

Skill Requirement in the Informal sector and Rural Economy

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In the recent years, TVET has experienced a paradigm shift from a supply-driven mode to driven by economic demand. This is mostly because TVET systems tend to be closer to the labour market and subsequently to the economic activities. The reform of TVET in Bangladesh and the setting-up of the NTVQF provide a positive outcome. The policy of the country was formulated to ensuring the training background responded to the need to engage with new technologies and meet the varied skill requirements of sectors of the economy.

Efforts to support economic growth with the development of skills closely aligned to the needs of labour markets. These measures have addressed the needs for better information about labour demand and supply, improving the performance of labour markets, strategies to reach vulnerable populations, and achieving a balance between general competencies and specialized skills. Policy measures introduced to improve the alignment of skills development with labour market demands include: i) better identification and anticipation of labour market skills needs, ii) measures for closing skills gaps, iii) improving youth employability, iv) meeting the skills requirements of the informal sector, v) meeting the skills demands of the rural economy, and vi) providing an appropriate mix of broader competencies alongside specialist skills.

The informal sector is a persistent feature of the economic growth in Bangladesh. The informal sector accounts for the majority of new jobs being created. Its economic and social importance provides a strong case for attention to improving skills development in the informal sector. Reaching the informal sector with skill initiatives, the lack of capacity to identify training needs, the absence of economies of scale for training in small firms and a limited supply of trainers serving the special needs of the informal sector are the main constraints for training of skilled personnel. The presence of the informal sector as a source of employment has led to expansion of TVET entrepreneurship programmes for those seeking to create their own employment in the informal sector, and a greater understanding of the importance of traditional apprenticeship schemes for those finding work in this sector.

TVET has played a role in improving skills, productivity and earnings in the informal sector by promoting entrepreneurship learning. It combines the acquisition of business and technical skills by embedding in the curriculum examples of running a business, inventory control, quality

assurance, pricing and marketing. There have also been specialist programs of TVET for self-employment outside formal TVET structures. These have included large numbers of NGO projects, such as those in Cambodia and the major global Training for Rural Economic Empowerment (TREE) program of the ILO.

Training provided directly by informal-sector employers in traditional apprenticeships accounts for much of the TVET available to those seeking employment in the informal sector. The traditional apprenticeship represents an agreement between a master craftsman and a young person or their parent to provide training in the workplace for a period of time in exchange for small fees and/or the labour of the apprentice. This form of skills development is popular in various sectors like mason, electrician, plumber, carpenter etc. It provides skills at an affordable cost for many, the quality of this form of TVET depends on the master and the theoretical part of the training is not appropriately imparted.

Efforts to improve traditional apprenticeships have economic and social equity rationales. Those earning their livelihoods in the informal sector are often the most vulnerable. Raising productivity in the sector can improve earnings and reduce poverty. Although the traditional apprenticeship is commonly understood as a route to informal-sector work, this can explore the significant route to formal-sector employment. Sustainable self-employment through informal skill training is very much successful in TVET program particularly in the informal sector.

The response of TVET policies to the disadvantaged has focused on addressing a series of weaknesses in formal TVET provision that have made physical access difficult. Steps to include specific disadvantaged groups in mainstream TVET programmes have often required changes to institutions and their practices. Making TVET more inclusive, however, requires going further to include references to diverse experiences of learners in a wide range of learning materials, and developing strategies for teaching and learning that build on the learning needs and approaches of diverse TVET learner groups. There is considerable scope for employers to do more to develop learning and working environments that include and empower disadvantaged groups, value social and cultural diversity, address social exclusion, and contribute towards equal opportunities for all.