



# The Financial Express

## University education and labour market linkages

Abdul Bayes | Saturday, 12 October 2019

The Bangladesh Institute of Development Studies (BIDS) conducted a research titled "Tracer Study of Graduates of Universities in Bangladesh". The purpose was to look at the nexus between labour market demand for graduates and supply from universities or, pointedly, the research aimed at relating the relevance of university education to the requirement of labour market in Bangladesh. While an avalanche of research exists on labour market, admittedly, there is a dearth of reliable research particularly on university graduates and their entry to the job market.

The study team comprised Minhaj Mahmud, Zabid Iqbal, Sibana Sahana, Shahidul Islam and Wahid Ferdous Ibon, and samples were drawn from universities which received grants under the "Higher Education Quality Enhancement Project (HEQEP)", of the Ministry of Education. A total of 975 randomly selected graduates who graduated during 2015-16 have been traced out and surveyed under five categories - employed, not employed, not in service, full time and part time study and self-employed. Again, to know the perception of the demand side, 154 employers of a sample of surveyed students were interviewed embracing four types of questions : categorical responses using Likert scale, Multiple choice questions, Dichotomous questions and Open-ended questions.

Based on employment status of a sample of 975 university graduates surveyed, it was observed that unemployment rate among university graduates in Bangladesh is about 40 per cent. This figure could raise many an eyebrow where huge investments are being made to groom a graduate. But as we shall see later, both choice and force factors play the role. For example, a few factors like further study, marriage, rejection for low pay offer etc., seem to dictate the decision for abstaining from entering into the job market.

However, one-third of them tend to get a job within 2 to 3 years of their graduation; about 6.0 per cent of the graduates choose to be self-employed with males bypassing females. This appears to be natural in a society like ours where female mobility is restricted by many factors. It was also observed that roughly 14 per cent of female graduates do not enter labour market soon after their graduation. The incidence of staying out of labour market is higher for females compared to males. The researchers reckon that this could be due to either pure economic reasons-maximising family well-being contributing to household works or social and cultural factors that restrict women's participation in the labour market..

The research shows that the rate of employment is higher at 44 per cent among private university graduates than public university graduates at 32 per cent. The difference could possibly be reasoned by the fact that private universities generally make quick update of curricula attuned to needs of the changing market conditions than the counterpart public universities. This is also borne by the information that (a) more male graduates of private universities are found to be self-employed than public universities, and (b) although the majority of the employed graduates in the sample serve

multinational sector, private university graduates get more multinational sector jobs than public university graduates.

Among the graduates who claimed to be self-employed, more than half of them wanted to be an entrepreneur to start with. This can be construed as good news when viewed against the prevailing culture of running after government jobs or serving private firms. A portion of them of course said that they have set up own business as a springboard for "good jobs" in the future. Again, 17 per cent got married (mostly females) before looking for jobs. By and large, "as a huge pool of graduates out of the labour force is those who wish to continue study, it can be inferred that they will join market in the near future, after completing further education and/or training .... 70 per cent of the graduates out in the labour mart think that a proper training is needed in order for improving their job market skills".

The rate of unemployment is higher for science graduates compared to humanities and business graduates. "There is a strong correlation between parents' education and graduation employability in Bangladesh. More than 40 per cent of the graduates whose parents have completed master's degree got job after completing their university education, whereas the rate is almost half in the case of graduates whose parents do not have any formal education. Likewise, the rate of unemployment is inversely related to the parental education....."

The majority of fresh graduates beat about the bush in labour market without right information and thus resulting in the mismatch between demand for and supply of graduates. Sadly, students expressed concerns about the mismatch between up-to-date skills required in the industries and the backdated curriculum followed in the education system. Though both employers and universities are aware of the importance of university-industry collaboration, as it happens in developed and some developing countries, " we found serious lack of this sort of collaboration taking place in reality. Only 40 per cent (62 out of 154 respondents) of the employers were found to maintain some kind of collaboration with universities, and only 33 per cent of them maintained such partnership on sustained way". In this linkage also, private universities surpassed public universities.

The research points to an important barrier to job market access for the groaning graduates - the lack of training and skill. This observation leads us to argue for a revisit to the existing curriculum in universities and incorporate internship, frequent visits to industries or job-generating organisations.

Abdul Bayes is a former Professor of Economics at Jahangirnagar University and currently an adjunct Faculty at East West University.

abdulbayes@yahoo.com

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### Editor : Shah Husain Imam

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Telephone : PABX : 9553550 (Hunting), 9513814, 7172017 and 7172012 Fax : 880-2-9567049

Email : editor@thefinancialexpress.com.bd, fexpress68@gmail.com

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