



Youth Employment Scenario in Rural Areas of Bangladesh: A Case of Mohammedpur West Union

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Key messages

- Entrepreneurial activities have a positive impact on employment and income generation in rural areas of Bangladesh.
- However, the rural entrepreneurial environment is considered “unsatisfactory” by the youth population.
- Developing and increasing training opportunities matched to labor market needs can help young people become successful entrepreneurs

Background

Creating an enabling environment for entrepreneurship in rural areas of Bangladesh has been shown to lead to rural income growth. Additionally, the absence of an enabling environment leads to youth unemployment and social unrest.

Field observations indicate that rural youth, accounting for nearly a quarter of the total population in Bangladesh, may be paid employees (in a business), paid or non-paid employees in a family enterprise, working part-time while studying, or unemployed.

It is therefore important to assess the personal attitudes of rural youth regarding employment and the entrepreneurial environment. By understanding the employment experiences of different subgroups and their attitudes towards the rural entrepreneurial environment, policy planners and researchers can take pragmatic action to promote and generate gainful youth employment.

The analysis

The study used CBMS Accelerated Poverty Profiling (APP) census data for Mhammedpur (West) Union of Daudkandi Upzila, Comilla, Bangladesh. The APP-based census was used to capture information on human and income poverty. The census was accompanied by a rider questionnaire to understand the situation of youth employment in rural areas. Respondents were asked to rate their satisfaction of various dimensions of the entrepreneurial environment. In particular, the study focused on the financial environment, skill formation environment, institutional environment, infrastructural environment, supply chain environment, and social environment.



Key findings

The results of the analysis demonstrate that entrepreneurial activities have a positive impact on employment and income generation in rural areas of Bangladesh. However, entrepreneurial activities are low.

People who identified as unemployed or as preparing to enter the labor market identified three main obstacles:

- Low education level
- Lack of skills
- Poor networking

In the study area, the low level of education was attributed to the demand for job opportunities abroad.

For example, a student who believes it is better to earn money by going abroad does not want to enroll in higher education.

Additionally, they will put pressure on the family to invest in the migration rather than in their higher education. Students from poor families often must support their family income once they have completed primary education.

Respondents to the questionnaire indicated that the overall entrepreneurial environment in rural areas is not satisfactory. The least satisfactory dimension was found to be the infrastructural environment, followed by the institutional environment.

Entrepreneurial environment was found to be significantly dependent on education, financial ability, availability of skill development training, involvement in cooperatives or other institutions, family support to become an entrepreneur, the local law and order situation, land ownership, marketing facilities, and transportation facilities.

Conclusions and policy recommendations

The findings from this study highlight the need for policies that accelerate entrepreneurial activities and improve the productivity of existing and potential activities. Economy-wide policies that affect rural growth should be considered as well as policies specifically designed for entrepreneurship development.

Assisting rural entrepreneurs in transforming their endeavors into a lucrative sector for employment generation may encourage others to do likewise. Attention is needed for every dimension of the entrepreneurial environment to develop entrepreneurship in rural areas.

Policies and programs that could contribute to this aim include:

- i. Technical and financial assistance for youth entrepreneurs** to improve their success rate, create employment, and transfer skills to other employees.
- ii. Improved education and skills training, in particular to respond to market demands** for jobs requiring particular skills and levels of education.
- iii. Specialized skills training and management education for (young) women** to ease their entry into entrepreneurial activities and improve their productivity.
- iv. Flexible mechanisms that allow women to balance economic activities with household responsibilities.**
- v. A combination of training, credit, and business services** to encourage women's involvement in entrepreneurial activities.
- vi. Training that is linked to jobs** (paid, self-employment, and sub-contracted). NGOs may be well positioned to take up initiatives to create these linkages.

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In 2012, with support of the UK Department for International Development (DfID) and the International Development Research Centre (IDRC) of Canada, PEP launched a new program to support and build capacities in "Policy Analyses on Growth and Employment" (PAGE) in developing countries.

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