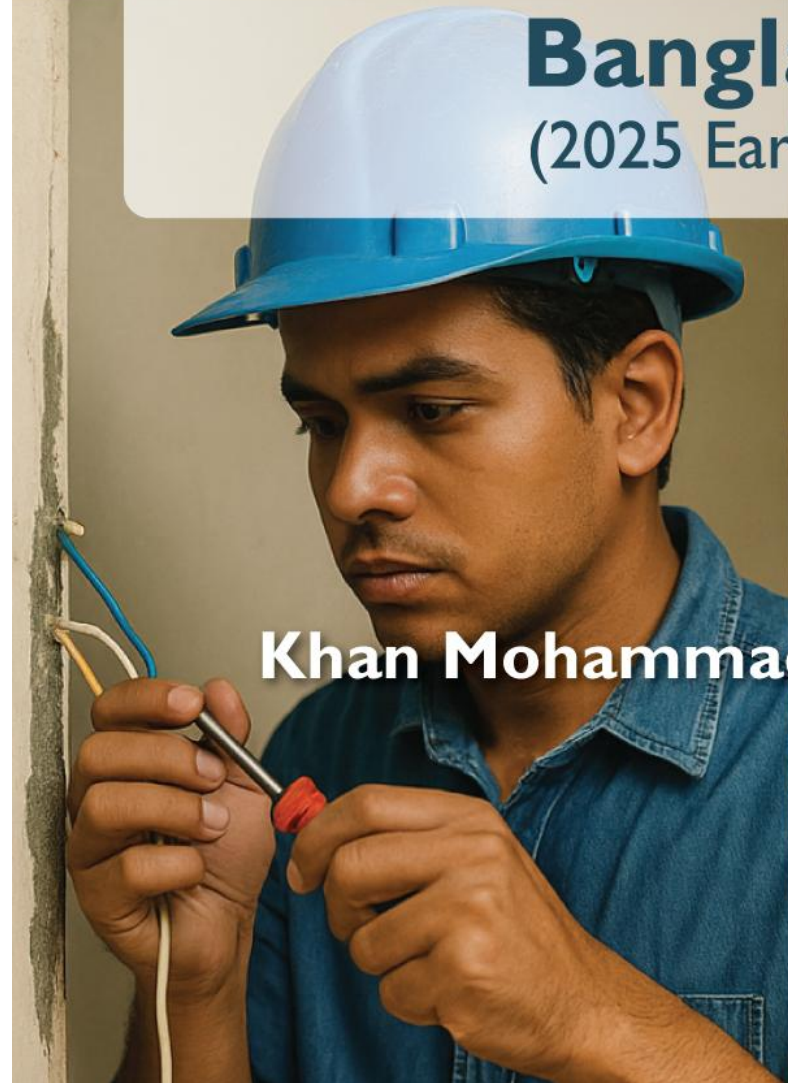




# Labour Market Profile

**Bangladesh**  
(2025 Early Edition)



**Khan Mohammad Mahmud Hasan**

Intentionally blank

## Preface



Figure 1: Khan Mohammad Mahmud Hasan

As a researcher and labour market specialist deeply engaged with Bangladesh's dynamic economic transformation, it is my privilege to present this comprehensive Labour Market Report. Bangladesh stands at a pivotal juncture its remarkable development trajectory has lifted millions out of poverty and positioned the country for a future as a middle-income nation. Yet, this progress comes intertwined with persistent and emerging labour market challenges that require evidence-based, nuanced understanding and strategic action.

This report draws up extensive data analysis, sectoral studies, and qualitative insights from recent years, including the crucial work of the Skills for Employment Investment Project (SEIP) and national

statistics. It examines the complex tapestry of Bangladesh's labour market its vibrant workforce, structural shifts, pockets of vulnerability, and the ambitious policy environment seeking to harness the demographic dividend and embrace rapid technological change.

As a researcher, I recognize the essential role rigorous labour market information plays in shaping policies that drive inclusive growth, ensure decent work, and expand economic opportunities for all, especially youth and women. Throughout this study, I have sought to highlight the intricate links between economic growth, skills development, social protection, and labour rights, believing that only through integrated approaches can sustainable progress be achieved.

It is my hope that this report serves as a valuable resource for policymakers, practitioners, and stakeholders committed to building a resilient and equitable labour market in Bangladesh. I extend my gratitude to the institutions and experts whose data and insights have informed this analysis and to the dedicated workforce of Bangladesh whose talents and aspirations are at the heart of this endeavor.

**Khan Mohammad Mahmud Hasan**  
Researcher & Labour Market Specialist  
August 2025

To know more, visit: [www.kmmahmudhasan.com](http://www.kmmahmudhasan.com)

Intentionally blank

## Table of Contents

<b>Executive Summary</b> .....	7
<b>1. Introduction</b> .....	8
<b>1.1 Background and Economic Context of Bangladesh</b> .....	8
<b>1.2 Purpose and Objectives of the Labour Market Report</b> .....	8
<b>1.3 Methodology and Data Sources (Desk Analysis)</b> .....	9
<b>1.4 Structure and Scope of the Report</b> .....	10
<b>2. Macroeconomic and Demographic Overview</b> .....	11
<b>2.1 Recent Economic Growth and Sectoral Shifts</b> .....	11
<b>2.2 Population Dynamics and Labour Force Characteristics</b> .....	11
<b>2.3 Urbanization and Migration Trends</b> .....	12
<b>2.4 Impact of Global and Domestic Shocks Including COVID-19</b> .....	12
<b>2.5 National Development Plans and their Labour Market Implications</b> .....	13
<b>3. Labour Force Participation and Employment Profile</b> .....	14
<b>3.1 Labour Force Size and Participation Rates</b> .....	14
<b>3.2 Employment Trends Across Agriculture, Industry, and Services</b> .....	15
<b>3.3 Gender and Youth Employment Patterns</b> .....	16
<b>3.4 Formal vs. Informal Employment: Size and Characteristics</b> .....	17
<b>3.5 Unemployment and Underemployment</b> .....	18
<b>3.6 Wage Levels and Income Distribution</b> .....	18
<b>4. Labour Market Institutions and Policy Environment</b> .....	21
<b>4.1 Labour Laws, Regulations, and Enforcement Mechanisms</b> .....	21
<b>4.2 Role of Trade Unions and Collective Bargaining</b> .....	22
<b>4.3 Social Protection Coverage and Gaps</b> .....	23
<b>4.4 Worker Rights and Occupational Safety and Health (OSH)</b> .....	24
<b>4.5. Government's Covid-19 Labour Response and Recovery Plans</b> .....	25
<b>5. Analysis of Skills and Mismatch</b> .....	27
<b>5.1 Educational Attainment of the Workforce</b> .....	27
<b>5.2 Skills Gaps, Mismatches (Vertical and Horizontal), and Labour Market Effects</b> .....	28

5.3	Quality and Relevance of Vocational Training and TVET Systems.....	30
5.4	Demand for Skills in Key Growth Sectors .....	31
5.5	Impact of Automation and Emerging Technologies .....	32
6.	Sector-Specific Labour Market Dynamics.....	34
6.1	Ready-Made Garments (RMG) Industry: Employment, Skills, and Future Trends.....	34
6.2	Agro-Processing Sector: Labour Supply, Skills, and Market Integration ....	35
6.3	ICT Sector: Growth, Skills Demand, and Training Initiatives .....	36
6.4	Leather, Footwear, and Tannery: Labour Market and Skills Challenges.....	37
6.5	Shipbuilding and Maritime Industries: Workforce and Future Demand ....	37
6.6	Electrical, Electronics, and Light Engineering: Labour and Automation ....	38
6.7	Healthcare and Nursing: Labour Supply, Training, and Skill Gaps .....	39
7.	Labour Market Outcomes and Challenges .....	41
7.1	Youth Employment and Transition to Labour Market.....	41
7.2	Gender Disparities and Labour Force Participation Constraints.....	42
7.3	Informal Employment and Vulnerable Workers.....	43
7.4	Labour Productivity and Wages .....	43
7.5	Labour Market Impacts of Climate Change and Environmental Disasters. ....	44
8.	Outlook and Projections .....	46
8.1	Labour Supply and Demand Projections (2025-2035) .....	46
8.2	Sectoral Employment Growth and Structural Transformation.....	47
8.3	Emerging Occupations, Skills and Digital Economy Influence.....	47
8.4	Automation, Artificial Intelligence and Labour Market Risks.....	49
8.5	Policy Scenarios for Inclusive and Sustainable Labour Market Growth ....	50
9.	Key Recommendations .....	51
9.1	Enhancing Job Creation and Quality Employment .....	51
9.2	Strengthening Skills Development and Bridging the Gap.....	52
9.3	Formalizing Labour Markets and Protecting Informal Workers .....	53
9.4	Promoting Gender Equality and Youth Employment Opportunities.....	54
9.5	Improving Labour Market Governance and Social Protection .....	55
	Conclusion and Path Forward .....	57

## Executive Summary

The Bangladesh labour market has experienced dynamic growth and structural transformation, supporting the nation's rapid economic rise to lower-middle income status and its ambition for upper-middle income by 2031 and high-income status by 2041. Despite this progress, key challenges remain, including high youth unemployment, pervasive informality, low female labour force participation, and persistent skill mismatches.

As of 2025, Bangladesh's labour force comprises approximately 71 million workers, with around 49.5% labour force participation. Agriculture employment has declined but remains significant, while industry and services sectors, especially ready-made garments (RMG) and emerging information technology have expanded robustly. However, approximately 85% of employment is informal, underscoring widespread job insecurity and limited worker protection. Youth unemployment hovers near 16%, with female unemployment notably higher, reflecting both labour market barriers and socio-cultural constraints.

Wages remain low, particularly in manufacturing, with slow progress on labour rights and social protection efforts challenged by limited enforcement capacity. The government's Skills for Employment Investment Program (SEIP) and related reforms have addressed vocational training gaps, but substantial skill shortages and mismatches persist, especially as automation and digitalization shift market demands.

Sectoral analyses highlight RMG's critical role as Bangladesh's primary employer and exporter, alongside growth potential in Agro-processing, ICT, leather and footwear, shipbuilding, and electrical-engineering industries. Labour market challenges include the need for more skilled workers, improved gender inclusiveness, enhanced working conditions, and a transition to formal employment.

Policy attention is vital to intensify job creation, promote equitable labour participation, upgrade skills through targeted training aligned with industry needs, reinforce labour market institutions, and expand social protection coverage. Addressing these priorities can sustain Bangladesh's inclusive economic growth trajectory, enabling the labour market to deliver improved livelihoods, reduced vulnerabilities, and greater productivity in the face of technological change and global integration.

# 1. Introduction

## 1.1 Background and Economic Context of Bangladesh

Bangladesh has achieved remarkable economic progress over the past few decades, transitioning from an agrarian economy to a more diversified one with growing industrial and service sectors. The country attained lower-middle income status in 2015, with a gross domestic product (GDP) growth rate consistently above 6% in recent years. In fiscal year 2023-24, Bangladesh's GDP growth was estimated at 6.4%, surpassing many developing countries. The per capita income is estimated at around USD 2,000, with aspirations to reach upper-middle income status by 2031 and high-income status by 2041, as outlined in government development plans including the 8th Five-Year Plan and Vision 2041.

Key drivers of growth include the ready-made garments (RMG) sector, which contributes about 12% to GDP and employs over 4 million people; the expanding service sector, contributing over 50% of GDP; and increased agricultural productivity, reducing the share of agriculture employment to 40%. However, Bangladesh faces significant challenges, including large-scale informality in employment (about 85% of jobs), youth unemployment rates exceeding 16%, and gender disparities in labour force participation, especially among women whose participation rate remains low at 18% despite positive trends.

Structural transformation and urbanization are accompanied by demographic changes, with a growing working-age population poised for increased labour force engagement, but also foreseeable pressures from climate change impacts and global economic shifts.

## 1.2 Purpose and Objectives of the Labour Market Report

This report aims to provide an in-depth and evidence-based analysis of the current labour market in Bangladesh as of 2024–2025. It seeks to inform policymakers, industry stakeholders, and development partners about employment trends, labour force characteristics, skill supply and demand mismatches, institutional frameworks, and emerging challenges within the context of national development goals.

The objectives are to:

- Analyze the structure and dynamics of Bangladesh's labour market including employment, unemployment, informality, and wages across sectors and demographic groups.
- Examine skill gaps, mismatches, and labour market transitions, especially among youth and women.
- Review labour market institutions, regulations, social protection systems, and their effectiveness.
- Provide sector-specific labour market profiles highlighting key industries contributing to employment and economic growth.
- Offer labour demand and supply projections aligned with structural economic changes and technological advancements.
- Deliver actionable policy recommendations to enhance job creation, skills development, labour rights, and social inclusion.

### 1.3 Methodology and Data Sources (Desk Analysis)

The report is based on a comprehensive desk analysis leveraging multiple sources of quantitative and qualitative data as summarized below:

- **National Statistical Data:** Labour force surveys, Economic Census, and Bangladesh Bureau of Statistics (BBS) data including the latest Labour Force Survey (LFS) estimates of 2024/25.
- **Administrative and Policy Documents:** Government policies, labour laws, National Skills Development Policy, SEIP program documentation, and development plans inclusive of the 8th Five-Year Plan and Vision 2041.
- **Sectoral Labour Market Studies:** Detailed studies on RMG, Agro-processing, ICT, shipbuilding, leather and footwear, healthcare, electrical and electronics sectors conducted under Skills for Employment Investment Program (SEIP) and other labor research initiatives.
- **International and Development Agency Reports:** World Bank, Asian Development Bank, International Labour Organization, and other agency publications providing labour market analyses, projections, and policy assessments.
- **Secondary Literature and News Articles:** Market reports and economic news updates tracking economic and labour market developments in Bangladesh in 2024-2025.

As this report compiled mostly from desk research, it synthesizes existing studies with updated statistical releases and policy documentation to provide a consolidated labour market overview. Limited direct survey data from recent analysis under SEIP and other programs supplements this report with sector and skills specific insights.

## **1.4 Structure and Scope of the Report**

The report structured into twelve main chapters serving a layered analysis of Bangladesh's labour market:

- Introduction and economic context
- Macroeconomic and demographic overview
- Labour force participation and employment patterns
- Labour market institutions and policies
- Skills assessment and labour market mismatches
- Sector-specific profiles of key industries.
- Labour market outcomes and structural challenges
- Skills development initiatives and training programs
- Labour market governance and reforms
- Projections and outlook
- Policy recommendations
- Conclusion and annexes with methodological details and sector case studies

The scope encompasses a national-level labour market perspective with attention to demographic groups such as youth and women, the informal sector, and key industries pivotal for employment and economic growth. It integrates sectoral labour market analyses based on recent SEIP and government studies, linking macro trends to practical labour market and skills development challenges facing Bangladesh.

## 2. Macroeconomic and Demographic Overview

### 2.1 Recent Economic Growth and Sectoral Shifts

Bangladesh has maintained robust economic growth over the past decade, with an average annual GDP growth rate of about 6.5% to 7% between 2015 and 2024. Despite global economic uncertainties, the growth rate for fiscal year 2023-24 was projected at approximately 6.4%. This performance outpaces many regional and developing countries' peers.

Sectoral contributions to GDP have changed with the economy advancing:

- **Agriculture:** Contributes about 11.5% to GDP, down from over 20% a decade ago, reflecting ongoing structural transformation.
- **Industry:** Accounts for around 28% of GDP, led by manufacturing activities, particularly ready-made garments (RMG), which account for approximately 80% of merchandise exports and employ over 4 million workers.
- **Services:** The largest sector, contributing 50% to GDP, includes growing ICT, finance, wholesale and retail trade, transport, and non-traditional services.

Such industrial diversification supports urban job creation and higher labour productivity but also requires aligned skills development and improved working conditions.

### 2.2 Population Dynamics and Labour Force Characteristics

Bangladesh's population in 2025 is estimated around 174 million, with a working-age population (15–64 years) accounting for about 61% of total population. Despite slowing population growth, the demographic window of opportunity continues, with an expanding labour force of approximately 71 million.

Labour force participation remains low relative to the working-age population:

- Total labour force participation rate: ~49.5% (2025).
- Male participation rate: Approx. 74%.
- Female participation rate: Approximately 18%, increasing gradually but restrained by socio-cultural factors and limited formal sector entry.

Youth (aged 15-24) comprise an estimated 20% of the workforce but face significant employment challenges. Youth unemployment persists around 16-17%, with female youth unemployment higher at approximately 22.7%.

The informal sector dominates employment, engaging an estimated 85% of workers, mostly in precarious jobs lacking social protection, formal wages, or contracts.

## 2.3 Urbanization and Migration Trends

Urbanization in Bangladesh is accelerating about 40% of the population now resides in urban areas, compared to 28% ten years ago, with Dhaka and Chattogram being primary urban centers.

Internal migration primarily moves rural workers to urban areas seeking better employment opportunities in manufacturing and services. This increases labour supply in cities but also raises concerns about slum growth, infrastructure strain, and informal employment.

Additionally, climate-induced displacement contributes to internal migration, influencing regional labour supply dynamics and labour market vulnerabilities.

## 2.4 Impact of Global and Domestic Shocks Including COVID-19

Recent years have seen various shocks impacting Bangladesh's economy and labour market:

- **COVID-19 Pandemic:** Led to temporary factory closures, supply chain disruptions, wage losses especially in RMG and informal sectors. Employment reduced but rebounded strongly by mid-2021, with subsequent labour market recovery ongoing.
- **Global Inflation and Energy Crisis (2022-2024):** Increased production costs, lowering export competitiveness and raising cost of living.
- **Climate Change:** Bangladesh is highly vulnerable, with recurrent floods and cyclones impacting livelihoods in agriculture and informal sectors, displacing workers and intensifying poverty risks.

Despite these, the resilient economic growth underscores policy efforts and domestic demand recovery.

## 2.5 National Development Plans and their Labour Market Implications

The government's strategic frameworks set ambitious economic and social objectives:

- **8th Five-Year Plan (2020-2025) and Vision 2041:** Target high-middle income status by 2031 and high-income status by 2041, underscoring industrial diversification, digital transformation, and human capital development.
- Emphasis on **job creation, skills development, formal employment expansion**, and social protection improvements.
- **Skills for Employment Investment Program (SEIP):** Launched to address skills gaps in key sectors, aiming to train over 500,000 youth by 2026 with a focus on employment linkage and inclusion of women.
- Policies to support **gender equality in labour force participation** and reduce informality.
- Integration of **labour market goals** with climate adaptation and digital economy strategies.

These plans require strengthening institutional capacity to deliver effective labour market policies and labour market information systems for evidence-based policymaking.

# 3. Labour Force Participation and Employment Profile

## 3.1 Labour Force Size and Participation Rates

As of 2025, Bangladesh's labour force is estimated at seventy-one million workers, representing about 40.7% of the total population. This reflects the working population aged 15 years and above who are either employed or actively seeking employment.

The overall labour force participation rate (LFPR) stands at around 49.5%, indicating that just under half of the eligible population is engaged in or looking for economic activity. However, there is a significant gender disparity in participation levels. Male participation is higher, with an LFPR of approximately 74%, while female participation remains notably low at around 18%. This gap highlights ongoing socio-cultural and economic barriers that restrict women's involvement in the labour market, although there are signs of gradual improvement, including rising female entrepreneurship and formal employment opportunities.

- **Labour Force Size:** Estimated at seventy-one million workers in 2025, forming about 40.7% of the total population.
- **Labour Force Participation Rate (LFPR):** Around 49.5% for the population aged 15 years and above. Data shows significant gender disparity:
  - Male LFPR: Approximately 74%
  - Female LFPR: Around 18%, reflecting low but gradually increasing engagement in formal employment and entrepreneurship.

Labour Force Indicator	Total (%)	Male (%)	Female (%)
Labour Force Participation Rate	49.5	74.0	18.0
Employed Population (million)	71	~60	~11

Source: Bangladesh Labour Force Survey 2024/25; Bangladesh Bureau of Statistics

### 3.2 Employment Trends Across Agriculture, Industry, and Services

Employment in Bangladesh is distributed across three primary sectors, reflecting the country's ongoing economic transformation. Agriculture remains a crucial source of livelihood, employing about 40% of the workforce (approximately twenty-eight million workers), although its share has been declining over recent decades due to structural shifts toward industry and services. The industrial sector accounts for around 21% of employment, driven by the garment manufacturing industry, which employs 20 million, along with other key sub-sectors like textiles, leather, shipbuilding, and electronics. The services sector is now the largest employer, comprising about 38% of the workforce (around twenty-seven million workers) and encompassing wholesale and retail trade, transport, social services, ICT, and finance. This sectoral distribution highlights both the persistent importance of agriculture for rural livelihoods and the rapid growth of industry and services as drivers of employment and economic development in Bangladesh.

- **Employment by Sector**

- **Agriculture:** Employs about 40% of the workforce; continued decline from previous decades due to sectoral shift but remains vital for rural livelihoods.
- **Industry:** Accounts for ~21% of employment, led by garment manufacturing (~20 million workers). Other key sub-sectors: textiles, leather, shipbuilding, electronics.
- **Services:** Largest sector by employment (~38%), including wholesale and retail trade, transport, social services, ICT, finance.

Sector	Employment Share (%)	Estimated Number (million)
<b>Agriculture</b>	40	~28
<b>Industry</b>	21	~15
<b>Services</b>	38	~27

Source: Bangladesh Labour Force Survey; Bangladesh Economic Review

### 3.3 Gender and Youth Employment Patterns

Gender disparities remain pronounced in Bangladesh’s labour market, with women constituting only about 12 to 15 percent of total formal employment. Their participation is particularly limited in rural areas due to prevailing socio-cultural norms, household responsibilities, and restricted mobility. Women’s employment is concentrated in sectors such as the ready-made garment (RMG) industry, agriculture, and services. Meanwhile, youth aged 15 to 24 represent approximately 20 percent of the workforce but face significant employment challenges. The youth unemployment rate hovers around 16 percent overall but is notably higher among young women, reaching approximately 22 percent. Additionally, the prevalence of NEET (Not in Education, Employment, or Training) among youth stands at about 22 percent, with rates especially elevated for females. These patterns highlight critical barriers to female and youth labour market inclusion that require targeted policy interventions.

- **Gender Disparities**
  - Women comprise 12-15% of total formal employment, lower in rural areas due to socio-cultural norms.
  - Female employment concentrated in RMG, agriculture, services; barriers include household responsibilities, limited mobility.
- **Youth Employment**
  - Youth (15-24 years) represent about 20% of workforce.
  - Youth unemployment rate stands near 16%, rising to approximately 22% for young women.
  - High rate of NEET (Not in Education, Employment, or Training), particularly among young females.

Labour Market Indicator	Male Youth (%)	Female Youth (%)
<b>Youth Unemployment Rate</b>	~14.5	~22.0
<b>NEET Rate</b>	22 (overall)	Higher in females

Source: Bangladesh LFS; Youth Labour Market Studies

### 3.4 Formal vs. Informal Employment: Size and Characteristics

Informal employment comprises a significant majority of Bangladesh's labour market, estimated at 85% of total employment. This predominance is especially notable in sectors such as agriculture, small-scale manufacturing, construction, and various informal urban services. Workers engaged in informal employment typically face poor working conditions, lack access to formal social protection mechanisms, and earn low wages. Informal jobs are characterized by unregulated, casual, or daily wage arrangements, with limited or no access to formal employment contracts, healthcare benefits, or pension schemes. Consequently, informal workers experience heightened vulnerability to economic shocks and downturns, making their livelihoods precarious.

- **Informal Employment:**
  - Constitutes an estimated 85% of the labour market.
  - Common in agriculture, small-scale manufacturing, construction, and informal urban services.
  - Informality is associated with poor working conditions, lack of social protection, and low wages.

Employment Type	Estimated Share (%)
Formal Employment	~15
Informal Employment	~85

*Source: Bangladesh Labour Force Survey; ILO Reports*

- **Characteristics of Informal Work**
  - Often unregulated, casual, daily wage based.
  - Limited access to contracts, healthcare, pensions.
  - High vulnerability in economic downturns.

### 3.5 Unemployment and Underemployment

As of 2025, Bangladesh's official unemployment rate stands at approximately 5%, according to labour force surveys. However, youth unemployment is higher, estimated at around 16%, reflecting the greater challenges young people face in accessing decent work. Underemployment, which refers to workers employed for insufficient hours or in low-productivity jobs, is estimated at about 25%, indicating a sizable portion of the workforce is underutilized. Females experience higher rates of both unemployment and underemployment compared to males, due to socio-economic constraints such as limited access to education, household responsibilities, and labour market discrimination.

- **Official Unemployment Rate:** Approximately 5% overall in 2025, per labour force surveys.
- **Youth Unemployment:** Around 16%, significantly higher than the national average.
- **Underemployment:** Estimated at about 25%, reflecting insufficient working hours or low productivity jobs.
- **Gender Differential:** Females face higher unemployment and underemployment due to socio-economic constraints.

Labour Market Indicator	Overall (%)	Youth (%)	Female (%)
Unemployment Rate	5	16	Higher
Underemployment Rate	25	-	Higher

Source: Bangladesh LFS 2024/25; UNDP Reports

### 3.6 Wage Levels and Income Distribution

Wage levels in Bangladesh remain low overall, especially within the manufacturing sector and the widespread informal economy. In the formal Ready-Made Garments (RMG) sector, the minimum wage was revised to approximately 11,200 Bangladeshi Taka (BDT) per month (about 132 USD), reflecting ongoing efforts to improve livelihoods amid inflation and living costs.

However, workers in the informal sector typically earn significantly less, with average monthly incomes ranging between 6,000 to 8,000 BDT (70 to 95 USD).

Significant wage disparities persist along gender lines, with women earning about 60% to 80% of what men earn, highlighting occupational segregation and systemic pay gaps. Additionally, urban workers benefit from higher wages compared to their rural counterparts due to better job opportunities and higher living costs.

Income distribution is heavily skewed, with a substantial proportion of workers particularly those in informal and low-productivity job earning incomes below the national poverty line. Wage growth has been slow in recent years, resulting in continuous pressure from workers and labour organizations to increase minimum wages and improve wage conditions.

- **Wage Levels**
  - Average wages remain low, especially in manufacturing and informal sectors.
  - Minimum wage for RMG workers revised to approx. 11,200 BDT/month (~ 132 USD), though informal sector earnings are usually lower.
- **Wage Disparities**
  - Women's average earnings are 60-80% of men's wages, reflecting occupational segregation and gender pay gaps.
  - Urban workers earn higher wages than rural counterparts.
- **Income Distribution:**
  - Considerable proportion of workers in informal & low-productivity jobs earn incomes below poverty line.
  - Wage growth has been slow, pressure to improve minimum wages remains high.

Employment Type	Average Monthly Wage (BDT)	Approx. USD Equivalent
Sector (formal)	11,200	~132
Informal Sector (average)	6,000 - 8,000	~70 - 95

Source: Bangladesh Wage Reports; ILO Estimates

**Summary Table: Key Labour Force and Employment Indicators (2025)**

Indicator	Value	Notes
Total Labour Force	71 million	Population aged 15+
Labour Force Participation Rate	49.5%	Gap male-female significant
Employment by Sector (Agro/Ind/Ser)	40% / 21% / 38%	Reflects structural change
Informal Employment Share	~85%	High vulnerability
Overall Unemployment Rate	~5%	Variation by region/age
Youth Unemployment Rate	~16%	Higher female rates
Female Labour Force Participation	18%	Challenges remain
Average RMG Wage	11,200 BDT/month	Increases ongoing

### Reference

- Bangladesh Labour Force Survey 2024/25, Bangladesh Bureau of Statistics
- ILO Labour Market Reports, 2023-25
- Youth Labour Market Surveys, Bangladesh, 2025
- Bangladesh Economic Review, Ministry of Finance
- National Labour Policies and Plans, Bangladesh Government
- Sectoral Employment Studies (RMG, ICT, Agro-processing), SEIP Reports

## 4. Labour Market Institutions and Policy Environment

### 4.1 Labour Laws, Regulations, and Enforcement Mechanisms

Bangladesh's primary labour legislation is the Bangladesh Labour Act of 2006, which has undergone several amendments to enhance worker protections. The Act governs key labour issues including employment contracts, working hours, minimum wages, occupational health and safety, prohibition of child labour, and mechanisms for dispute resolution.

However, the Act principally applies to registered factories and formal establishments, leaving a substantial portion of the workforce, especially those in informal and unregistered enterprises outside their effective coverage. This limits the overall impact of labour protection.

Regarding enforcement, Bangladesh faces significant challenges. With only approximately seven hundred government labour inspectors tasked with overseeing millions of workplaces nationwide, the capacity for effective inspection and compliance monitoring is severely constrained. Consequently, labour disputes and strikes remain frequent, often exacerbated by administrative delays and limited institutional capacity.

Bangladesh has ratified fundamental International Labour Organization (ILO) conventions covering freedoms such as association and collective bargaining. Despite this, substantial gaps remain in fully implementing these rights, with restrictions on trade union formation and collective bargaining practices still prevalent in some sectors.

These factors highlight the urgent need for bolstered institutional capacity, regulatory reforms, and enhanced enforcement mechanisms to ensure that labour laws support equitable and safe working conditions across Bangladesh's evolving labour market.

- **Labour Legislation:** Bangladesh's principal labour law is the Bangladesh Labour Act 2006 (amended), which covers employment contracts, working hours, minimum wages, occupational safety, child labour prohibition, and dispute resolution.
- The Act applies primarily to registered factories and establishments; however, a large share of the workforce operates informally or in unregistered enterprises, limiting coverage.

- **Compliance and Enforcement:**

- Only about 700 government labour inspectors oversee millions of workplaces, constraining effective enforcement.
- Labour disputes and strikes have been common, partly due to administrative delays and weak inspection capacity.
- Bangladesh has ratified core ILO labour conventions but faces challenges in ensuring full compliance especially regarding freedom of association and collective bargaining.

## 4.2 Role of Trade Unions and Collective Bargaining

Trade unions in Bangladesh have a limited but growing presence within the labour market. The overall union density is estimated at about 1.6% of the total workforce nationally, with significant variations across sectors. The garment sector, given its size and organisation, exhibits the highest union density among manufacturing industries, reaching up to approximately 5%.

However, the reach of collective bargaining remains quite restricted, with only around 2% of enterprises participating in formal collective bargaining agreements. This limited coverage is partly due to legal and institutional barriers, insufficient representation capacity among workers, and resistance from some employers towards union activities.

The government actively promotes social dialogue through tripartite platforms that bring together employers, workers' representatives (unions), and government agencies to foster industrial peace and improve labour relations. Despite these efforts, challenges persist in expanding union membership, enhancing bargaining effectiveness, and including informal sector workers in these processes.

- **Union Density and Membership:** Estimated at just 1.6% of total workers nationally, with variances by sector.
- The garment sector has the highest union density among manufacturing industries, estimated at up to 5%.
- **Collective Bargaining:** Limited reach, covering a small fraction of the workforce. Only an estimated 2% of enterprises engage in formal collective bargaining agreements.
- Legal barriers, lack of effective representation, and sometimes employer resistance hinder union activities.
- The government promotes tripartite dialogue platforms involving unions, employers, and government agencies to improve industrial relations, yet challenges remain.

Indicator	Value (circa 2025)	Notes
<b>Union Density</b>	~1.6%	Highest in garment sector
<b>Coverage by Collective Bargaining</b>	~2%	Limited, informal sector excluded
<b>Number of Registered Unions</b>	Approx. 2,000	Mostly sector-specific

Sources: Bangladesh Labour Force Survey, ILO Reports

### 4.3 Social Protection Coverage and Gaps

Social protection in Bangladesh remains limited primarily to formal sector workers who benefit from programs such as old-age pensions, maternity leave, and some health insurance schemes. However, given that most of the workforce are engaged in informal employment, most workers lack access to any form of social security or protection.

Coverage of social protection schemes is estimated at only around 5 to 10 percent of the total workforce, reflecting a significant gap, especially among informal workers. The COVID-19 pandemic prompted temporary expansions in social assistance, including cash transfers aimed at vulnerable households, but such measures had limited penetration in the labour market broadly. Additionally, economic stimulus efforts targeted formal sectors like the garment industry, including wage subsidies under the Wage Earners' Scheme.

- **Coverage:**
  - Formal sector workers benefit from some social protection via old-age pensions, maternity leave, and limited health insurance.
  - Informal workers, accounting for most of the employment, typically lack coverage.
  - Social security schemes are underdeveloped; coverage estimates suggest 5–10% of workers have effective social protection.
- **COVID-19 Response:**
  - Temporary cash transfers reached some vulnerable households but had limited labour market reach.
  - Economic stimulus packages targeted key sectors, with wage subsidies for RMG workers under the Wage Earners' Scheme.

Social Protection Program	Coverage (%)	Remarks
<b>Formal Pension Schemes</b>	~7%	Limited to formal workers
<b>Maternity and Sickness Benefits</b>	~5–7%	Limited entitlements
<b>Cash Transfers / Social Assistance</b>	~10%	Pandemic-related expansions
<b>Informal Sector Coverage</b>	<5%	Major gap

Sources: Bangladesh Social Protection Profiles, UNDP, ILO

## 4.4 Worker Rights and Occupational Safety and Health (OSH)

Legislation in Bangladesh mandates occupational health and safety (OHS) standards primarily in registered factories; however, enforcement remains weak, particularly in small-scale and informal sector operations. The 2013 Rana Plaza tragedy exposed severe safety failures in garment factories, leading to an international outcry and a series of reforms.

Following the disaster, initiatives such as the Bangladesh Accord and the Alliance for Fire and Building Safety have made considerable progress in improving structural safety and OHS protocols within large factories, especially in the export-oriented garment sector. Nonetheless, informal workers, particularly those in construction and small workshops continue to face hazardous conditions with limited legal protection.

Labour inspections primarily target registered factories, leaving smaller, informal establishments frequently unmonitored due to resource limitations. Training on OHS reaches only about 30% of formal sector workers, with even lower coverage in informal employment settings, posing ongoing risks to worker health and safety.

- Legislation mandates OHS standards in factories, but enforcement is weak, especially in small-scale and informal operations.
- The 2013 Rana Plaza collapse exposed critical safety failures in garment factories.

- Subsequent initiatives, including the Bangladesh Accord and the Alliance for Fire and Building Safety, have improved structural safety and OHS protocols in large factories.
- Nonetheless, informal workers in sectors like construction face ongoing hazards with limited legal protection.
- Labour inspections focus on registered factories; smaller workshops and informal settings often escape scrutiny.

OHS Indicator		Value / Status		Notes
<b>Registered Inspections</b>	<b>Factory</b>	~60–70% inspected	factories	Limited resources
<b>Workplace Accidents</b>		Reduction in disaster	post-2013	Still significant in informal
<b>OHS Training Coverage</b>		~30% formal workers	sector	Low in informal sector

Sources: Rana Plaza Reports, ILO Safety Assessments

## 4.5. Government's Covid-19 Labour Response and Recovery Plans

In response to the severe labour market disruptions caused by the COVID-19 pandemic, the Government of Bangladesh implemented a range of stimulus and social protection measures aimed at mitigating job losses and supporting vulnerable workers. The widespread factory shutdowns in 2020, particularly within export-oriented industries like the Ready-Made Garments (RMG) sector, resulted in temporary unemployment for millions.

To reduce the impact, wage subsidies were extended to formal workers in RMG and select other sectors to help maintain employment relationships. Additionally, cash transfers and food aid programs targeted low-income and informal workers, although coverage remained limited, leaving some vulnerable groups inadequately supported.

During lockdowns and mobility restrictions, labour inspections adapted by employing digital platforms to continue monitoring workplaces and labour rights compliance. Recovery efforts have focused on restoring employment, with particular attention to micro, small, and medium enterprises (MSMEs) and informal sector workers, who bore a disproportionate share of the pandemic's labour impact.

The government's Skills for Employment Investment Program (SEIP) was scaled up to provide targeted skills training and re-skilling opportunities for displaced at-risk workers. A key policy focus has been encouraging the transition from informal to formal employment to improve social protection coverage.

By late 2022, labour market indicators started to show a gradual recovery, although the recovery has been uneven across sectors, with some industries rebounding faster than others.

**Reference:**

- Bangladesh Labour Act 2006 (amended): <https://labour.gov.bd>
- ILO Country Reports for Bangladesh: <https://www.ilo.org/dhaka/>
- Bangladesh Labour Force Survey (BBS): <http://bbs.portal.gov.bd>
- Rana Plaza Safety Initiatives: <https://bangladeshaccord.org>, <https://bangladeshworkeralliance.org>
- COVID-19 Labour Market Responses: Ministry of Finance Reports, Bangladesh <https://moef.gov.bd>
- UNDP Social Protection Reports: <https://www.bd.undp.org>

## 5. Analysis of Skills and Mismatch

### 5.1 Educational Attainment of the Workforce

A sizable portion of Bangladesh's workforce has low levels of educational attainment, which poses a considerable challenge for skills development and economic upgrading. Approximately 60% of the labour force has no formal education or education limited to the primary level, about 40% have no formal education at all, while around 20% possess only primary education. Secondary education attainment, including SSC and HSC levels, is on the rise but remains limited, particularly in rural areas and the informal sector. Formal vocational and tertiary education enrollment is also low, accounting for 5% and 10% of the workforce, respectively. Gender disparities persist in educational attainment, with female workforce participation showing correlation with higher education levels; however, women's overall educational access and attainment remain lower than males due to prevailing socio-cultural constraints.

- **Overall Educational Levels**

- A huge portion of Bangladesh's workforce possesses low educational attainment.
- Approximately 60% of the labour force have no education or education up to the primary level (about 40% no education, 20% with primary).

- **Secondary and Higher Education**

- Secondary education attainment (SSC/HSC) among workers is increasing but remains limited, especially in rural and informal sectors.
- Formal vocational and tertiary education coverage is low, representing a major challenge for skill development.

- **Gender Differences**

- Female workforce participation correlates with higher educational attainment but overall female education levels in labour market remain below males due to socio-cultural factors.

Education Level	Percentage of Workforce (%)
No Formal Education	~40
Primary Education	~20
Secondary (SSC/HSC)	~25
Vocational/Technical	~5
Higher Education	~10

Source: Bangladesh Labour Force Survey, SEIP Studies

## 5.2 Skills Gaps, Mismatches (Vertical and Horizontal), and Labour Market Effects

Skill mismatches in Bangladesh's labour market are a significant concern affecting productivity and employment quality. Vertical mismatch, where workers are either over-educated or under-educated relative to their job requirements, affects over 30% of workers. This mismatch leads to reduced productivity and lower wages, undermining both employer efficiency and worker satisfaction.

Horizontal mismatch, referring to workers employed in occupations unrelated to their field of study, is also prevalent estimated at around 25%. This issue is particularly acute in the informal sector and among lower-skilled jobs, but it is increasingly observed in emerging sectors like ICT where workers' educational backgrounds may not align with industry needs.

Employers report widespread skill gaps, especially among semi-skilled and technical categories. A 2023 study by the Skills for Employment Investment Project (SEIP) identified pronounced skill shortages in sectors such as electrical work, construction, information technology, and manufacturing. These gaps hinder firms' ability to recruit adequately skilled workers and impose additional training costs.

The labour market effects of these mismatches and skill deficits include higher unemployment and underemployment rates, decreased productivity for employers, and limited career advancement opportunities for workers, often resulting in job dissatisfaction and turnover.

- **Vertical Mismatch (Over- or Under-education)**
  - Many workers are either over-educated or under-educated for their jobs.
  - Surveys reveal over 30% of workers face vertical mismatches, reducing productivity and job satisfaction.
- **Horizontal Mismatch (Field of Study):**
  - A significant share of workers is employed in occupations unrelated to their field of education.
  - Particularly prevalent in informal sector and lower-skilled jobs but also observable in emerging sectors like ICT.
- **Skill Gaps:**
  - Employers report pervasive skill gaps, especially among semi-skilled and technical workers.
  - A 2023 SEIP study found high skill gaps in electrical, construction, IT, and manufacturing sectors.
- **Labour Market Effects:**
  - Skill mismatches contribute to unemployment and underemployment.
  - Firms incur increased recruitment and training costs, suffer productivity losses.
  - Workers experience job dissatisfaction, limited career progression.

Type of Mismatch	Estimated Prevalence (%)	Impact
<b>Vertical Mismatch</b>	~30	Lowered productivity and wages
<b>Horizontal Mismatch</b>	~25	Job dissatisfaction, turnover
<b>Skill Gaps (perceived)</b>	High (sector-specific)	Training needs, hiring difficulties

Source: SEIP Skill Gap Surveys, Labour Market Assessments

## 5.3 Quality and Relevance of Vocational Training and TVET Systems

Technical and Vocational Education and Training (TVET) in Bangladesh suffers from exceptionally low coverage, with less than 5% of new labour market entrants receiving formal vocational training that aligns with market needs. Many training institutions face challenges including outdated curricula, insufficient modern equipment, and a shortage of skilled instructors. As a result, the quality and relevance of the training often do not meet the evolving demands of industries, adversely affecting graduate employability.

Recent initiatives under the Skills for Employment Investment Project (SEIP) have emphasized public-private partnerships promoting industry-led training models and stronger linkages between TVET providers and employers, improving skill alignment with labour market requirements. Although female participation in TVET has historically been limited, targeted programs have contributed to increasing their enrolment to around 30%.

Key performance indicators demonstrate a training completion rate of approximately 70% and an employment placement rate post-training of around 65 to 70%, reflecting the positive outcomes of reformed training approaches under SEIP.

- **TVET Coverage:** Extremely low enrolment: less than 5% of new entrants receive formal vocational training relevant to market needs.
- **Training Quality:** Adequacy of training institutions varies; many lack modern curricula, updated equipment, skilled instructors. Training often does not align with dynamic industry requirements, leading to poor skill relevance.
- **Public-Private Partnerships:** Recent initiatives under SEIP promote industry-led training and linkages between TVET providers and employers.
- **Gender Inclusion:** Female participation in TVET is limited but improving with targeted programs.

Indicator	Data
TVET Enrollment (%)	<5
Training Completion Rate	~70% (SEIP)
Employment Placement Rate	~65-70% post-training
Female Participation in TVET	~30% (targeted programs)

Source: SEIP Reports, National TVET Authority Data

## 5.4 Demand for Skills in Key Growth Sectors

Bangladesh's key growth sectors exhibit strong and evolving skill demands characterized by increasing requirements for technical, digital, and managerial competencies. The garment and textile sector, a significant employer, seeks skilled sewing operators and quality control specialists, with projected growth in skill demand between 25% and 35% during 2025-2030. The ICT sector is rapidly expanding its need for programming, digital marketing, data analysis, cloud computing, and cybersecurity professionals, with expected skill demand growth rates between 35% and 45%.

In construction, there is significant demand for electricians, welders, and IT-enabled skills, growing at an estimated 20-30%, while Agro-processing industries require machine operators and food safety specialists, with skill demands rising at 20-25%. The shipbuilding sector anticipates growth in technician and specialized engineer roles reaching 30-40%, reflecting ongoing industrial expansion and technological adoption.

Soft skills including communication, teamwork, and problem-solving are increasingly valued across all sectors, supplementing technical expertise as essential for workplace effectiveness.

- **Emerging Skill Needs:** High demand for technical, digital, and managerial skills in the garment, ICT, construction, Agro-processing, and shipbuilding sectors.
- **Skill Forecast 2025-2030:** SEIP projections suggest a 20-40% growth in demand for semi-skilled and skilled workers, especially technicians and ICT specialists.
- **Digital Skills:** ICT sector demand for programming, data analysis, cloud computing, and cybersecurity professionals is rapidly increasing.
- **Soft Skills:** Communication, teamwork, problem-solving increasingly valued across sectors.

Sector	Key Skill Demand	Growth Rate (%) (2025-2030)
<b>RMG and Textiles</b>	Sewing operators, quality control	25-35
<b>ICT</b>	Programmers, digital marketing	35-45
<b>Construction</b>	Electricians, welders, IT-enabled	20-30
<b>Agro-processing</b>	Machine operators, food safety	20-25
<b>Shipbuilding</b>	Technicians, specialized engineers	30-40

Source: SEIP Sectoral Skill Forecasts, Industry Reports

## 5.5 Impact of Automation and Emerging Technologies

Automation poses a moderate to substantial risk to 10-15% of manufacturing jobs in Bangladesh over the next 5 to 10 years, with factory floor roles such as machine operators and assemblers being the most vulnerable. This technological shift highlights the growing importance of upskilling to maintain employability and productivity in the evolving labour market.

Emerging technologies including artificial intelligence (AI), robotics, the Internet of Things (IoT), and advanced ICT are driving new skill demands. There is rapid growth in the need for expertise in these areas, necessitating substantial training and capacity-building to prepare the workforce for these changes.

- **Automation Exposure**
  - Surveys estimate that 10-15% of manufacturing jobs may face moderate to considerable risk of automation in 5-10 years.
  - Higher risk in factory floor roles: machine operators, assemblers.
- **Emerging Tech Needs**
  - Demand for AI, robotics, IoT, and advanced ICT skills are projected to grow rapidly.
  - Skills upgrading required to sustain jobs and productivity.
- **Training Adaptations**
  - SEIP promotes inclusion of automation-related skills in curricula.
  - Industry partnerships are vital for updating training content.

Job Risk Category	Automation Risk (%)	Skill Focus	Development
<b>Machine Operators, Assemblers</b>	13-15	Robotics, Maintenance	Machine
<b>Technical Professionals</b>	5-7	AI, Data Analytics, IoT	
<b>Clerical, Support Staff</b>	25-30	Digital Literacy, Process Automation	

*Source: SEIP Labour Market Automation Assessments, ILO Reports*

### References:

- SEIP Sectoral Reports on Skills and Labour Market, 2023-2025
- Bangladesh Labour Force Survey 2024-25, Bangladesh Bureau of Statistics
- ILO Reports on Skills, Mismatches and Automation

## 6. Sector-Specific Labour Market Dynamics

### 6.1 Ready-Made Garments (RMG) Industry: Employment, Skills, and Future Trends

The Ready-Made Garments (RMG) sector is a cornerstone of Bangladesh's economy, employing 4.0 to 4.5 million people and accounting for around 20% of total employment. Women dominate the RMG workforce, making up about 80%, which significantly contributes to female labour market participation and empowerment.

Most workers possess basic intermediate skills, engaged in sewing, cutting, and quality control. There is, however, a growing demand for workers with supervisory and technical skills to enhance productivity, ensure compliance with international standards, and improve factory management. Despite the sector's size, skill shortages remain, especially for mid-level supervisors and technicians, compounded by the high prevalence of informal employment.

Looking ahead, the RMG industry is projected to grow employment by 10-15% by 2030, driven by increased adoption of automation technologies, rising compliance requirements in global markets, and diversification into new export destinations.

- **Employment:** The RMG sector employs 4.0 to 4.5 million people, constituting around 20% of total employment.
- **Gender:** Women represent about 80% of the RMG workforce, providing crucial female labour market engagement.
- **Skills:** Majority of workers have basic to intermediate skills, concentrated in sewing, cutting, quality control, with increasing demand for supervisory and technical roles to improve productivity and compliance.
- **Challenges:** Skill shortages persist, particularly for mid-level supervisors and technical roles. Informal employment remains high.
- **Future Trends:** Expected employment growth of 10-15% by 2030, driven by automation adoption, compliance needs, and export market diversification.

Employment Category	Approx. Number Employed	Percentage (%)
<b>Sewing Operators</b>	~2.5 million	~55%
<b>Supervisors</b>	~0.3 million	~7%
<b>Quality Controllers</b>	~0.4 million	~9%
<b>Others</b>	~1.3 million	~29%

Sources: SEIP RMG Survey 2023, Bangladesh Garment Manufacturers and Exporters Association (BGMEA)

## 6.2 Agro-Processing Sector: Labour Supply, Skills, and Market Integration

The Agro-processing sector in Bangladesh employs approximately 0.8 million workers and is experiencing steady growth at an annual rate of around 5%. The workforce consists of semi-skilled laborers, with significant skill gaps identified in critical areas such as quality assurance, food safety practices, and machinery operation. Integration with the broader agricultural sector is vital, yet sector growth is constrained by supply chain inefficiencies and challenges related to maintaining consistent quality standards.

Training demand in the sector has been increasing, with enterprises showing growing interest in adopting internationally recognized standards such as Good Manufacturing Practices (GMP), Hazard Analysis and Critical Control Points (HACCP), and enhanced packaging skills to improve product quality and market competitiveness.

- **Employment:** Engages about 0.8 million workers, growing at ~5% annually.
- **Skills:** Workforce semi-skilled; significant skill gaps in quality assurance, food safety, machinery operation.
- **Market Integration:** Sector closely tied to agriculture; growth hampered by supply chain inefficiencies and quality control challenges.
- **Training:** Increasing interest in GMP, HACCP, and packaging skills among enterprises.

Worker Skill Level	Percentage (%)
Unskilled	40
Semi-skilled	45
Skilled/Technical	15

Source: SEIP Agro-Processing Sector Report 2023

### 6.3 ICT Sector: Growth, Skills Demand, and Training Initiatives

The ICT sector in Bangladesh, encompassing software development, business process outsourcing (BPO), and related services, currently employs approximately 0.3 million workers and is projected to grow at an impressive annual rate of 20-25%. This rapid expansion is driving strong demand for specialized skills including software developers, data analysts, cybersecurity experts, and cloud computing specialists.

- **Growth:** ICT services, including software development and BPO, employ approx. 0.3 million, projected to grow 20-25% annually.
- **Skills Demand:** High demand for software developers, data analysts, cybersecurity experts, cloud computing specialists.
- **Training:** SEIP supports ICT skilling; however, mismatch between formal education and market needs remains.
- **Gender:** Female participation remains low (~10%) but rising with targeted programs.

ICT Occupations	Employment (Thousands)	Anticipated Growth (%)
Software Developers	120	25
Data Analysts	40	30
Cybersecurity Experts	15	35
Support Staff (BPO, etc.)	80	20

Source: SEIP ICT Sector Skills Assessment 2023

## 6.4 Leather, Footwear, and Tannery: Labour Market and Skills Challenges

The leather, footwear, and tannery sector in Bangladesh employs around 0.1 million workers, most of whom are engaged in export-oriented firms. Despite its importance, the sector faces significant skill shortages, particularly in technical and supervisory roles critical to maintaining product quality and meeting international standards.

Future employment growth in this sector is expected to be moderate, with little adoption of automation technologies compared to other industries. Training infrastructure and facilities remain inadequate to meet the growing demand for skilled workers. Additionally, environmental concerns related to tanning processes and waste management pose challenges to sustainable sector development.

- **Employment:** Around 0.1 million workers, in export-oriented firms.
- **Skills:** Significant skill shortages and gaps, especially in technical and supervisory roles affecting product quality.
- **Prospects:** Moderate employment growth expected, but limited automation adoption.
- **Challenges:** Training facilities are insufficient to meet demand; environmental concerns impact sector growth.

Skill Gap Severity	Percentage of Enterprises Reporting (%)
High	62
Moderate	28
Low	10

Source: SEIP Leather & Footwear Sector Report 2023

## 6.5 Shipbuilding and Maritime Industries: Workforce and Future Demand

The shipbuilding and maritime industries in Bangladesh employ an estimated 0.07 million workers, with key employment clusters located in Dhaka and

Chattogram regions. The sector faces a scarcity of skilled technicians and supervisors, alongside an emerging demand for advanced expertise in marine engineering to meet growing industry sophistication.

Labour demand in this sector is projected to grow between 15% and 20% by 2030, driven by expansion in shipbuilding capabilities and increasing international competitiveness. However, the growth is constrained by inadequate training infrastructure and limited access to recognized technical certification, which hampers workforce development.

- **Employment:** Estimated 0.07 million workers, with significant employment in Dhaka and Chattogram clusters.
- **Skills:** Scarcity of skilled technicians and supervisors; emerging need for advanced marine engineering expertise.
- **Growth:** Expected labour demand growth of 15-20% up to 2030.
- **Challenges:** Inadequate training infrastructure, limited access to technical certification.

Occupation Category	% of Workforce	Projected Growth (%)
<b>Skilled Technicians</b>	45	20
<b>Supervisors</b>	25	15
<b>Laborers</b>	30	10

*Source: SEIP Shipbuilding Sector Labour Market Study 2023*

## 6.6 Electrical, Electronics, and Light Engineering: Labour and Automation

The electrical, electronics, and light engineering sector in Bangladesh employs approximately 0.15 million workers, concentrated in major industrial clusters around Dhaka and other regional hubs. The workforce is semi-skilled, with many workers requiring further training to meet rapidly evolving industry standards and technology adoption.

Automation poses a moderate risk to about 10-15% of the workforce in this sector over the next decade, particularly affecting machine operators. This highlights the critical need for upskilling and continuous skills development to mitigate job displacement risks and enhance productivity.

- **Employment:** Approximately 0.15 million workers, including in clusters around Dhaka and regional hubs.
- **Skills:** Semi-skilled workforce; training lagging behind industry needs.
- **Automation Impact:** 10-15% workforce at risk over next decade, especially machine operators; upskilling essential.
- **Training:** Increasing enrolment in SEIP-supported programs; need for updated curricula noted.

Workforce Skill Level	Percentage (%)
Semi-skilled	65
Skilled	25
Unskilled	10

Source: SEIP Electrical and Electronics Sector Report 2023

## 6.7 Healthcare and Nursing: Labour Supply, Training, and Skill Gaps

The healthcare sector in Bangladesh employs approximately 0.2 million workers, with nurses constituting around 50,000 formal employees. There are critical shortages and skill gaps in specialized nursing fields such as intensive care unit (ICU) nursing and community health nursing, which are vital for improving healthcare outcomes. Although nursing education capacity is expanding, challenges remain in ensuring the relevance of curricula and the provision of practical, hands-on training.

The workforce is female, and gender norms continue to influence broader labour participation patterns beyond nursing roles. Addressing these skill and training gaps is essential for meeting the growing healthcare demands of Bangladesh's population.

- **Employment:** The sector employs approx. 0.2 million healthcare workers; nurses account for around 0.05 million formal workers.
- **Skills:** Critical shortages and training gaps in specialized nursing fields e.g., ICU, community health.
- **Education:** Nursing education capacity expanding, but challenges in curricula relevance and practical training remain.

- **Gender:** Majority female workforce; gender norms affect labour participation beyond nursing.

<b>Nursing Skill Gap Areas</b>	<b>Percentage Reporting Need (%)</b>
<b>ICU Nursing</b>	75
<b>Community Health Nursing</b>	65
<b>Specialized Medical Fields</b>	60

*Source: SEIP Healthcare Sector Labour Market Analysis 2023*

### **References:**

- Bangladesh Labour Market Profile – Ulandssekretariatet Denmark
- BGMEA Reports, Bangladesh
- SEIP RMG Sector Study 2023
- SEIP Electrical Engineering Sector Report 2023
- SEIP Leather & Footwear Sector Report 2023
- SEIP Agro-Processing Sector Report 2023
- SEIP Shipbuilding Sector Study 2023
- SEIP ICT Sector Skills Report 2023
- SEIP Healthcare Sector Labour Market Analysis 2023

## 7. Labour Market Outcomes and Challenges

### 7.1 Youth Employment and Transition to Labour Market

Youth aged 15-24 constitute about 20% of Bangladesh's labour force, with approximately 15 million young individuals either employed or seeking employment. Despite their large presence, youth unemployment remains significantly high at around 16%, notably exceeding the national average unemployment rate of 5%. The NEET (Not in Education, Employment, or Training) rate among youth stands at approximately 22%, with females disproportionately affected due to socio-cultural barriers, reaching a NEET rate of 28% compared to 18% for males.

Young workers face considerable challenges in transitioning into the labour market, including a lack of relevant skills, limited work experience, and inadequate access to job search resources. Consequently, the majority enter informal or low-productivity jobs, with formal sector absorption remaining limited to less than 20% of the youth labour force.

- **Youth Labour Force:** Youth (15-24 years) represent approximately 20% of Bangladesh's labour force, with 15 million young people engaged or seeking employment.
- **Youth Unemployment:** Youth unemployment rates remain high at around 16%, significantly above the national average of 5%.
- **NEET Rate (Not in Education, Employment, or Training):** Approximately 22% of youth aged 15-24 fall under NEET status, with rates markedly higher for females due to socio-cultural factors.
- **Labour Market Entry Challenges:** Many young workers face barriers including lack of relevant skills, limited work experience, and inadequate access to job search resources.
- **Transition Patterns:** Majority enter informal or low-productivity jobs; formal sector absorption remains limited.

Indicator	Total (%)	Male (%)	Female (%)
Youth Unemployment Rate	16	14.5	22
Youth NEET Rate	22	18	28
Share Entering Formal Sector	<20		

Source: Bangladesh Labour Force Survey, SEIP Youth Studies

## 7.2 Gender Disparities and Labour Force Participation Constraints

Female labour force participation in Bangladesh remains low at approximately 18%, starkly contrasted with a male participation rate of around 74%. This gap is driven by a combination of social and economic factors, including entrenched societal norms, extensive household responsibilities, safety and mobility concerns, and limited access to formal employment opportunities.

Significant wage disparities persist, with female workers earning 60% to 80% of male wages for comparable roles. These wage gaps are particularly pronounced in the informal sector. Women's employment is heavily concentrated in sectors such as garment manufacturing, domestic services, and agriculture, where they are underrepresented in leadership and technical positions, resulting in considerable occupational segregation.

- **Participation Rates:** Female labour force participation remains low at approximately 18%, compared to 74% for males.
- **Reasons for Low Participation:** Societal norms, household responsibilities, safety concerns, and limited opportunities in formal employment restrict women's participation.
- **Wage Gap:** Female workers earn 60-80% of male wages for comparable work, with disparities higher in informal sectors.
- **Occupational Segregation:** Women concentrated in garment manufacturing, domestic services, and agriculture, with limited presence in leadership and technical roles.

Labour Force Indicator	Male (%)	Female (%)
Labour Force Participation Rate	74	18
Unemployment Rate	4.5	7.5
Average Wage	100	65-80

Source: Bangladesh Labour Force Survey, World Bank Gender Reports

## 7.3 Informal Employment and Vulnerable Workers

Informal employment dominates the Bangladesh labour market, encompassing approximately 85% of all workers. This segment primarily includes rural laborers, street vendors, domestic workers, and casual urban laborers who typically lack formal contracts and social protection coverage.

Jobs in the informal sector are often marked by low wages averaging only 40 to 60% of formal sector earnings and high levels of job insecurity. Informal workers also face limited access to healthcare, social insurance, and basic labour rights, which heightens their vulnerability to economic shocks and labour market risks.

Policy and enforcement gaps exacerbate these vulnerabilities, as existing labour protections frequently do not extend effectively to informal workers, underscoring the urgent need for inclusive social protection mechanisms and formalization strategies.

- **Extent of Informality:** Around 85% of workers are engaged in informal employment without social protection or formal contracts.
- **Vulnerable Groups:** Informal workers include rural laborers, street vendors, domestic workers, and casual urban labour.
- **Job Quality:** Informal jobs characterized by low wages, high job insecurity, limited access to healthcare and social insurance.
- **Policy Gaps:** Inadequate coverage and enforcement of labour rights exacerbate vulnerabilities.

Indicator	Estimate (%)
Informal Employment Share	85
Access to Social Protection	<15
Average Informal Wage	40-60% of Formal

Source: Bangladesh Labour Force Survey, ILO Reports

## 7.4 Labour Productivity and Wages

The national average wage in Bangladesh is approximately 12,000 Bangladeshi Taka (BDT) per month, equivalent to around 140 USD, though significant disparities exist across different sectors and between the formal and informal economies. The minimum wage in the garment sector was recently increased to

about 11,200 BDT per month (~132 USD), reflecting efforts to improve earnings in this vital industry. In contrast, informal sector workers earn lower wages, averaging between 7,000 and 8,000 BDT monthly (80 to 95 USD).

Labour productivity in Bangladesh remains low compared to regional peers, hindered by factors such as limited skill levels, inefficient work organization, and inadequate capital investment. Enhancing productivity is critical to sustaining economic growth and enabling meaningful wage improvements for workers across sectors.

- **Wage Levels:**
  - National average wage approx. 12,000 BDT/month (~USD 140), with wide disparities across sectors and formal/informal divide.
  - Minimum wage in garment sector recently rose to ~11,200 BDT/month.
- **Productivity:**
  - Labour productivity remains low relative to regional peers, affected by low skill levels, poor work organization, and limited capital investment.
  - Productivity gains are critical to sustaining economic growth and wage improvements.

Wage Indicator	Value (BDT/month)	USD Equivalent
<b>Average National Wage</b>	12,000	~140
<b>Minimum Garment Sector Wage</b>	11,200	~132
<b>Informal Sector Average Wage</b>	7,000-8,000	~80-95

*Source: Bangladesh Wage Surveys, SEIP Reports*

## 7.5 Labour Market Impacts of Climate Change and Environmental Disasters

Bangladesh is highly vulnerable to climate-related hazards such as floods, cyclones, river erosion, and salinity intrusion, which annually displace 1 to 2 million people. These environmental shocks disrupt livelihoods, particularly in rural areas, forcing many workers to migrate to urban centers and swell informal labour markets, thereby increasing economic vulnerability.

The agriculture and informal sectors withstand the most of these impacts, experiencing significant losses in seasonal employment and income instability. While the government has implemented policies focused on climate-smart agriculture, disaster risk reduction, and social safety nets, labour market-specific adaptation and resilience measures remain at an early stage and require further development to protect workers and sustain livelihoods.

- **Climate Vulnerability:** Bangladesh is highly exposed to floods, cyclones, river erosion, and salinity intrusion, displacing millions and disrupting livelihoods.
- **Labour Displacement:** Environmental shocks force rural workers to migrate, swelling urban informal labour markets and increasing vulnerability.
- **Sectoral Effects:** Agriculture and informal sectors most negatively affected; loss of seasonal jobs and income instability prevalent.
- **Adaptation and Resilience:** Government policies include climate-smart agriculture, disaster risk reduction, and social safety nets, but labour market-specific adaptation remains nascent.

Indicator	Estimate
Population Displaced Annually	1-2 million (approx.)
Impact on Agricultural Labour	High
Urban Informal Labour Growth	Accelerated

*Source: Bangladesh Climate Vulnerability Assessments, ILO Reports*

### References:

- Bangladesh Labour Force Survey, SEIP Reports (2023-25)
- ILO Labour Market and Environment Reports
- Youth Employment Monitoring, The Daily Star (2025)
- National Labour Market Reports, Bangladesh Government
- Bangladesh Wage Survey, Ministry of Labour
- Bangladesh Climate Change Vulnerability Report, World Bank (2023)

## 8. Outlook and Projections

### 8.1 Labour Supply and Demand Projections (2025-2035)

Bangladesh's labour supply is projected to increase significantly from about 71 million in 2025 to approximately 88 million by 2035. This growth is driven by continued population expansion and rising labour force participation, notably among women and youth.

Simultaneously, overall labour demand is expected to grow by 125% over the 2025 to 2035 period. Key sectors such as manufacturing, services, ICT, and construction are expected to experience robust annual employment growth rates of 10-15%. The demand for workers with skilled and semi-skilled capabilities will rise sharply, with a growing emphasis on tertiary-educated and technically trained personnel to meet evolving industry requirements.

- **Labour Supply Projection:**
  - Estimated to increase from around seventy-one million in 2025 to approximately eighty-eight million by 2035, reflecting continued population growth and higher labour force participation, especially among women and youth.
- **Labour Demand Projection:**
  - Overall employment expected to grow by 125% over 2025-2035.
  - Key sectors like manufacturing, services, ICT, and construction anticipate 10-15% annual employment growth.
- **Skill Composition:**
  - Demand for skilled and semi-skilled workers projected to rise sharply, with increased importance of tertiary-educated and technically trained workers.

Year	Labour (million)	Supply	Labour (million)	Demand	Employment Growth (%)
2025	71		65		-
2030	79		75		15
2035	88		85		25

Source: Bangladesh Labour Market Projections, SEIP Forecasts

## 8.2 Sectoral Employment Growth and Structural Transformation

Bangladesh's labour market will continue undergoing structural transformation over the coming decade. The share of employment in agriculture is projected to decline from 40% in 2025 to below 30% (approximately 28%) by 2035, reflecting ongoing shifts away from traditional rural livelihoods.

Manufacturing and industry sectors are expected to expand their employment significantly, increasing from around 20% to 27% by 2035. This growth is primarily driven by the Ready-Made Garments (RMG) sector and light engineering industries, which remain key drivers of industrial development and job creation.

By 2035, the services sector is expected to emerge as the dominant employer, contributing about 45% of total employment. Growth in services will be led by ICT, finance, healthcare, and education, reflecting increasing urbanization and economic diversification.

- **Agriculture:** Employment share expected to decline to below 30%, reflecting persisting structural transformation.
- **Manufacturing and Industry:** Projected to increase from 20% to 27% of total employment by 2035; RMG and light engineering sectors driving growth.
- **Services:** Dominant sector by 2035, contributing approximately 45% of employment, led by ICT, finance, health, and education.

Sector	Employment Share 2025 (%)	Projected Share 2035 (%)	Projected Growth Rate (%)
<b>Agriculture</b>	40	28	1-2
<b>Manufacturing</b>	20	27	5-7
<b>Services</b>	40	45	6-8

Source: Economic and Labour Market Models, Bangladesh Planning Commission

## 8.3 Emerging Occupations, Skills and Digital Economy Influence

Bangladesh's labour market is witnessing the rapid emergence of new occupations driven by digital transformation and technological advancement.

Fast-growing tech-related jobs include data analysts, AI and machine learning specialists, software developers, cybersecurity experts, and digital marketing professionals. In addition, emerging roles in the green economy, such as renewable energy technicians, and specialized healthcare positions are becoming increasingly critical.

The demand for skills strongly favors STEM (science, technology, engineering, and mathematics) competencies, ICT proficiency, and essential soft skills such as communication, problem-solving, and adaptability. The digital economy's expansion is reshaping workforce requirements across all sectors, with remote work and gig economy models gaining momentum. These changes necessitate flexible skill sets and reforms in social protection systems to accommodate new forms of work.

- **Emerging Occupations:** Data analysts, AI specialists, software developers, cybersecurity experts, and digital marketers anticipated to be among fastest-growing tech-related jobs. New roles in green economy, renewable energy technicians, and healthcare specializations are also critical.
- **Skill Needs:** Strong demand for STEM skills, ICT proficiency, and soft skills like communication, problem-solving, and adaptability.
- **Digital Economy:** Digital transformation accelerates demand for digitally competent workforce affecting all sectors. Remote working and gig economy expected to expand, requiring flexible skills and social protection adaptation.

Emerging Occupations	Projected Rate (%)	Growth	Key Skills Required
<b>Data Analysts</b>	30-35		Analytics, statistical tools
<b>AI and Machine Learning Experts</b>	40-45		Programming, algorithms
<b>Cybersecurity Specialists</b>	35-40		Network security, threat analysis
<b>Digital Marketing Experts</b>	25-30		SEO, content creation

Source: SEIP ICT Labour Market Report 2025

## 8.4 Automation, Artificial Intelligence and Labour Market Risks

By 2035, it is estimated that 15-20% of current jobs in Bangladesh could be susceptible to automation, particularly routine and manual occupations across manufacturing and service sectors. Workers who are low-skilled, women, and those employed in the informal sector are especially vulnerable to job displacement due to automation.

On the other hand, automation is expected to generate new employment opportunities in areas such as technology management, machine maintenance, and AI development, requiring a workforce with advanced technical skills.

Policy responses must prioritize urgent reskilling and upskilling initiatives to prepare workers for these shifts. Additionally, adaptive labour regulations and social protection mechanisms will be crucial to mitigate negative effects on displaced workers and ensure resilience in the labour market.

- **Automation Exposure:** Estimates indicate 15-20% of current jobs could be automated by 2035, especially routine and manual occupations in manufacturing and services.
- **Job Displacement Risks:** Low-skilled workers, women, and informal sector particularly vulnerable.
- **Opportunities:** Automation expected to create new jobs in technology management, maintenance, and AI development.
- **Policy Implications:** Urgent need for reskilling and upskilling programs. Adaptive labour regulations and social protection to mitigate displacement effects.

Job Category	Automation Risk (%)	Vulnerable Groups
Machine Operators	20	Low-skilled men/women
Clerical and Routine Jobs	25	Youth and informal
Skilled Tech Roles	10	Mid/high skilled

Source: Bangladesh Automation Impact Study, ILO Reports

## 8.5 Policy Scenarios for Inclusive and Sustainable Labour Market Growth

- **Scenario 1: Status Quo** - Slow improvement in formalization and skill development; persistent informal sector growth; increased vulnerability.
- **Scenario 2: Moderate Reform** - Expanded TVET and skilling programs; better enforcement of labour laws; increased social protection coverage.
- **Scenario 3: Ambitious Transition** - Full-scale digital transformation of labour market policies; large investments in skills and social safety nets; strong private sector engagement.

Policy Scenario	Labour Market Outcome	Key Features
Status Quo	Moderate growth, high informality, skill gaps persist	Limited reforms, weak enforcement
Moderate Reform	Improved employment quality, better skills matching	Expanded training, social protection, enforcement
Ambitious Transition	High-quality jobs, inclusive growth, resilient labour	Digital integration, social dialogue, safety nets

*Source: Bangladesh Labour Policy Simulations, World Bank (2024)*

### References:

- Bangladesh Labour Market Projections, SEIP Forecasts (2025-2035)
- ILO Reports on Automation and Labour Market Risks (2023)
- Bangladesh Planning Commission, Five Year Plans and Economic Reports
- SEIP ICT Labour Market and Skills Forecast Reports
- World Bank Climate and Labour Market Studies

## 9. Key Recommendations

### 9.1 Enhancing Job Creation and Quality Employment

Enhancing job creation and improving the quality of employment in Bangladesh requires targeted strategies focused on labor-intensive sectors with high employment potential, including textiles, Agro-processing, construction, and services. Prioritizing growth in these areas can generate substantial job opportunities and support economic inclusion.

Supporting micro, small, and medium enterprises (MSMEs) is crucial, as they are significant contributors to new employment. Facilitating their access to credit, technology, and markets will help expand their capacity to create jobs and drive inclusive growth.

Improving the overall business environment by streamlining regulations and reducing bureaucratic barriers is essential to encourage formalization and stimulate the creation of quality formal jobs. Alongside this, enforcing labour laws effectively will ensure decent work by guaranteeing fair wages, safe working conditions, and access to social security, enhancing job quality and worker welfare.

Together, these Interventions MSME credit programs, regulatory reforms, and strengthened labour law enforcement are expected to increase job creation, raise formal employment levels, and improve workplace safety and conditions across Bangladesh's labour market.

- **Promote Labour-Intensive Growth:** Prioritize sectors with high employment elasticity such as textiles, Agro-processing, construction, and services.
- **Support MSMEs:** Facilitate access to credit, technology, and markets for micro, small, and medium enterprises, which generate most new jobs.
- **Improve Business Environment:** Streamline regulations and reduce bureaucratic hurdles to encourage formal job creation.
- **Focus on Decent Work:** Strengthen enforcement of labour laws to ensure fair wages, safe working conditions, and social security coverage.

Intervention	Expected Impact
<b>MSME Credit Programs</b>	Increased job creation
<b>Regulatory Reforms</b>	Higher formal employment
<b>Labour Law Enforcement</b>	Improved job quality and worker safety

Source: Bangladesh Economic Reports, ILO Policy Reviews

## 9.2 Strengthening Skills Development and Bridging the Gap

To strengthen skills development and bridge the existing gaps in Bangladesh's labour market, several key actions are prioritized. Expanding Technical and Vocational Education and Training (TVET) participation, especially among women and marginalized groups, is crucial to broadening access and inclusivity. Increasing infrastructure and outreach efforts will support this expansion.

Aligning TVET curricula with current and future market needs is vital. This requires regular updates guided by industry advisory boards to ensure training remains relevant and responsive to evolving sector demands. Strengthening public-private partnerships through incentives for firms can promote industry-led training and apprenticeships, enhancing practical skill acquisition.

Promoting lifelong learning is essential to enable workers to continuously improve and reskill in response to dynamic labour market conditions. Digital platforms play a key role in this strategy by providing accessible online and blended learning opportunities to reach a wider and more diverse audience.

Focused actions across TVET expansion, curriculum relevance, apprenticeships, and digital learning platforms will collectively improve skill development and better prepare the workforce for Bangladesh's economic transformation.

- **Expand TVET Participation:** Increase enrolment, particularly among women and marginalized groups.
- **Align Curriculum with Market Needs:** Regularly update training content to match evolving industry requirements.
- **Strengthen Public-Private Partnerships:** Encourage industry-led training and apprenticeships.
- **Promote Lifelong Learning:** Establish mechanisms for continuous upskilling and reskilling.
- **Leverage Digital Platforms:** Use online and blended learning to reach wider audiences.

Target Area	Priority Actions
TVET Expansion	Infrastructure & outreach
Curriculum Relevance	Industry advisory boards
Apprenticeships	Incentives for firms
Digital Learning Platforms	Development & deployment

*Source: SEIP Program Evaluations, National Skills Development Policy*

## 9.3 Formalizing Labour Markets and Protecting Informal Workers

Formalizing labour markets and extending protections to informal workers in Bangladesh require a multifaceted approach. Simplifying formalization processes by reducing costs and administrative hurdles is essential to encourage micro, small, and medium enterprises (MSMEs) and informal businesses to register officially, thereby expanding the formal sector.

Developing and implementing tailored social protection schemes for informal workers covering aspects such as health insurance and pension benefits can significantly reduce the vulnerabilities faced by this large workforce segment. Enhancing labour inspection coverage by allocating more resources to monitoring and enforcing compliance in informal sectors will help improve working conditions.

Additionally, raising legal awareness through education campaigns aimed at both workers and employers will foster better understanding of labour rights and obligations, supporting stronger labour market governance.

Together, these measures are expected to increase formal sector size, reduce workers' vulnerability, and improve workplace safety and fairness across Bangladesh's labour market.

- **Simplify Formalization Processes:** Reduce costs and administrative burdens to encourage MSMEs and informal enterprises to register.
- **Extend Social Protection:** Develop tailored schemes for informal workers including health insurance and pension coverage.
- **Improve Labour Inspection Coverage:** Increase resources for inspection and compliance in informal sectors.
- **Enhance Legal Awareness:** Conduct campaigns to inform workers and employers about rights and obligations.

Measure	Impact
Simplified Registration	Increased formal sector size
Social Protection Inclusion	Reduced vulnerability
Expanded Inspections	Better working conditions

*Source: Bangladesh Labour Market Surveys, ILO Reports*

## 9.4 Promoting Gender Equality and Youth Employment Opportunities

Promoting gender equality and expanding youth employment opportunities in Bangladesh requires comprehensive strategies addressing key barriers and empowering target groups. For women, tackling challenges such as workplace safety, inadequate childcare support, and inflexible work arrangements is essential. Implementing flexible work policies, enhancing safety measures, and providing childcare services can significantly boost female labour force participation.

Empowering women entrepreneurs through targeted training programs and improved access to finance and mentorship will help increase their economic participation and business success. For youth, scaling up career guidance services, practical internships, and soft skills training is vital to enhance employability and facilitate smoother transitions into the labour market.

Additionally, strengthening youth inclusion in labour market policymaking by ensuring their representation in decision-making forums will help address their specific needs and aspirations more effectively.

Together, focused support for women, youth, and women entrepreneurs will drive more inclusive, equitable, and sustainable labour market outcomes in Bangladesh.

- **Address Barriers to Women's Labour Participation:** Implement flexible work policies, childcare support, and safety measures.
- **Empower Women Entrepreneurs:** Provide targeted training and access to finance.
- **Enhance Youth Employability:** Scale up career guidance, internships, and soft skills training.
- **Strengthen Youth Inclusion in Policy:** Ensure youth representation in labour market decision-making forums.

Priority Group	Key Support Measures
Women	Safety, childcare, flexible work
Youth	Skills training, internships
Women Entrepreneurs	Finance, mentorship

Source: Bangladesh Gender & Youth Labour Reports

## 9.5 Improving Labour Market Governance and Social Protection

Improving labour market governance and social protection in Bangladesh necessitates several focused actions. First, enhancing institutional capacity through increased staffing and technological upgrades will strengthen labour administration and enforcement capabilities. Digitalization and staff training are critical components of this improvement.

Strengthening social dialogue by promoting active participation from worker and employer organizations, including through tripartite forums, will enable more inclusive and balanced labour market governance. Improving labour market information systems to deliver timely and accurate real-time data is essential to inform evidence-based policymaking and responsive labour interventions.

Expanding social protection programs towards universal and inclusive schemes that cover all workers, particularly those in informal and vulnerable groups, will reduce labour market insecurities and foster resilience.

Collectively, these governance improvements are fundamental to building a more effective, responsive, and equitable labour market in Bangladesh.

- **Enhance Institutional Capacity:** Increase staffing and technological support for labour administration.
- **Strengthening Social Dialogue:** Foster active participation of worker and employer organizations.
- **Improve Labour Market Information Systems:** Provide timely, accurate data for policymaking.
- **Expand Social Protection Programs:** Develop universal schemes covering all workers, especially informal and vulnerable groups.

Governance Area	Improvement Actions
Labour Administration	Training, digitalization
Social Dialogue	Tripartite forums, dialogue
Data Systems	Real-time labour market data
Social Protection	Inclusive and universal coverage

*Source: ILO Governance Assessments, Bangladesh Labour Policy*

**References:**

- Bangladesh Labour Market and Skills Reports, SEIP Evaluations
- ILO Labour Policy and Governance Reviews
- Youth and Gender Employment Studies, The World Bank
- National Skills and Labour Policies, Bangladesh Government
- Bangladesh Economic and Social Protection Reports

## Conclusion and Path Forward

This comprehensive labour market analysis highlights Bangladesh's significant achievements in economic growth and employment generation, alongside persistent challenges that require ongoing policy attention. The country has made remarkable progress in transforming its economy and labour force, with expanding industrial and service sectors, notable strides in female labour participation, and concerted efforts in skills development through programs.

However, critical issues remain, including high rates of youth unemployment, labour market informality, gender disparities, and substantial skill mismatches that constrain productivity and inclusive growth. Moreover, emerging challenges from technological disruptions and climate change-related vulnerabilities necessitate adaptive strategies.

### **Key conclusions include:**

- The labour force is growing and diversifying, with the youth cohort presenting both opportunities and risks for employment.
- Structural change is shifting employment towards manufacturing and services, requiring a workforce equipped with relevant technical and digital skills.
- Informality remains pervasive, limiting social protection coverage and workforce stability.
- Gender-based barriers persist, calling for targeted interventions to unlock women's economic potential.
- Skills development initiatives show promise but require scaling, quality improvement, and better alignment with labour market demands.
- Institutional capacity for labour regulation and social dialogue needs strengthening to ensure rights protection and harmonious industrial relations.
- Automation and digitalization present both transformational potential and disruption risks; proactive workforce reskilling is imperative.

### **The path forward demands coordinated efforts to:**

- Accelerate formal job creation, particularly in high-growth sectors.
- Expand and refine skills development systems emphasizing lifelong learning and inclusion.
- Transition informal workers to formality through simplified regulatory frameworks and social protection extension.

- Mainstream gender equality and youth engagement in all labour market policies.
- Enhance labour institutions, data systems, and social dialogue mechanisms.
- Integrate technology adaptation and climate resilience into workforce planning.

By pursuing these strategic priorities with strong government leadership, active private sector participation, and supportive development partnerships, Bangladesh can build a dynamic, inclusive, and resilient labour market that sustains shared prosperity and meets the ambitions of its Vision 2041.

## Ref

1. Bangladesh Labour Market Profile – Ulandssekretariatet Denmark  
[https://www.ulandssekretariat.dk/media/6520/bangladesh\\_labour\\_market\\_profile\\_2024-2025.pdf](https://www.ulandssekretariat.dk/media/6520/bangladesh_labour_market_profile_2024-2025.pdf)
2. Bangladesh Bureau of Statistics (BBS) – Labour Statistics and Labour Force Survey  
<http://bbs.portal.gov.bd>
3. Asian Development Bank – Employment and Labour Market Overview: Bangladesh  
<https://www.adb.org/publications/employment-and-labor-market-bangladesh>
4. The Daily Star – Reports on Labour Market and Unemployment in Bangladesh  
<https://www.thedailystar.net/business/news>
5. Trading Economics – Bangladesh Labour Market Indicators  
<https://tradingeconomics.com/bangladesh/employment>
6. Export Promotion Bureau Bangladesh – Economic and Sectoral Data  
<http://epb.gov.bd>
7. Ministry of Labour and Employment (MoLE), Bangladesh – Labour Policies and Reports  
<https://mol.gov.bd>
8. International Labour Organization (ILO) – Country Labour Market and Compliance Reports  
<https://www.ilo.org/dhaka/areas-of-work/labour-administration-inspection/lang-en/index.htm>
9. SEIP (Skills for Employment Investment Program) – Project Reports and Skill Assessments  
<https://seip-fd.gov.bd/>
10. BGMEA (Bangladesh Garment Manufacturers and Exporters Association)  
<http://bgmea.com.bd>
11. BASIS (Bangladesh Association of Software and Information Services)  
<https://basis.org.bd/>
12. Bangladesh Planning Commission – Five Year Plans and Vision 2041  
<https://plancomm.gov.bd/>
13. National Skills Development Policy 2011 – Government of Bangladesh (available via MoLE or relevant agency portals)
14. Bangladesh Climate Change Strategy and Implementation Plan (BCCSIP)  
<http://www.moef.gov.bd>

15. Bangladesh Economic Review – Ministry of Finance  
<https://mof.gov.bd/en/bangladesh-economic-review>
16. World Bank – Bangladesh Country Overview and Labour Market Analysis  
<https://www.worldbank.org/en/country/bangladesh/overview>