ORIGINAL ARTICLE

Academic Qualification and Job Market Placement: A Bangladesh Study

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ABSTRACT

This desk work study is based on data of some relevant survey, related reports and articles. To study benefit, the paper compares employment of major occupation and level of education and unemployment rate on level of education. It finds evidence of better job position by level of education whilst unemployment rate increases gradually from No-Education level to HSC level; Drops down at the graduation level and then gradually increase at the Masters level. Again, to study wage differentials, the paper compares wage contribution by different level of education attainment. It finds evidence of highest wage rate found in the level Class I-V whereas Technical and vocational level have the lowest wage rate. More interestingly is found that higher education level has lower wage rate than lower education level. Lastly, for both benefits and wage differentials, level of education attainment has less significance among themselves.

<Key-words>
Educational qualification, job market placement, labour market, wage

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I. Background

Bangladesh is one of the leading developing countries, the seventh most populous country in the world and one of the most densely populated having about 160 million people where transforming human into resource is one of the immense challenge for her. According to the World Bank (2000) “Bangladesh’s greatest strength is its people. Ethnically homogeneous and firmly wedded after much turmoil to the intuitions, they are well known for hard work and resilience under stress” (World Bank, 2002). As a labour abundant country (Woahid, 2009) Bangladesh has huge number of skilled and unskilled labourers. According to the Labour Force Survey (2010) conducted by the Bangladesh Bureau of Statistics 56.7 million people (15 to 64-years-old) are economically active though 54.1 million (male 37.8 million and female 16.2 million) of them are occupied. Moreover 34 percent is under the age of 14, indicating a moderate youth bulge (Kibria, 2011). On the other hand, the rate of growth in labour force is not satisfactory which is lower than the growth of population, moreover, almost 2 million people have been added to the total population compared to nearly 1.6 million job opportunity every year (Basak, 2013).

Land, labour, capital, and technology are the principle factors of production, however, labour is certainly the inevitable components of production process. Bangladesh Bureau of Statistics (BBS) defined labour as “person aged 15 years and above who was either employed or unemployed during the reference period and any person of the same age putting in a minimum of one hour’s work in family farm/enterprise for pay or profit during the reference period is considered economically active or labour” (BBS, 2011). Labour market is one of the most important microeconomic markets where both skilled and unskilled labour are important; while, labour market can be understood as the mechanism through which human labour is bought and sold as a commodity and the means by which labour demand is matched with labour supply (Wilton, 2010). According to Basak (2013) importance of labour market is considerably higher in Bangladesh for its being densely population with large number of economically active generation, whereas total working age population raised by 21.4 million over the period of 1999-2000 to 2010 and among the total working age, employed population increased only by 16 million which is counted 65.6 percent of the growing population and 74.8 percent of the working age population, however, creation of employment for the new entrants into the labour force and a great many who are currently underemployed become the key development challenges for the government.

Formal, urban informal and rural informal this three forms of market shaped the labour market of Bangladesh (Titumir & Hossain, 2003) whereas a small portion of labour force works in the formal labour market, however, there are a few published and
unpublished works on the participation behavior of rural persons in self-employment activities due to microfinance programs (Zohir, 1999; Mahmud, 2000 cited by Basak, 2013). Once more, having a greater number of working age population doesn't automatically ensure growth, however, the society has to invest in them and make them ready for the challenges of growth by improving their level of education, health and skills (Rahman, 2002).

The UNDP (2002) defines human development as: “Human development is about much more than the raising of national incomes. It is about creating an environment in which people can develop their full potential and lead productive, creative lives in accordance with their needs and interests. People are the real wealth of nations. Development is thus about expanding the choices people have to lead lives that they value. And it is thus about more than economic growth, which is only a means – if a very important one – of enlarging people’s choices.”

Economic growth alone is not always enough to achieve higher levels of human development, thus state invests in education, health and social protection, and critically those that promote equality do better even when they experience slower growth (Hendra, 2013). Education is one of the key component in human development process, however, education helps to develop new skills but it’s very difficult to answer and make interpretation of the results of econometric analysis while higher rates of girls’ education are proven globally to both raise GDP and boost human development outcomes (Hendra, 2013).

Bangladesh is committed to meet the Millennium Development Goals (MDG) and has got remarkable success in all the sectors and subsectors of development especially in education and gender issue while there are several important factors behind this success in boosting human development and gender equality outcomes (Hendra, 2013). In particular, achieving a higher level of girls’ secondary education (30.8% compared to 26.6% in India and 18.3% in Pakistan), and significantly higher labour force participation is really a great success for Bangladesh (Hendra, 2013). According to the International Labour Organization (ILO), Bangladesh had a female labour force participation rate of 36% in 2010 compared to 22.3% in India and 21.5% in Pakistan. A variety of courses for disciplines such as technical, vocational, professional and agricultural etc. should offer to achieve development and balanced distribution of manpower for all professions, whereas at present Bangladesh is mainly offering education in “general subjects” thus the vast population of Bangladesh cannot contribute to economic growth by participating in different professions. For developing skill, in association with the ILO and funded by the European Union, the Government of Bangladesh introduced the TVET Reform Project to ensure Bangladesh’s competitiveness in the global market and reduce poverty by
improving the quality of vocational educational and training.

Education as one of the basic rights for every single human being allows people to increase existing and acquire new knowledge, skill and attitude. In most of the states of the world, government is bound to ensure quality education for all by their own constitution whereas Bangladesh has no provision like this in its constitution but the state is very much willing to ensure education for its citizens, not so much dramatic but steady growth in education sector ensure the willingness. It cannot be said that there is no alternative except education for development, however, it can be said that for sustainable development education is one of the prominent component.

Moreover, different theoretical perspectives consider education to be a key agent of national development, either as a way of developing human capacity, increasing the skilled workforce for modernization, or as a matter of personal freedom, developing capability and empowerment (Alam, 2008). Developing individual is a small part or may explain as a first step for overall development but surely this is inevitable for sustainable development, whilst education led an individual to the path of development through this the country or the nation will summit the development. Again, socio-economic development of Bangladesh largely depends on human resources development and there is no alternative way rather than imparting training to our huge unemployed labour force (Ministry of Economics, 2013). moreover, to do so, our children should get proper education and training facilities which will bring up them to apply in our nation building activities (Hosen, Khandoker & Islam, 2010).

Male, female and child these three types of labour is present in Bangladesh labour market while child labour become a burden for every economy as well as a serious problem in any nation, moreover, any job of children always treated as the problem of underemployment through the labour market framework and all child work are strongly prohibited by ILO (Hosen, Khandoker & Islam, 2010). Increasing child labour participation rate lead the nation to lose huge potential resource therefore child labour issue demands more concern while linking inversely with education in terms of execution whereas educating children is opening the way to get human resource of nation while (Hosen, Khandoker & Islam, 2010). Country like Bangladesh where a huge portion of family live under the poverty line which demand more family income government should introduce more life oriented education program in the post primary level which will be helpful for getting job as well as ensuring self-employment and prevent child labour as well as drop out from formal education.

According to the Bangladesh Labour Force Survey (2010) out of 56.7 million economically active people 39.5 and 17.2 million of male and female were found
Services

I. Introduction

Economically active respectively. Though gender discrimination in wage rate has remained, female wage rate has considerably increased according to the increased level of education, resulting in higher productivity and long working hours for women thus poverty line is decreasing. Good quality in secondary education is extending opportunities to poor rural households has the potential of improving labour market outcomes further for both male and female labour force (World Bank, 2007).

II. Significance of the Study

There is a common premise that education is a passport for job, whilst employment opportunity differ from job market context. This paper assesses the present situation of job market placement in Bangladesh in light of education. It looks separately at the benefit of education attainment for getting better job and wage differentials by level of education attainment. Contribution in labour market is increasing among all group of people though quality of employees is poor and not specialized. Therefore, a group of experts suggest that to improve the quality of employees, Bangladesh’s people need to be trained in modern professional-based and job oriented technical, technological and vocational programs (Alam, 2008) though it is neglected for a long time in the country. Even some people think that practical experience of Bangladesh does not support previous suggestion, rather here sometimes found the opposite scenario where uneducated or less educated are placed in higher job than the educated (Shahriar, 2012). In that context, there need to examine the relationship between educational qualification and job market placement of the employees in Bangladesh. Therefore, this study aimed to explore the relation between job market and educational qualification.

III. Study Objective

1. General Objective
   To determine the relationship between academic qualification and job market placement in Bangladesh

2. Specific Objectives
   1) To determine the present status of job market in light of education
   2) To assess the relationship between wage and level of education in job market
The study is solely based on a review and analysis of available data, primarily data are not collected. The Labour Force Survey (LFS) Bangladesh, 2013, Wage Rate of Working Poor in Bangladesh, 2009-10 and Household Income and Expenditure Survey (HIES), 2010 are the data sources for the empirical analysis in this study. These three surveys were conducted by the Bangladesh Bureau of Statistics (BBS) under the Statistics and Information Division (SID) of Ministry of Planning. The survey strategy of the LFS 2013 was stratified and clustered, so that each household in the population had an equal probability of inclusion and data was collected from a sample of 36242 household from 1512 sample enumeration areas distributed across all the 64 districts of the country. The survey covered both urban and rural areas. The sample frame of the survey was based on the Population and Housing Census 2011. Data was collected within the period of January 2013 to December 2013 using a questionnaire. Data was captured using Census and Survey Processing System (CSPro) through a data entry screen. Descriptive statistical methods were used for data analysis. The report was published in October, 2015. Besides, for the Wage Rate of Working Poor in Bangladesh, 2009-10 was conducted in 2009 & 2010 and published in 2011. The survey was conducted in both rural and urban areas. A multi-stage stratified random sampling technique was used to select the sample locations and respondents. Again, the Household Income and Expenditure Survey (HIES), 2010 was carried out during the period of February 2010 to January 2011 which covers 12,240 households, drawn from 612 Primary Sampling Units (PSUs), from 16 strata - 6 rural, 6 urban, and 4 Statistical Metropolitan Areas. The report was published in December, 2011. In this article descriptive statistics technique (frequency, percentage) was used to analyze quantitative findings of the surveys. A further survey of secondary literature (Government, Nongovernment report on labour force supply, different articles of Bangladesh Institute of Development Studies, UNICEF, ILO and other UN organizations reports, academic research articles, etc.) was done to supplement the findings. The data were compiled by MS-Excel and MS word computer software.

<Figure 1> Employed persons aged 15 years and over (percent) by level of education in Bangladesh (Source: Labour Force Survey Bangladesh, 2013)
V. The Results of the Research on the Job Market Placement

1. Present Status of job market of Bangladesh in light of education

The graph shows the trend of employment rate with the level of education in Bangladesh. It reveals that 21.3% of the total employed population had no education at all whereas 28.7% completed primary education. This chart also represents that 30.6% employed people completed secondary education. According to these data only 12.8% people completed higher secondary education who were employed whilst only 6.1% employed persons completed tertiary education and others 0.4%. It shows that the employment rate increases from no education level to secondary level but the employment rate falls in the higher secondary level. The rate is lower in the tertiary level of education and lowest in the others level of education.

The figure-2 reveals the trend of Employment rate with education and by gender. From the chart it can be seen that female who had no education as well as who completed primary level of education were more employed than male with same level education qualification. According to the chart 21.4% female with no education were employed, on the other hand 21.3% male with no education were employed. 34.7% female were employed who completed primary level education and 26.3% male were employed who completed the same level. It is also seen that female who completed secondary, higher secondary, tertiary and others level of education were less employed than the male who completed the same level of education. For the secondary level, we can see that 31.1% male and 29.3% female were employed. And for the higher secondary category 13.8% male and 10.8% female were employed. If we consider the tertiary level of education we can see that 7% male were employed, on the other hand only 3.9% were employed.

![Figure 2](image_url) Employed persons aged 15 years and over (percent) by level of education and gender in Bangladesh (Source: Labour Force Survey Bangladesh, 2013)
2. Wage differential by level of education

The pie diagram shows the percentages of contribution to the national wage by level of academic qualification. From the graph it is seen the higher the education the lower the contribution to the national wage. It is seen that the wage earner with primary level of academic qualification contribute the most to the national wage and the figure is 38%. On the other hand, the contribution to the national wage is the lowest (2%) from wage earners with degree and above qualification. Furthermore, the contribution of population with no education places the second in the list with 24% of the total wage earned. Wage earner with qualification of grade level six to nine contribute 22% of the total wage which followed by the group with qualification of SSC and HSC with 9%. Interestingly, Technical and Vocational Education seems to have no contribution (0%) to the wage earned.

The above graph shows the percentages of wage earner by level of education and gender in rural. It is seen that the percentages of wage earner decreases with level of education. Further, it also reveals that the percentage of male wage earners outweighed female wage earners. It is seen that the highest percentages of wage earner come with
primary level of academic qualification: the figure are 14.1% for male and 0.9% for female. In fact almost 14% wage earners come with no academic qualification: around 11% of them are male and the rest 3% are female. The figure drops to 7.30% for male and 0.60% for female wage earners with academic qualification of grade six to grade nine. Only 0.5% of the male wage earners come with qualification of degree and above, the figure is 0.1% for female. The data did not find any wage earner with technical and vocational education in rural context.

Average per capita income (Tk) by residence and by educational level of head is presented in the Table-01. According to the data presented in the table, per capita income of male-headed households is Tk. 2,083 which is Tk. 2,509 for female headed households in the rural area. Per capita incomes of illiterate male and female headed households are Tk.1,730 and Tk. 2,065 respectively, whereas the per capita income of households with heads who passed class I-V is Tk. 1,994 for male and Tk. 3,011 for female headed households. The per capita income of male heads with SSC/HSC or equivalent is Tk. 3,342 as against Tk. 6,041 female headed households.

In the urban area, per capita income of male and female headed households is Tk.3,704 and Tk. 4,107 respectively. Per capita income of illiterate male headed households is Tk. 2,161 and similar income is Tk. 3,240 for illiterate female headed households. Per capita income of households with head having education of class I-V is Tk. 2,828 for male headed and Tk. 4,147 for female headed households. For heads with graduate or equivalent education, the per capita income of male headed households is Tk. 6,220 which is Tk. 6,121 for female headed households.
VI. Considerations and Conclusions

According to the Bangladesh Bureau of Statistics on date, unemployment rate in Bangladesh decreased to 4.30 percent in 2014 from 4.50 percent in 2013 whereas the average rate was 4.50 percent from 2003 until 2014, reaching an all-time high of 5.10 percent in 2009 and a record low of 4.30 percent in 2006. The unemployment rate measures the number of people actively looking for a job as a percentage of the labour force. It is seen that education level and employment rate have almost opposite relation with each other. People with less educational qualification are more employed than the people who are highly educated. So it can be easily said that employment rate in Bangladesh gradually increases from no education level to secondary level. But in the level of higher secondary the employment rate is so poor. The employment decreases more at the level of tertiary education. The people who completed higher education face the unemployment problem most.

It is also seen that the female with no education are more employed than the male with no education. According to the Labour Force Survey 2013 female who are not educated at all and who completed just primary education are more employed (21.4% and 34.7%) than the same level completed male. But in consideration of other level of education it is seen that, men are more employed than women. In other words, educated women are not that much employed like men in Bangladesh. In the secondary education level and higher secondary level we can say that the differences between male employment rate and female employment rate are not that much high (secondary level- male 31.1% and female 29.3%, higher secondary level- male 13.8% and female 10.4%). But in the tertiary level the gap between male employment rate and female employment rate is alarming (male 7% and female 3.9%). It proves that, women who are highly educated do not contribute in the economic growth.

It is seen that education level does not have any positive correlation with employment status. It can be said a high rate of unemployment and the demand for foreign exchange persist a great challenge for the country which has led the government policies to promote migration of workers to labour deficit countries (Ahmed, 2013). Besides, the Household Income and Expenditure Survey (HIES), 2010 found a positive correlation among level of education and average per capita income of the head of household. Though there is also a positive correlation among the gender and residence of the house head. Here, head of household is defined as a member of the household who is the decision-maker regarding the different activities of the household. Survey revealed that the average per capita income of the head of household is increased with their level of education.
Bangladesh seeks to come out from the list of Low Income Status countries and write her name in the list of Middle Income Status country by 2021, therefore she must have to increase the proportion of higher value added manufacturing from 18 to 25 % of the gross domestic product (GDP). Keeping this objective in mind government along with the donor agencies working relentlessly. Subsequently, a lots of works has been done and planned to be done such as increase investment, improve labour productivity through increasing skills, and increase trade. However, self-confidence, autonomy, increased skill development and knowledge of community services have to be ensure for individual development whereas individual skills development is the most important part of holistic development. Addressing this challenges, the government of Bangladesh has been established the National Skills Development Council (NSDC), the apex approval authority on skills in country (which is headed by Prime Minister) is the supreme body for national skills development agenda.

It is found that, at present no such scope is open for the students to access and pursue education and training for achieving higher levels of qualification but government have plan to establish some skill centers where they can develop their skills though it’s in planning stage. Recently some initiative have been taken from the Skills & Training Enhancement Project (STEP) to give the recognition of knowledge and skills obtained on-the-job and evolve systems of equivalence between formal, non-formal and informally acquired competence so that individuals’ achievements can be calibrated. There is a certificate course under technical board named SSC (vocational) which allow students to transfer in general education.

Labour market earnings may be possible to increase through improving the quality (in terms of teachers and facilities) of rural and national educational institutions (CAMPE, 1999). Hence, for accelerating economic development of the country and addressing some economic issues such as unemployment problems, poverty reduction and increasing foreign exchange reserve, remittance sent by the Bangladeshi expatriates make significant contribution (Ministry of Economics, 2013).

Following recommendation could be given on the basis of the study findings:
(1) More opportunities should be provided specially for the female. The Govt. of the peoples’ Republic of Bangladesh has already initiated few steps to provide more job opportunity for the female. But with some social and religious bindings female are not getting much opportunity of having job. Awareness build up from both govt. and non-govt. sectors can play a major role to overcome this bindings.
(2) Proper remuneration should be provided to the employees. Major components of job satisfaction like recognition, respect, responsibilities, job security etc. should be present in the job sector.
(3) Employees’ job mapping surveys should be taken place for identifying the proper reason of unemployment and interest level of the eligible employees.

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Associations among the Nutritional Status and Mental/Physical Functions of Care-dependent Individuals Living in Residential Homes for the Elderly

Yuko FUJIO, et al. 1

A Survey on International Nursing Education of National Universities in Japan

Akina ISHIBASHI, et al. 8

Academic Qualification and Job Market Placement: A Bangladesh Study

Rajib Ahmed FAISAL, 17

The Influence of Living Environment on Independence level of Special Nursing Home

Yukie ENOMOTO, et al. 30

Encouraging Exercise Participation amongst UK South Asians: The Case of a Community Gym

Nigel KING, et al. 46

Promoting Wellbeing: Amylase as an Indication of Changes in Stress level in People with Intellectual Disabilities

Nigel A. MARSHALL, et al. 60

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