up Industry Skills Councils for the construction sector although it is not as established as LE and RMG sectors. The ISCs have been able to identify short-term training needs and in response, deliver short courses on leadership, marketing, training the trainer, and occupational health and safety.

Another partnership project undertaken by the SDC and EC is Skills for Unemployed and Underemployed Labour (SkillFUL). The project supports private sector training providers. The project mainly provides support to capacity and quality development and to upgrading of training capabilities. A number of partner training institutions also cater to overseas labour markets.

UPPR's interventions in the construction sector could be aimed at contributing towards the development of skill-sets required in-country as well as the foreign markets above. Through UNDP-UPPR we are already engaged the GoB, private sector training providers, prominent construction industry firms and its workers, and on later stages we may develop other international organizations who would like to share these goals.

4. Findings of the primary research

Potential Employment Generating Sector under UPPR working Districts:



As a part of this study an extensive primary research was conducted using key informant interview (KII) and focused group discussion. A questionnaire was developed and list of interviewee and focused group discussion participants were selected through a process and was shared with UPPR management before conducting the primary research. The interviewee and focused group discussion participants were selected based on their experience with the sector selected through secondary research, their overall understanding of the industry growth and their experience with different skill development training program. They were also provided with a brief background of UPPR project and were supplied with web link of UPPR project prior to the interview and the discussion. Though there was a structured questionnaire for the interview and the focused group discussion but the discussion were kept open within the framework to be able to help achieve the following three objectives:

- Identify four most potential sectors for UPPR out of the seven selected from the secondary research.
- Identify the strength and weakness of current skill development training programs of UPPR
- Identify future recommendations for UPPR

Based on the output of the discussion, the objectives were achieved through a process.

For the selection of sectors, a threshold score was developed for sector suitable for UPPR and then the sectors were selected by comparing their score to the threshold score by using spider diagram. Through this process four out of seven sectors were selected for UPPR program to focus for skill development and job creation for urban poor.

For the analysis of current skill development program imparted by UPPR, the whole review was divided into six parts- targeting and selecting beneficiaries, providing training, certification, measuring impact, demand driven training, sustainability and scaling up. Providing training section was also looked at from different angles. This whole process helped to have a better feedback from experts on the current skill development program of UPPR and to have a better understanding of the strength and weaknesses of these programs.

The last part of the process was to find specific recommendations for Urban Partnership for Poverty Reduction (UPPR) project for further improvement of different skill development program. The issue of scale and sustainability and the mainstreaming of UPPR and partners imparted training with national initiatives were major two areas where most of the recommendations were sought. The importance of further research as well as information sharing was also major parts of the recommendations discussion.

These three sections are interlinked and one actually leads to others. This is particularly relevant for the last two sections where the analysis of the current program was made and recommendations were developed.

5. Selection of four sectors for UPPR

To further validate the findings from the secondary study and to develop a list of four sectors for UPPR to focus through primary research a process of threshold scores and spider test was followed. The process was completed by conducting key informant interview and focused group discussion and the scoring as achieved through a set questionnaire used in the interview and discussion.

5.1 Logic of Spider Test and Threshold Scores

At this stage it will be useful to explain the logic behind the overall primary evaluation. The main reason primary research was conducted was to validate the selection of seven sectors and to identify four out of this seven sectors for UPPR to focus on. A key part of the process was to assign relative weights to the criteria. It is obvious here that certain criterion is more important than others- especially when it comes to addressing the overall objective of UPPR. This is especially true of things like industry size and growth, demand of skilled workers and training opportunity, because collectively they present a much greater opportunity to help impact group empower themselves and eventually graduate out of poverty. Whereas certain criterion such as supply of labors and required competency, is likely to comparatively weigh less. Therefore, the notion of providing threshold scores to each criterion was conceived- to evaluate each value chain taking into account the relative significance of each criterion which was used to evaluate them.

Threshold scores are basically a minimum acceptable score, on a scale of 1 through to 10, which would denote the relative significance of each of the seven. For example, because industry size and growth, demand of skilled workers and training opportunities are considered highly important and relevant to the UPPR vision, these criteria received higher threshold scores.

What the threshold scores also mean is that any particular value chain will reduce in priority if it tends to receive an evaluation score below these threshold levels- while value chains that receive scores higher than threshold levels will gain in priority. Final evaluation is a matter of: (a) overall ranking by totaling scores, and to complement this, (b) a visual evaluation of the value chains represented through spider diagrams, which will be explained in the following section. Final selection of a value chain is therefore a comparison: (a) with the *threshold score* to evaluate how it scores against the some of the most important criteria; and (b) with other value chains to determine how it has performed *relatively* against threshold scores obtained by those.

Determining the threshold scores was another challenging issue, and again it was done in consultation with communities and experts, key informants from various units and market actors consulted during the assessment. While the allocation of scores in this manner will inherently be subjective, the fact that this was consultation based, bringing various perspectives and experiences to bear helped to ensure that a more robust and thoughtful

process was followed. Close attention was also paid to the relative scores of each criterion to ensure that the key aspects of this project and its core objectives were weighted more heavily.

Table: Threshold Scores

Sl. No.	Criteria	Threshold
1	Industry Size and Growth	7
2	Demand of Labors	7
3	Supply of Labors	5
4	Required competency	5
5	Training Opportunity	6
6	Scope of UPPR	7
	Total	37

5.2 Sector Scoring Process

This was perhaps the most challenging part of the entire process- begins with detailing the criteria mentioned above. According to the scoring process, each value chain was given a score, on a scale of 1 through to 10, for each of the main criterion. The scores of each main criterion were then in turn totaled to find out the relative ranks of the 7 value chains. Additionally, excel radar charts were used to visually represent and compare the scores for each of the main criterion, for each of the 7 value chains.

5.3 Sector Ranking:

The table overleaf delineates the scoring and ranking results. The scores have been totaled and ranks have been provided, with the highest ranks from 1 to 5 marked in Yellow. The threshold scores have again been provided to ease comparability.

All of the 7 value chains were evaluated individually against these issues to come up with a true picture of the extent to which a value chain is likely to have maximum potential for successful employment generation.

Table: Sector Ranking based on Key Criteria

Sl. No.	Criteria	Threshold	Jute and JDP Industry	Agro and Food Processing Industry	Textile and Apparel (RMG) Industry	Leather and Leather Goods Industry	Ship Building Industry	Construction Industry	Light Engineering Industry
1	Industry Size and Growth	7	7.5	8.0	9.3	7.8	6.8	7.2	7.0
2	Demand of Labors	7	7.1	7.5	9.0	8.0	7.4	7.0	6.5
3	Supply of Labors	5	6.5	7.2	8.0	6.7	4.5	4.8	4.0
4	Required level of competency	5	5.2	5.5	6.9	6.2	4.4	4.0	3.7
5	Training opportunity	6	7.0	7.3	8.5	7.8	5.5	6.3	5.8
6	Scope of UPPR	7	7.8	8.0	8.8	8.4	7.0	7.5	7.0
	Total	37	41.1	43.5	50.5	44.9	35.6	36.8	34
	Percentage	62%	69%	73%	84%	75%	59%	61%	57%
	Rank		4 th	3 rd	1 st	2 nd	6 th	5 th	7 th

5.4 Spider Diagram Representation

The following is a visual comparison of the value chains, against the threshold criteria, and against one another- based on the results from the scoring tables above. This is complementary to the ranking process. Three of the first five selected value chains are shown below, together with three of lowest scoring value chains to provide the reader with a visual understanding of why the top ones chosen, while the bottom ones were discarded. The key here is to determine visually, the extent to which the boundaries of a value chain fall outside the threshold octagon- if this is so; the value chains are logically likely to be preferred for selection. If the converse happens for a value chain, it will likely be rejected.

Four Selected Sectors

Figure 1: Textile and Apparel (RMG) Industry (Ranked One)

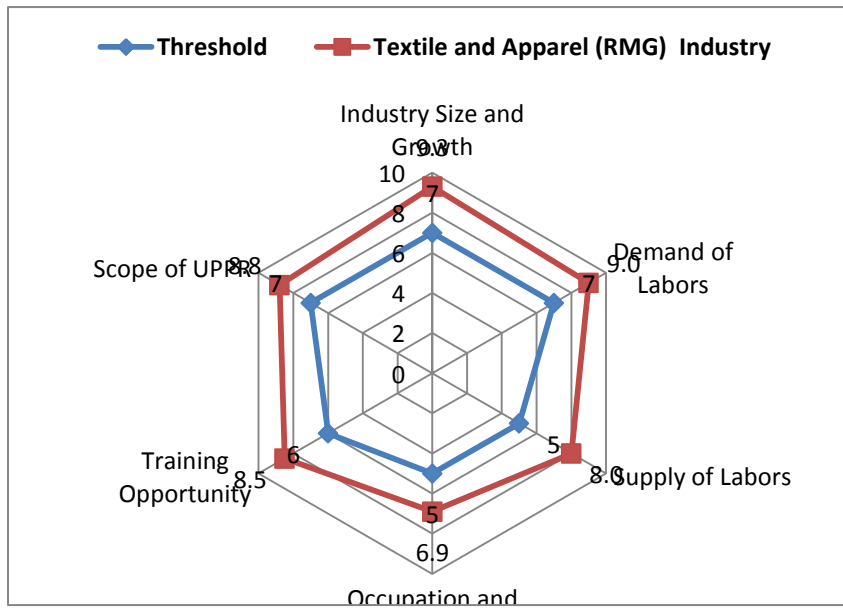


Figure 2: Leather and Leather Goods Industry (Ranked Two)

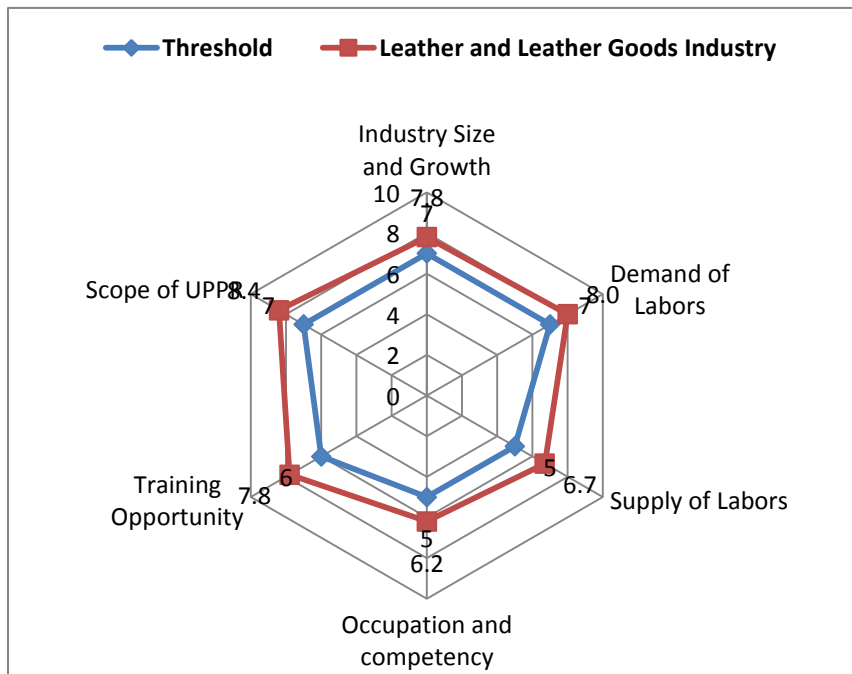


Figure 3: Agro and Food Processing Industry (Ranked Three)

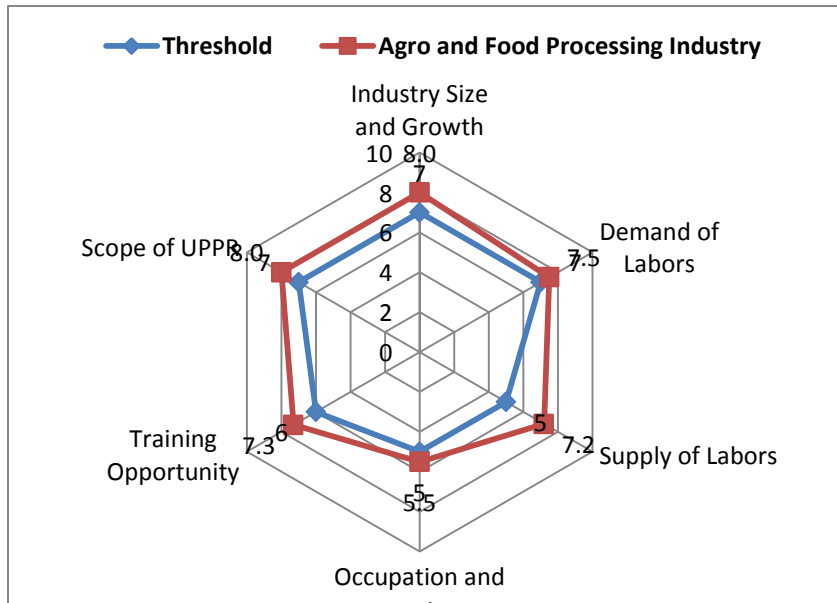
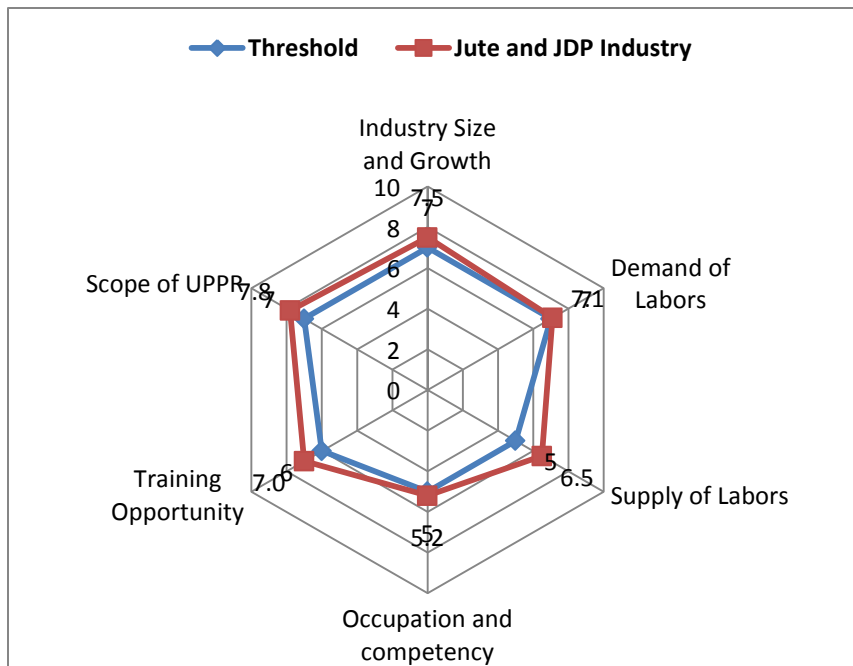


Figure 4: Jute and JDP Industry (Ranked Four)



6. Current landscape of skill development program in Bangladesh

Bangladesh has an ambitious target to become a middle income country by 2021. To achieve this economy needs an annual growth rate of 8% and for this to be possible there must be increased employability, productivity and skills utilization and increased private sector investments. The lack of skilled workers remains a major challenge for the private sector and weak governance and institutional capacity also impedes the economic advancement and decelerates growth. Although Bangladesh has an advantage in terms of labor cost and labor surplus, the country is unable to yield maximum result as a result of its dual formal-informal economy model. A large share of employment is engaged in the informal economy which is around 78% of the total employed workforce and is dominated by low income and low productivity jobs. The large majority of the population acquires vocational and technical skills on the job, partly as a result of limited outreach of TVET and also because of the high labor intensive nature of the economic sectors. Industry skills training is predominantly part of the production process and thus rarely formalized. New recruits generally assist senior workers and acquire skills by mere observation and routine practice.

Some major challenges for workers in the informal economy are:

- Access to Technical and Vocational Training and Education (TVET)
- Lack of information, motivation and guidance for choice of occupation based on aspiration.
- Poor quality of training
- Lack of role models in peer groups
- Drop out from training
- Lack of post training support
- Insufficient job placements
- Low support for workers' aspiration of skill up gradation
- Cultural barriers for women in non-traditional occupations

6.1 Current Skills Development Programs:

Some of the major development partner-funded programs in the Vocational Skills Development sector of the Bangladesh economy are:

6.1.1 TVET Reform Project (EC/ILO):

This project strongly contribute to improving the overall policy framework in TVET in areas such as formulation of a new National Skills Development Policy (NSDP) and the design of a National Technical and Vocational Qualifications Framework (NDVQF), on the basis of which Industry Skills Councils (ISC) have started to formulate skill standards in different occupations. The TVET Reform project focuses on the following sector: Leather and Leather Goods; Agro & Food

Processing; Transport Equipment (Ship building), Information Technology and Tourism. Although, it provided particular strong support to training and forming Industry Skills Councils (ISC) for Leather/Leather goods sector through formation of COEL, as well as to the agro-food/food processing sector through the formation of CEAFS. The project is planned to be extended, at EU's request, on a non-cost basis for 18 months. The project is aligned with the Ministry of Education of GoB. Total fund allocation for the project was approximately \$21 Million.

6.1.2 Skills Development Project (SDC):

This project is undertaken by the ADB, SDC and GoB and it strongly supports the current TVET reform sectors. It primarily supports capacity building in public and private technical training institutions through two funds which are the Market Responsive Training Fund for private training providers and the Programme Development Fund for public training providers. The beneficiaries are students of regular certificate and diploma courses; out of school youth; and underemployed and unemployed adults from urban as well as hard-to-reach areas. Whereas there is no sector-specific focus, there is development of skills standards and new programs for the RMG, Light Engineering, Construction and informal trades. This project is also aligned with the Ministry of Education of GoB. Total fund allocation for the project is \$66.7 Million.

Skills and Training Enhancement Project (STEP): This project is undertaken by the World Bank and it will upgrade 36 technical training institutions and provide funding for short courses (\$5m) in both state and private training institutions and through employer federations. It will also provide a means-tested stipend to diploma level students. It is giving priority to programs that deliver skills for the target sectors in the EC/ILO TVET project and is working closely with BTEB for approval and certification of institutions and courses. Beneficiaries are students from disadvantaged socio-economic background. The project is aligned with the Ministry of Education. The total fund allocation for this project is \$88 Million.

P.R.I.C.E (USAID): This private sector development project also supports the development of the leather goods/footwear sector. As a part of its training-related activities, it assisted the Leather goods & Footwear Manufacturers & Exporters Association of Bangladesh (LFMEA) for workers' skill development through curriculum development and supply of trainers. Also in strong cooperation with the EC/ILO project, it has contributed to the development of COEL. The project is aligned with the Ministry of Industries. The fund allocation for the project is approximately \$11 Million.

SkillFUL (EC/SDC): The project supports private sector training providers, particularly focusing on the construction sector. The project mainly provides support to capacity and quality development and upgrading of training capabilities. A number of partner training institutions also cater to overseas labor markets. The fund allocation for the project is approximately \$4.55 Million.

Promotion of Social & Environmental Standards in the Textile Industry (GIZ): This project has strong focus on skills development in order to reach its key objectives. Support has been provided, among others, to in-firm training, to BKMEA's Pairaband Training Academy in Rangpur and to training courses by the Dhaka Ahsania Mission. The project is aligned with the Ministry of Textiles.

Apparel Skills Foundation (DFID): This project, implemented through TESCO, focuses on skills development for mid-level management in the RMG industry.

NSDC Strengthening Project (ILO/SDC): This project provides resources and equipment to support enhanced operations of the National Skills Development Council (NSDC) Secretariat.

Skill for Employment Project (ADB/GoB):The project design phase has been recently completed and currently it is currently in implementation phase. Firstly, project will back selective key reforms of the new policy framework, and secondly, in order to provide demand driven skills development programs, the project plans to also strengthen training institutions in selected sectors including RMG. It also plans to support apprenticeships and other enterprise based training and to develop flexible approaches to skills formation through partnerships with industry, including programs targeted at underprivileged and women. Thirdly, the project will target support to strengthen governance and management systems to ensure policy objectives. The expected fund allocation for the project is approximately \$100 million.

Private sector Training, Certification and Employment Services) DFID:(DFID has completed a process leading to preparation of a new skills development programme/project in Bangladesh. DFID commissioned a market study and project design by Swiss Contact which resulted in a final report "Private Sector Training, Certification and Employment Services in Bangladesh: Market Study and Design." The report recommends a programme/project focused on three sectors which are RMG, construction, and leather goods and footwear. Components includes enhanced training for local and international markets, teacher training and employment services, implementing different funding mechanisms, and supporting implementation of the NSDP. The fund allocation of the project is approximately \$25 million.

7. Skill Development and Employment Creation for UPPR

The Urban Partnerships for Poverty Reduction Project (UPPR), funded by UKAID, works with communities in poor urban settlements across Bangladesh to improve livelihoods and living conditions. Working in partnership with the Government of Bangladesh and UN Habitat, UNDP believes that these communities are best placed to identify their main priorities. In particular, UPPR looks to create space for extreme poor women and empower them to make these decisions. Activities include improving the physical conditions of settlements, improving socio-economic opportunities and the development of savings and credit groups. UPPR also works to create a pro-poor policy environment, particularly through the Bangladesh Urban Forum.

7.1 UPPR and Skill Development Program

Because poverty is not only reflected in income levels, UPPR works with the Government of Bangladesh to reduce poverty through a multi-sectoral approach. Through the Socio-Economic Fund (SEF), UPPR provides the necessary funds for the communities to identify the poorest of the poor in need of support and finance activities that improve their livelihoods and expand their economic opportunities. The aim is to build the human and financial capital of these households so that they can support themselves to rise out of poverty.

UPPR connects women and men with an opportunity to learn skills that give them a better chance of finding employment through apprenticeships. The potential apprentice works with UPPR staff to choose a skill. The community and UPPR then work together to find the right place to provide this training and negotiate its terms and conditions to ensure good quality training that leads to a positive outcome. Apprentices typically receive around USD 20 a month for up to six months.

In addition, UPPR provides selected individuals with a block grant of up to seven thousand Taka, to start up a small business. The recipient will work one-on-one with a mentor from the community - who is employed by UPPR - and learns about using the funds and starting the business. The mentors also undergo special training and have at least completed junior school so that they can provide good quality support to the recipients. Businesses established through the block grant include grocery stalls, tea stalls and the purchase of assets for daily rent such as carts.

7.2 Cross-cutting issues for UPPR

During the consultation six cross cutting issues were found critical for UPPR. These are

7.2.1. Targeting and selecting beneficiaries

UPPR's targeting strategy aims to reach the most vulnerable people living in the urban area of selected districts. Providing effective training to vulnerable groups in the urban area is a greater challenge because they have a lower level of education and their day-to-day struggles are not always compatible with the longer term perspective of training. While special approaches are sometimes developed to reach specific groups (e.g. women), targeting is often based on criteria

such as current occupation, type of housing, location, skill or gender. However, if the poorest people cannot employ, for diverse reasons, the knowledge and skills acquired, does it make more sense to train less deprived people who would be able to take advantage of their new skills?

Such a dilemma is well-illustrated by divergent practices developed by UPPR-supported initiatives. A part of the program provides trainees with a stipend to pay for transport and food to make sure that these costs won't prevent the poorest people from attending training sessions. But UPPR also needs to provide training to the most interested and motivated people. The first option increases the risk of providing ineffective training, while the second might bar access to the most vulnerable. Alternative, more complex, schemes combining both approaches could probably overcome their respective shortcomings. The gender dimension is also a key issue in terms of targeting: the decision to train men or women for a specific activity should be taken carefully, considering the economic and cultural environment.

While the problem of elite captures needs to be taken into account, it was suggested that project might also lead to the emergence of a disconnected “project class”, isolated from the rest of the population because of the “privileges” they enjoy. This kind of problem could be reduced by better including projects within national training systems, thus narrowing the gap between project beneficiaries and “normal” service users.

7.2.2 Providing training

Participants in the key informant interview and focused group discussion discussed matters related to providing training and the training environment, including design, location, duration, follow-up and training providers.

Landscape

One of the initial objectives of the research was to draw a landscape of training activities within UPPR supported programs. Although this helped to achieve a better understanding of training approaches, there was general agreement that a full landscape of training provision has yet to be designed. Such a comprehensive overview would be very useful for UPPR. There seems to be a continuum of training approaches, from soft training like workplace orientation to apprenticeship programs with more or less theoretical courses and a possible way to bridge this gap could be to focus on aligning projects training with national qualification frameworks. This would improve coherence and articulation among training activities (whether or not they are project-related) and foster the inclusion of project initiatives in country policies.

Design

Training design (i.e. planning courses considering issues such as their objectives, content, length and costs) is rarely done at the project design stage. However, when training was designed in detail (as in the UPPR-supported skill development training or workplace orientation training), the theoretical and practical approach did appear to be

very useful; training plans had to be largely rewritten during the implementation phase in order to adapt them to the projects' evolving contexts. Nevertheless, participants insisted that a thorough training design could be useful for accurately budgeting training activities. Guidelines are needed to design training activities at an early stage of the project while allowing for flexibility to adjust to reality once a project has begun.

Location and duration

Skill development training is offered as either on-site or on-factory training. The first option might be more economic and convenient for the trainees, but it depends on trainers' availability and trainees not becoming distracted by their daily occupations. The second option usually provides a more realistic environment, but at a higher cost. All interviewees agreed that the effectiveness of short training is questionable – even for very simple technologies – as there is a socio-cultural inertia preventing direct adoption. The research highlights the importance of apprenticeship training, such as RMG sector skill development training organized by UPPR. Lot of the participants also mentioned about refresher's training and this is an area that needs to be further explored.

Providers

Training providers are key to ensuring training quality. In extension training, there is usually a divide between governmental and non-governmental (including private sector) agencies. The latter might be more cost-efficient than the former, but drawbacks can include ownership, mainstreaming and sustainability because project activities may be isolated from the public system.

Developing private sector service provider (e.g. skill and productivity limited)) seems to be a rather innovative approach that deserves more attention. It consists of monitoring the quality of the training, monitoring attendance, coordination between training provider and community and job placement after the training.. It was noted that apprenticeship is more cost-effective than in-center training, as it requires fewer resources (e.g. classrooms, workshops and teachers) while offering more practical training with greater relevance to market requirements. UPPR should focus more on apprenticeship training by developing partnership with private sector and ensuring the curriculum follows the national skill development standard and requirement.

7.2.3. Certification

The study agreed about the importance of certification, an often neglected part of training architecture. During the interview, most of the participants stated the importance of certification both for the skill development training and training like workplace orientation. Several reasons might explain this interest:

A certificate is a support document that can help convince a potential employer to hire its holder. It can also help secure business contracts for self-employed trainees, especially with

local authorities who might require it. It could also be used to facilitate access to employment and credit, although some of the experience shows that it might not be sufficient.

A certificate acts also as a visa for further training, bridging the gap between informal training (including apprenticeship programs) and the formal education and training system. However, this advantage is mainly confined to national certificates and not certificates awarded by projects which are not recognized by other institutions.

A certificate received at the end of any training is empowering and increases self-confidence and social status, especially for rural poor men and women who are often illiterate or have not completed formal education.

UPPR needs to streamline the certification process and develop set criteria for the certification standard to make the whole process aligned with national system.

7.2.4. Measuring impact

Measuring impact, and in particular empowerment, is challenging. It is also challenging to address the complexity of income-generation or employment, especially when the project provided only partial support. The fact that beneficiaries are employed is not enough to prove any project impact, because they could have been hired or started a business without training, or they might not use the skills they learned. In this regard, it seems that most of the studies conducted by projects to evaluate training impact are not conclusive. One suggestion was to use knowledge, attitude and practice (KAP) studies. This methodology, based on trainees' evaluations, is a simple and cost-effective tool that could be more widely used to assess the impact of short training sessions with a very specific purpose, such as the adoption of a new variety. Unfortunately, such a tool cannot estimate the long-term specific impact of longer training courses in a complex environment. Tracer studies would definitely give useful information, but they would not be able to identify the exact impact of project-related training. Econometrics studies could achieve this goal, and combining them with long-term socio-anthropologic al research might yield interesting findings; however, their very high cost might not be justified if results are not very significant. The question of impact evaluation raises the broader issue of research conducted before, during and after project implementation. Prior to project design, literature and data available at the country level are often not gathered, analyzed or consulted, even though doing so would greatly improve project relevance and inclusion in national frameworks.

7.2 5. Demand-driven training

Making sure that training courses are useful largely depends on the quality of training, but this is not enough. New skills have to be relevant to job market needs; it is useless to train very good professionals for a trade that does not offer employment prospects. Matching supply and demand is therefore a fundamental issue for the success of a UPPR skill development strategy. Ensuring that training is demand-driven might have become the new “mantra”; however, this

cannot only refer to the formal job market – which is usually small in most UPPR targeted urban cities of Bangladesh except for Dhaka and Chittagong and cannot absorb a large part of the workforce. The informal sector in other UPPR towns tends to be poorly organized and usually lacks representative bodies that could express the sector's needs from the skilled workforce. Demand-driven training might therefore mean analyzing the market to assess training needs for delivering products and services rather than asking potentially non-existent employers. Where new products or services would be developed – which is common with projects providing short, extension-like training sessions – an in-depth cultural perspective is necessary to ensure the relevance of the enterprise. Where projects are operating in parallel or in coordination with existing training systems (e.g. different skill development training in the RMG sector), an important issue is how to go beyond traditional skills to avoid job market saturation. The preference for some trades follows cultural practice, such as traditional gender-based division of labor (e.g. sewing,), rather than a rational assessment of future employment prospects. But this kind of limitation is not confined to the local community. It was noted that government authorities are reluctant to develop new trade courses, because they do not see the need for formal training in these areas.

7.2.6. Sustainability and scaling up

For UPPR sustainability is a key issue. This implies that the innovations and institutions developed by the project are handed over to the formal institutions or community and keep functioning at a similar level of efficiency. At best, project outcomes would not only be sustainable, but would also be extended in a scaling up process. UPPR's innovative approach in developing partnership with private sector and developing service providers like skill and productivity limited Achieving sustainability implies stronger links between projects and national policies and strategies. The UPPR project might want to go in this direction by reinforcing capacities of the skills development actors and creating research instruments that will support the National Skill Development Council. These objectives clearly demonstrate a willingness to better include the project within the national framework, but it might prove difficult to achieve these objectives in the current time limitation of UPPR. It was suggested that concern for sustainability should be integrated beginning with the design stage. This implies developing structures as close as possible to existing training systems, be they formal or not.

Sometimes innovative initiatives should be considered as effective demonstrations in their own right. Even if scaling up proved to be impossible, these projects would serve as pilots and useful experiences from which others could learn and draw inspiration. This might be the case with the experimental, innovative training approaches with Skill and Productivity Limited or with BSRM and might serve as a powerful learning instrument and with a possibility of replication.

Financing of the training is another big part for future consideration. It must be noted that UPPR tried different approaches to finance training and explore possibilities of co-financing with private sector and service provider to ensure sustainability of such training in future. It is quite uncommon for a project like UPPR, which has a set grant for skill development training to try so many innovative ways to explore financing models just to ensure sustainability and scale

up. Driven by UPPR, the service provider like SPL and others also tried options like charging one month equivalent salary as placement fee for future sustainability. All these models including taking loans from CDC to pay for the training should be well documented and shared with other stake holders. It is strongly believed by the interviewees that these models should be discussed in national forums and should be more widely disseminated.

8. Recommendations

The research agreed on a number of recommendations to improve the quality, relevance, sustainability, monitoring and evaluation of training provided in UPPR supported initiatives.

8.1 Set instruments to improve training within UPPR initiatives

This study should enable UPPR to develop a better understanding of the various forms of training provided in the operations it supports. To fill gaps and respond to the increasing need for capacity-building, instruments and methodologies need to be established or revised as highlighted by the different section of this study.

- UPPR should define a strategy for training and capacity-building which sets clear objectives and specific guidelines to achieve them. Though UPPR is in the last project year but this effort will help an future urban livelihood and poverty reduction program in a significant way
- UPPR should produce a glossary that would cover the full landscape of training activities and facilitate understanding and communication. Such a glossary, inspired by the International Labor Organization (ILO) and the United Nations Educational, Scientific and Cultural Organization (UNESCO) glossaries, would include the training, background information, available literature and a list of implementing projects for each entry under each selected sector.
- Based on the current project experience UPPR should look into its current training categories and add details such as the type of training, the profile of participants or the training duration.
- UPPR gained vast knowledge on different type of training and different type of partners implementing training. UPPR's innovative approaches created few innovative models that can be replicated wither by government agencies or by private sector in future. Based on this experience UPPR should set practical guidelines and indicators that would help operations on next phase of UPPR or any projects with similar objective to better design, budget, implement and monitor training activities. Such a tool kit should be tested first in pilot projects before being finalized during the remaining period of UPPR.

8.2 Improve experience-sharing within and outside UPPR

Generic tools cannot suit each specific situation. One of the biggest strength of UPPR lead skill development training programs were the adaptive nature of the program to each unique context. Though the basic framework of the training program remained the same (e.g. budget)but UPPR made conscious effort to tailor made training from to address specific requirement. For this reason, field staff should be enabled to share experiences through networking with other TVSD actors.

- UPPR should issue a learning note highlighting the lessons learned throughout the project period. More learning notes should be released subsequently at the end of ongoing training programs delivered either by private sector or private sector service providers.
- UPPR should provide field staff (both from project, local government and partner organization) with background training on skills development issues. This would enhance their understanding of information from past experiences and enable them to better design and monitor new and ongoing projects. Several approaches could be used to provide such training, including seminars, regional workshops or learning routes. This should have an impact on future sustainability and scaling up and also ownership of this training by government agencies.
- UPPR should set up an experience-sharing network to disseminate information, which could become an exchange platform for anybody interested in training issues, both within and outside of UPPR (e.g. international skill development projects, training organizations, bilateral donors, development banks, NSDP and other government organizations). Such a network would also help strengthen links among UPPR and other TVSD actors.

8.3 Undertake more research

With the experience that UPPR had training urban poor in different towns through multiple partners and different mechanisms, it should have by now clearer understanding of the areas where research is the most needed.

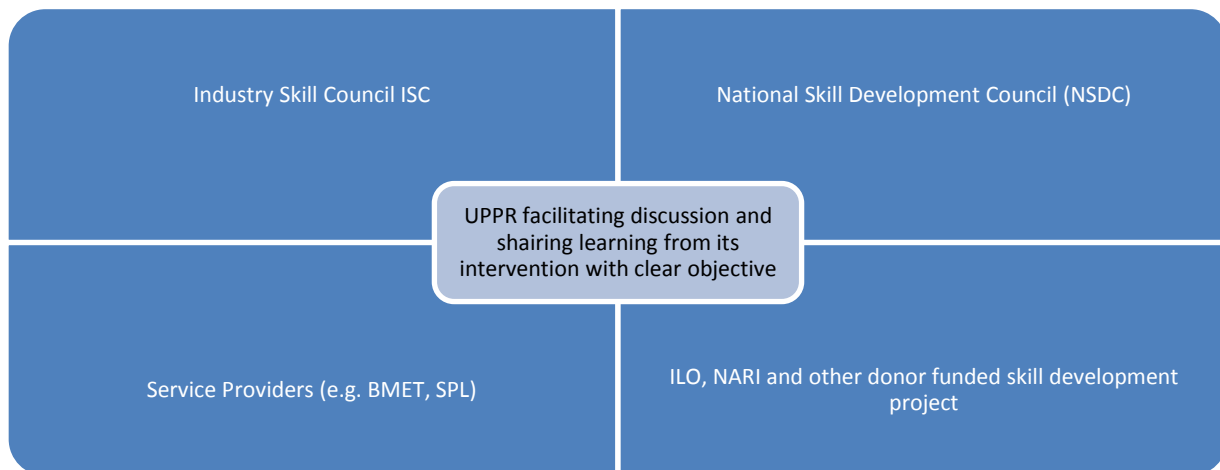
- UPPR should conduct more research on the country training system and the country policies and strategies at the project design stage in order to improve ownership, sustainability and mainstreaming of its operations. This is especially required for projects with training as a core component. More research is also needed on job markets and product and services markets (as the formal sector is usually small) to ensure that training is demand-driven.
- UPPR should conduct more research on how training is implemented and on the impact of training. Several approaches are available and could be combined: KAP studies and tracer studies could help to better monitor and, if necessary, reorient projects; and expensive econometrical impact evaluations and long-term socio anthropological studies could be used to better design policies and strategies. A first comparative study could cover the provision of training through UPPR supported apprenticeship program in several sectors. Though UPPR is passing through the last phase of the project but this research will help the government and any new phase of UPPR to better design future training programs

- UPPR should conduct more research at the policy level. Such research could help better design projects in order to ensure their sustainability and mainstreaming of their innovations- particularly with private sector and private sector service provider.

8.4 Improve projects' inclusion into country policies/strategies

Beyond research, there is a need for common understanding on issues and strategies regarding TVSD and job creation. Links need to be strengthened among UPPR, other actors involved in international cooperation and governments. The following recommendations might help achieve this objective.

- UPPR should coordinate or participate in the discussion by National Skill Development Council, Industry Skill Council, ILO, Ministry, both government and private sector service provider and private sector companies to improve policy dialogue with government.



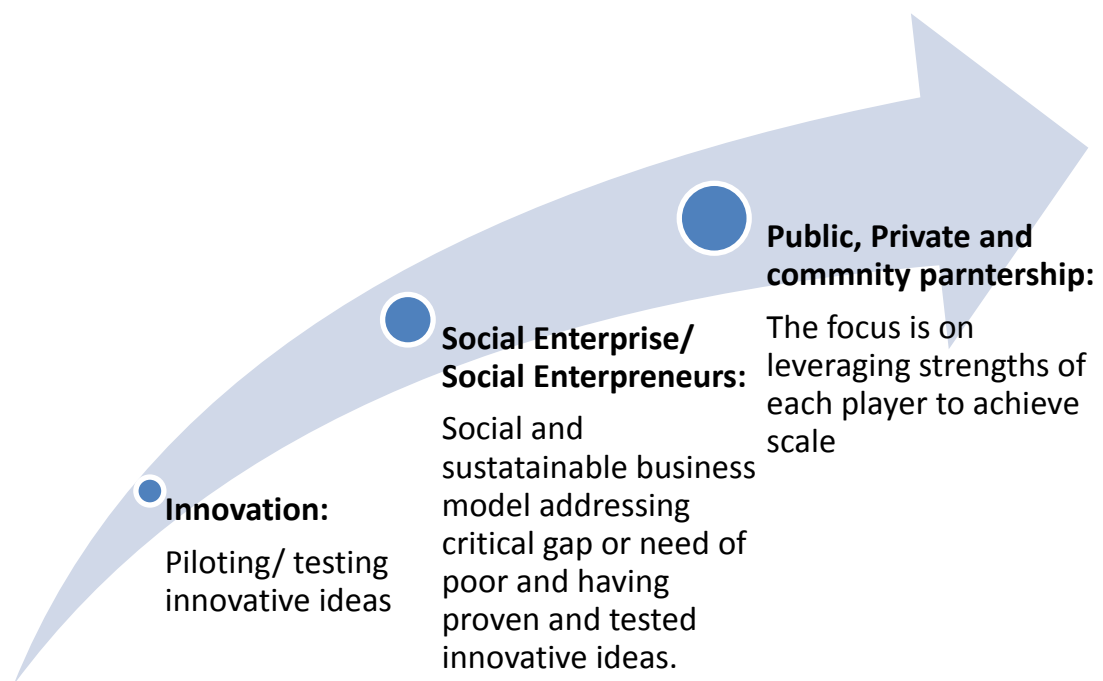
- UPPR projects should collaborate closely with national and local authorities to improve government ownership of software components and synergies between existing structures and project innovations. Sustainability should be the main objective considered at this stage of the project.

9. Country Strategy for Bangladesh:

Though the objective of this study is to develop a clear strategy for Urban Partnership for Poverty Reduction Project (UPPR) but the study looked into couple of broad suggestion for Bangladesh as a whole in terms of skill development. For a developing country like Bangladesh as a whole, the most critical question is how to create quickly hundreds of millions of jobs for the poor with limited purchasing power and limited capital for investment. The idea that most of these jobs could be created in the corporate sector or by government-sponsored activities has been put to rest. A single approach will not be applicable for a developing country like Bangladesh in different stages of development, a number of common principles and strategies are widely applicable. From these following key initiatives were developed which the research suggested as being particularly suitable for Bangladesh. These are:

1. **Global inter-sectoral partnering, building on the increasing amount of private funds flowing to developing countries:** Successful global and local partnerships are most likely to occur in Bangladesh when the international companies along with the local companies are already commercially active, which implies that there is a stable political environment and it is largely conflict free. A company's involvement may be driven by its Corporate Social Responsibility policy or by commercial interests and would, preferably but not necessarily, be supported by a legislative environment within which skills development is structured. In some instances these partnerships flourish without 3rd party assistance, but in a large number of cases they are facilitated by an aid agency (e.g. UPPR) or international NGOs. There is therefore an established role for donors to act as an initiator, catalyst or enabler for more global partnerships to be created. This would require: identification of region of the main economic growth sectors, to establish which industries will have the capacity to absorb large numbers of skilled and semi-skilled workers; identification of the companies active in these sectors who have a CSR policy (or the potential for one) and/or are experiencing skill shortages; proposals for the creation of a partnership skills development program which brings mutual benefit and has minimal bureaucracy; clear definition of the roles of each partner; and contributions from donors to influence the partnership activities towards socially disadvantaged groups.

2. **Skills development programs moving from international and national companies down through their supply chains :** An extension of the above initiative would include workers and trainees in the supply chains for global companies also having access to their skills development programs, thereby allowing the benefits to percolate down to SMEs, although probably still contained within the formal sector. Again the role of donor agencies would be that of facilitator and influencer, to ensure social inclusion but to avoid the program becoming donor dependent. Both of the above two types of initiative should require only minimal funding, as the donors' role is one of researcher, communicator, influencer and networker and of leveraging private sector funds.



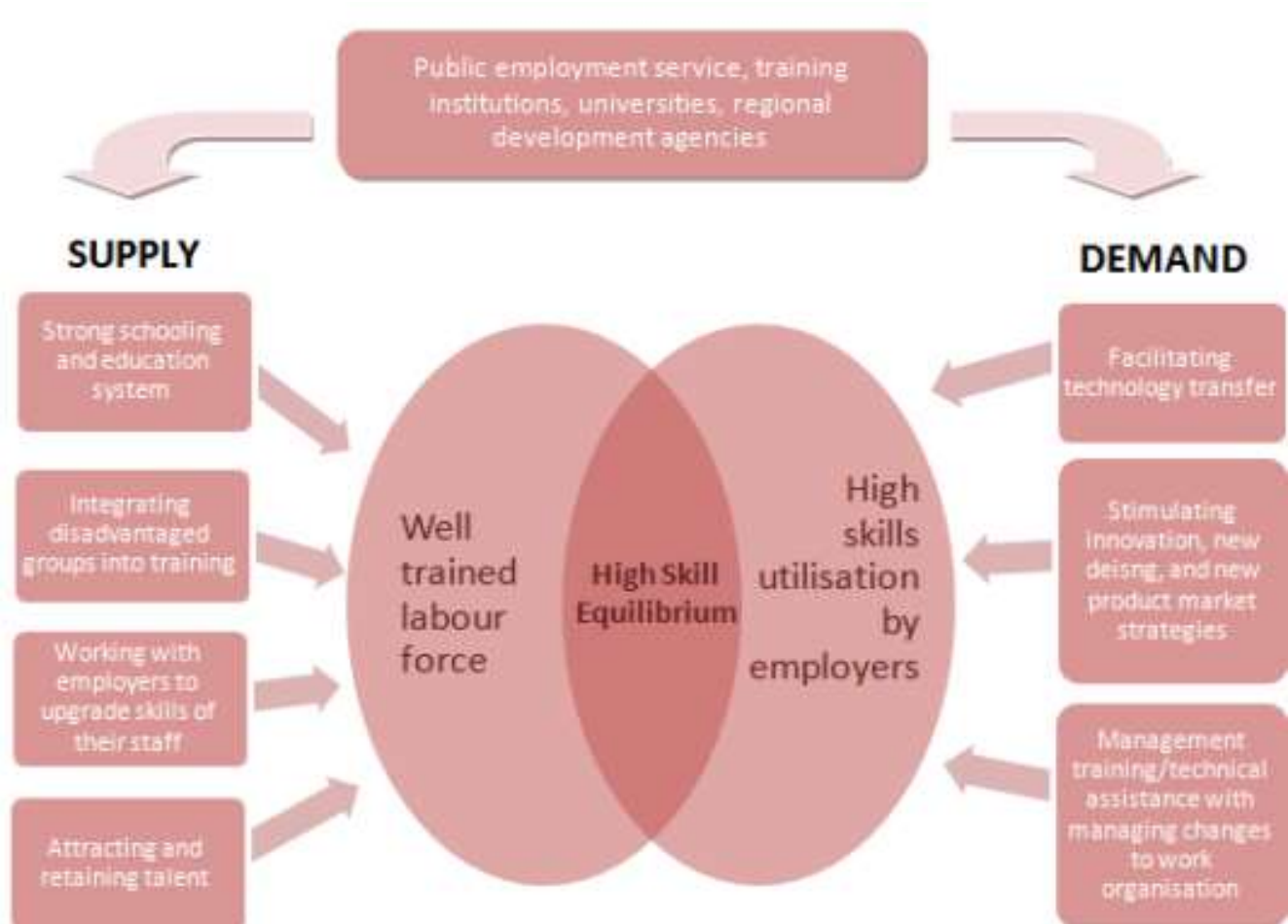
3. **The establishment of sectoral alliances:** Establishing employer sectoral alliances can also be an effective way in which there are at least one or two industry sectors which are experiencing growth and which have some medium large companies. The alliances are also more likely to flourish if they build on an existing body which has the capacity and willingness to expand its purpose and activities (e.g. a trade association or chamber). Specialist training providers may be members of a sectoral alliance. Depending on the needs, sectoral alliances may fulfill the role of producer of labor market intelligence, developer of occupational standards and training programs, manager of apprenticeship training scheme, quality assurance agency, certification

body, employment services agency, micro financier and disseminator of careers information, all focused solely on a single sector. The role of donors would be initial research followed by capacity building, including a business plan for income generation and self-sustainability. Sectoral alliances need not link to government, but if a well-functioning skills development framework is in place then they would ideally conform to it. In the absence of such a framework, sectoral alliances can develop expertise which can later be utilized by government in the creation and implementation of skills development policy and strategy. The development of a national framework could ultimately emerge from a set of inter connected sectoral frameworks, which would be more likely to engage employers as the initiative would be market led, driven by economic development imperatives and closely attuned to the conditions of industry.

4. **Earn and learn programs:** Earn and learn programs ranging from apprenticeships through to financially sustainable schools, and education in return for work. In all of these, the combination of on the job learning and ability to earn a wage make them particularly suitable for young people from poor families and for workers wishing to transit from a declining industry to one which is growing. Government involvement is not critical; although it would be appropriate were national recognition of skills gained considered desirable, for example for helping workers transit from the informal economy to the formal. There are a number of working models which donors can use for new program design. Donors' involvement would include designing and marketing the scheme, recruiting employers to it, facilitating negotiations with government if national recognition is required and capacity building through technical assistance. Earn and learn programs could be introduced and certificated by sector alliances.

10. Conclusion:

Each of the initiatives described above will be more or less applicable for different sectors. The conclusion of the research is that there are workable approaches which UPPR can support for increased, quality participation by the private sector in employment generation. All strategies allow the private sector to push ahead with development, potentially leading the way for government reforms to follow and examples of successful sector based initiatives could educate government on the best ways for the public and private sectors to work together. The following table shows how those strategies can help private and public sectors to work together for creating high skill workforce and can open more employment opportunities.



Annexure 1: Sector specific Strengths, Weaknesses, Opportunities and Threats (SWOT)

Sectors	Strengths	Weakness	Opportunities	Threats
Agro and Food Processing Industry	Abundant availability of raw materials; Easy penetration in rural areas due to competitive pricing; Priority sector status for agro-processing granted by the central government; Massive network of manufacturing facilities; Vast domestic market	Low availability of adequate infrastructural facilities like cold chain, packaging, branding; Lack of adequate quality control and testing methods as per international standards; Inefficient supply chain due to a large number of intermediaries; High requirement of working capital; Inadequately developed linkages between R&D labs and industry.	Bulky crop and material base offering a vast potential for agro processing activities; Setting of SEZ/AEZ and food parks for providing added incentive to develop green field projects; Rising income levels and changing consumption patterns; Favorable demographic profile and changing lifestyles; Integration of development in contemporary technologies such as electronics, material science, bio-technology etc. offer vast scope for rapid improvement and progress; Opening of global markets	Affordability and cultural preferences of fresh food; Loss of trained manpower due to better working conditions in other industries; Competition from global players; High inventory carrying cost; High packaging cost

Sectors	Strengths	Weakness	Opportunities	Threats
RMG	Competitive price advantages due to cheap labor and governmental assistance, skilled human resources, Duty and quota free access and GSP in EU, Integrated supply chain specially in Knitwear, International image of a reliable supplier of basic products.	Weak structure in particular production efficiency, product development, marketing skill, customer service, controlling, planning, management skill, technical knowhow, Producing mainly basic products, heavily dependent on importing woven, fabrics, low value addition, Poor image of adapting international and corporate social standards, Political, social and worker unrest.	Potential for higher value addition by developing backward linkage, Reduce lead time by developing custom clearance, strong backward linkage, Improved image by adapting environmental and social standards, Diversifying apparel product, switching from basic product to fashionable product, may get preferential access in USA and Canadian market in near future.	Risk of losing competitive advantages development steps required, Poor Political and investment climate leading declined interest of importers, poor capital formation, risk of losing know-how transfer, staff qualification, totally depend on others for raw materials as Bangladesh produce neither natural fiber nor MMF, increased international competition, woven sector requires huge investment, single market concentration.
Leather and Leather goods industry	Leather can be treated as a renewable resource; Available of integrated production chain from raw material to tanneries and leather goods; Availability of large and	Insufficient research and development facilities; inadequate knowledge on pro-active marketing of local leather entrepreneurs; Lack of	Increasing global demand for leather products; high potential for quality raw materials and maximum value addition inside the country; Availability of cheap labor force can be	Delay in introducing integrated government policy for the development of leather industry; Leather industry growth rates is stagnant for a variety of

Sectors	Strengths	Weakness	Opportunities	Threats
	rather inexpensive work force relative to other comparable manufacturing societies; Reputation of Bangladeshi's premium grain leather; price advantages of Bangladeshi leather in international market; durability of leather products; Favorable business environment with existence of EPZ; Reduced interest rate for industrial credit to leather sector to seven percent since it is considered as thrust sector by the government.	initiatives in arranging events to promote locally produced leather, leather goods and footwear; limited access to financial institutions; Unavailability of chemicals and accessories locally and no provision for local chemical industry; poor demand in domestic market; inability to come up with innovative and trendy products; Absence of vertical integration (backward and forward linkages); lack of professional training institutes to improve skills of workers at all levels;	the sustainable competitive advantage for the country; GSP facilities to exporters; Duty free access in major markets; Potential footwear market in middle east and south Africa; Opportunity of establishing by-product industry based on solid and liquid waste tannery and slaughterhouse	reasons steaming mainly from political instability to apathy in the international investment communities; Political instability and poor governance at all levels including corporate governance; intensive competition for gaining market because of strong competitors such as China, India, Pakistan etc.; High dependency on high priced imported chemical and accessories; limited product diversification compared to competing countries; illegal export of raw hides and skins to India and neighboring countries is creating scarcity of raw material for local production of leather goods and footwear.
Jute and Jute Diversified	Jute is a natural fibre, biodegradable and	Some of the traditional end users	The synthetic industry has gone through its period of	The substantial export sacking market

Sectors	Strengths	Weakness	Opportunities	Threats
Products	sustainable. The fibre has well known and tested attributes of tensile strength, resistance shearing, high moisture absorbency, inertness, allows air to pass through, stability and non; Although less well known than it used to be, it remains a leading material upholstery, shopping bags, cordage, twines construction, packaging, geotextiles and a whole host of technical uses such as filters, insulation, rubber coating, belts, cable wrapping, tarpaulin, linoleum backing, and known applications. Processing has shifted to a large degree to producing countries bringing much needed added value and employment. Jute enjoys large established domestic markets that	are no longer required in some market segments such as in packaging where bulk handling has displaced sacking. The industry is fragmented and individual exporters and those representing the lack the resources to match competing material suppliers for product and market development and promotion. Price volatility. A reputation for less than totally reliable delivery. Unease in consuming countries about business relationships with suppliers. There was a lot of talk, money and research on diversification that has not been translated into sold products. There has been a lack of	treating substitutes to jute as marginal cost contributors and tries to earn profits. Synthetic substitutes to jute have also been commoditized with low rates of return and production is being moved to lower wage countries. As a result, the industry particularly in USA is in the midst of a crisis with the leading production facilities up for sale. There is no decisive technical reason why the American carpet industry could not increase its use of jute secondary backing. While the richest industrialized countries are switching away from sacking to bulk handling, there are very many countries that cannot switch to bulk handling in the near or medium future. There are new end uses that offer good prospects for developing,	accounting for over 180,000 tons annually is under pressure from bulk handling. Some leading medium sized jute importers in USA have ceased operation for reasons unconnected with problems facing jute and this is likely to lead to a reduction in imports of sacks in particular. Reduction of jute exports is leading to a reduced level of material consciousness in some markets. Reductions in some former markets may soon approach loss of critical mass if allowed to continue unabated. The Indian market depends on regulatory protection to a large degree and this cannot be taken for granted. A record of falling world markets and low margins are leading to some jute processors

Sectors	Strengths	Weakness	Opportunities	Threats
	assure its continuing use. Enjoys price support and protection in its main markets. Remained a low cost material in real terms. As we have seen earlier China, Thailand have reduced their jute production but they need a big amount of jute needs so our past competitors can be a good choice as buying country. India in recent time is importing jute from Bangladesh. So as their demand is increasing day by day, as a result we can export to them more and more	direction, focus and resources in developing new end users. A weak transport system can be a weakness for quick export delivery	some of which could absorb substantial quantities of jute. Technical developments have led to blending of finer jute yarns with others in union and intimate blends. These same technical developments also allow for production of household furnishings, apparel and decorative	being closed and others to diversify away from jute.
Shipbuilding	Cheap and available workforce, a glorious shipbuilding history, presence of forward and backward linkage industries, including technical institutes for supporting this industry, the government's	Technological development, power and infrastructural facilities, financial sector and research and development, productivity and management, higher input cost and	Enter the world shipbuilding industry, thus earning huge foreign currencies, to develop skilled manpower and generate more employment, up-gradation of supporting industries, enhancing R & D,	Overcapacity, political unrest, cost of financing, drain out of skilled labor forces and the image problem of the nation which sometimes fails to attract foreign investors.

Sectors	Strengths	Weakness	Opportunities	Threats
	commitment to develop the sector and presence of convenient geographical advantages, duty free market, easy importation facility etc.	delivery time and wide knowledge gap between institutions and industries.	innovation, technological enhancement and higher economic growth and increased demand for domestic shipping.	

Annexure 2: List of secondary information sources

Bangladesh Labor Force Survey, 2010
Structure, Performance and Action Plans for Six Industries in Bangladesh, 2010
Economic Census of Bangladesh 2006
Bangladesh Bureau of Statistics, 2006
Bangladesh Labor Force Survey, 2010
Structure, Performance and Action Plans for Six Industries in Bangladesh, 2010
Economic Census of Bangladesh 2006
Bangladesh Bureau of Statistics, 2006
Bangladesh Bureau of Statistics 2013
Bangladesh: The Next Hot Spot for Apparel Sourcing, 2013
International Journal of Economics and Financial Issues Vol. 3, No. 4, 2013, pp.938-948 ISSN: 2146-4138 www.econjournals.com, The Effects of Market Diversification Activities on Bangladesh RMG Export
Bangladesh Vocational Educational and Training System: An Assessment, 2006
Export Promotion Bureau, 2013
Bangladesh Leather Service Center, 2010
Board of Investment, 2012
SMEF (2008): 'Sector Study Report on Light Engineering and Metal Working', SME Foundation Bangladesh. (2008)
Business Promotion Council, Ministry of Commerce, 2014
CPD Occasional Paper Series, 2008
CPD Jute Survey, 2007-08
Bangladesh Jute Mills Corporation (BJMC), 2014
Bari, Abdullahel, *Potentials, Priorities and Prospects of Shipbuilding in Bangladesh*, Proceedings of MARTEC 2010, The International Conference on Marine Technology, 11-12 December 2010, BUET, Dhaka, Bangladesh
Being implemented between Bangladesh and counterpart country governments to minimize the cost of migration for a worker by bypassing unscrupulous manpower recruitment companies that charge large sums of monies.

Annexure 3: Research question for Key Informant Interview (KII)

1. What has been the trend of employment in the last five years?
2. Which sectors saw the highest growth in employment?
3. What do you think are the reasons for this growth?
4. What do you think about the next five years?
5. What are the sectors that you think will grow in the next five years/
6. What are the sectors that will grow in terms of revenue but not in terms of employment?
7. What do you think about the vocational training facilities of Bangladesh?
8. How do you think the private sector can contribute more in the vocational training of the growing sector?
9. Is there a role of NGO in the vocational training?
10. What do you think are the challenges for partnership between NGO and Private Sector?

Annexure 4: Key Informant Interviews (KIIs) taken so far:

1. Name of Key Informant: SECTOR :RMG

Mr. Iqbal Faruk Milky, MPH, MS Dhaka University, also one of the Governing Body Member and one of the founder of *society for Community-Health Rehabilitation Education and Awareness (CREA)*

Designation: Factory's In Charge, Style Craft & Young Ones Ltd, Gazipur

Mobile: 01711153078

Time: 9.00pm - 10pm:

January 16, 2014

Sector : RMG

Capacity: 5550 workers, 10,50,000/pcs per month

2. Name of Key Informant: SECTOR : Leather Sector

Mr. Ainul Islam, Presently Owner of a Local Footwear Company, Mobile:01971273848

Worked in USAD- Price Project, as an Business development Manager in Leather Sector, till the project ends this year. Contact Peron for COEL

3. Name of Key Informant: SECTOR : Home Furnishing & Handicraft

Mr. Shah Jalal, Secretary, Bangla Craft (Bangladesh Handicrafts Manufacturers and Exporters Association, 360 Members. Working here for 17 years.

4. Name of Key Informant: SECTOR : Jute

Mr. Shamshuddoha Chowdhury, Chairman cum CEO

140, Gulshan, Circle 2 , Phone: 01711538981

Broad & Burlap Jute Mills Limited, Betka

Among few of the earliest Jute Mills, Product mainly Carpet Backup and Yarn

5. Name of Key Informant: SECTOR :IT

IT – Mushtaque Ahmed, Associate Professor IBA, Dhaka University

Technical Director, Evolysis Ltd. (An IT firm)

House, 8, Road 14,Dhanmondi 1209,mushtaque61@gmail.com

Mobile:01711645292

6. Name of Key Informant: SECTOR : Construction

Mir Aktar Hossain Ltd.(Construction)

Mir Cement Shama E-Zaheer, Chairman

Office Phone: 8110997

7. Name of Key Informant: SECTOR : Leather

Mr. Momotaz Hossain, CEO of Leather Trade Co. LTD

and Owner of Momotaz Footwear, Gazipur

Phone: 01971525696