



SKILLS DEMAND SURVEY IN LEATHER AND LEATHER GOODS SECTOR



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Abbreviations

ADB	Asian Development Bank
BACCO	Bangladesh Association of Call Center and Outsourcing
BACI	Bangladesh Association of Construction Industry
BANBEIS	Bangladesh Bureau of Educational Information and Statistics
BASIS	Bangladesh Association of Software and Information Services
BBS	Bangladesh Bureau of Statistics
BDT	Bangladesh Taka
BEIOA	Bangladesh Engineering Industry Owners Association
BGMEA	Bangladesh Garment Manufacturers and Exporters Association
BIDS	Bangladesh Institute of Development Studies
BITAC	Bangladesh Industrial and Technical Assistance Center
BKMEA	Bangladesh Knitwear Manufacturers and Exporters Association
BMET	Bureau of Manpower, Employment and Training
BTEB	Bangladesh Technical Education Board
BTMA	Bangladesh Textile Mills Association
CBLM	Competency-based Learning material
CBT	Competency-based Training
CBT&A	Competency-based Training and Assessment
COEL	Centre of Excellence for Leather Skill
DCI	Data Collection Instrument
DTE	Department of Technical Education
EBT	Enterprise-based Training
EIG	Employment and Income Generation
EPB	Export Promotion Bureau
EU	European Union
FCI	Feni Computer Institute
FGD	Focus Group Discussion
FY	Financial Year
GDP	Gross Domestic product
GM	General Manager
GoB	Government of Bangladesh
GVA	Gross Value Addition
HDRC	Human Development Research Centre
HSC	Higher Secondary School Certificate
ILO	International Labour Organization
IMT	Institutes of Marine Technology
RTO	Registered Training Organization

ISC	Industry Skills Council
JDC	Junior Dakhil Certificate
JSC	Junior Secondary Certificate
KII	Key Informant Interview
LFMEAB	Leather-goods and Footwear Manufacturers & Exporters Association of Bangladesh
LFS	Labour Force Survey
MoE	Ministry of Education
MoEWOE	Ministry of Expatriates' Welfare and Overseas Employment
MoI	Ministry of Information
MoU	Memorandum of Understanding
MPO	Money Payment Order
NGO	Non-Government Organization
NSC	National Skill Certificate
NSDC	National Skills Development Council
NSDP	National Skill Development Policy
NTVQF	National Technical and Vocational Qualifications Framework
OSH	Occupational Safety and Health
PKSF	Palli Kama-Sahayak Foundation
RPL	Recognition by Prior Learning
RTO	Registered Training Organization
SCDC	Standard Curriculum Development Committee
SDC	Swiss Agency for Development and Cooperation
SDCMU	Skills Development Coordination and Monitoring Unit
SEIP	Skills for Employment Investment Program
SME	Small and Medium Enterprise
SMI	Survey of Manufacturing Industries
SSC	Secondary School Certificate
TQM	Total Quality Management
TSC	Technical Sub-Committee
TTC	Technical Training Center
TTTC	Technical Teachers Training College
TVET	Technical and Vocational Education and Training
UNEVOC	UNESCO-UNEVOC International Centre for Technical and Vocational Education and Training
VET	Vocational Education and Training
VTTI	Vocational Teacher Training Institute

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Palli Karma-Sahayak Foundation (PKSF) in connection with her partnership with Skills for Employment Investment Program (SEIP) launches this study to know the future skills demand along with the skills gap in the priority sectors of the economy Leather and Leather Goods sector in Bangladesh.

On this backdrop, PKSF entrusted Human Development Research Centre (HDRC) to perform this crucial and challenging task of skills demand survey. This survey is essential to explore occupation wise potential job demand and to determine the number of prospective human resources by skill level in Leather and Leather Goods sector (e.g., less-skilled, semi-skilled and skilled) as per employers' demand in congruence with the objective of SEIP. This study is crucial to PKSF, as the data could be useful to formulate the action plan to ensure effective demand-driven skills training program for the less-skilled, underprivileged and low-income groups of people.

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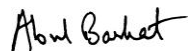
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Executive Summary

Palli Karma-Sahayak Foundation (PKSF) is working with Skills for Employment Investment Program (SEIP) to support the targeted group of people to enhance their employable skills with the purpose of meeting the skills demand of the industries and self-employment as well. PKSF, through 22 training centers, is providing training mostly to the poor and low income group participants to improve their skill and make them employable. This study aims to let PKSF know the present and future skills demand as well as skills gap in Leather and Leather Goods sector of Bangladesh to formulate her future policy and program in the area of skills development.

In particular, this study aims to explore occupation wise potential employment demand in Leather and Leather Goods sector (footwear) and determine the number of prospective human resources by category of less-skilled, semi-skilled and skilled. This task is likely to be accomplished according to employers' demand in congruence with the objective of SEIP. The specific objectives of the study are as follows.

- i. To identify occupation-wise job demand in Leather and Leather Goods (footwear) sector
- ii. To examine the skills gap of existing human resources in comparison with potential job market demand;
- iii. To identify the causal factors of skills gap of existing human resources;
- iv. To formulate the action plan to ensure effective demand-driven skills training program for the less-skilled, underprivileged and low-income group.

Study Design and Implementation

The study adopted both quantitative and qualitative tools to collect data and information from primary and secondary sources. Enterprise level survey was conducted to collect primary data on the job demand, skills gap and causal factors of skills gap by interviewing both employer and employee using semi-structured interview schedule. For primary data collection, this study followed non-probabilistic or purposive sampling with a total number of 10 enterprises for sample survey. Officially published data are also used extensively. Both quantitative and qualitative data are analyzed and triangulated. In addition, relevant stakeholders and knowledgeable entrepreneurs of this sector were consulted in different phases of the study.

Study Findings

Future Job Market Demand Assessment

The projected future job demand in Leather and Leather Goods sector (footwear) in Bangladesh indicates that the total number of employment in this sector will be 159,103 by the year 2022 and 263,259 by the year 2027 increasing from 101,989 in the year 2017. It means that, this sector will employ a total of 263,259 people by the year 2027. It also implies that 57,114 additional jobs will be created in this sector by the year 2022 and 161,270 by the year 2027. In the overseas market, there is very little number of workers (only 33) employed in leather goods sector during the period of 2005-17. Study finds only two occupations/trades namely, leather technician and shoe maker under this sector where Bangladeshi workers were employed.

The lion share of employment in this sector lies under the semi-skilled category of occupation, although the share of semi-skilled job will be declined in future (55.2% in 2017; 53.75% in 2022 and 51.9% in 2027). Despite the declining share of semi-skilled jobs in total employment of this sector, the majority of employment will remain under this category where

a total of 136,631 job will be created by 2027 from 56,298 in 2017. According to the estimate, in 2027 the highest number of jobs under this category will be created for occupation/trade namely; lasting, setting and assembly operator (76,343); cutting operator and AZ colors (21,061); supervisor and line leader (13,161); and stitch operator and simulator (10,004).

Employment in less-skilled jobs will be on rise from 42.3 per cent to 45.05 per cent in 2022 and 47 per cent in 2027 while the proportion of both semi-skilled and skilled in total employment will be decreased in the next decade. A total of 123,731 jobs will be created under less-skilled category in the year 2027 increasing from 71,674 in the year 2022 and 43,141 in the year 2017. It indicates a huge number of additional demand for future employment in this category of skill. Among the different occupation under less-skilled category, the highest number of jobs will be created for sewing operators which is accounted for 73,713 jobs in 2027 followed by machine operators; and sewing and packing workers (25,009 in each occupation in 2027).

Skills Gap Assessment and Its Causes

Results of skills assessment by employers unveil a bleak scenario exposing that there is no competent worker across different occupations while performing their job in this sector. There is a 21.8 per cent semi-competent worker in performing their current job. The remaining large segments of the existing workers (78.2%) were assessed as less-competent by their respective employers. Semi-competent workers are found primarily in few occupations/trades: stitch operator and simulator (66.7%), inventory, material selection and compliance operator (50%); and lasting, setting, and assembling as well as sewing operator (42.9%). All the employees working as CAD design and pattern making operator; supervisor and line leaders; skiving and lab technician are assessed as less-competent as per employer's evaluation. The other occupations where most of the employee is less-competent are cutting operator and AZ colors (85.7%); mechanic (85.7%); machine operator (83.3%); finishing and packing (80%); lasting, setting and assembly operator (57.1%) and inventory, material selection and compliance operator (50%).

Reportedly, non-attractive financial incentive or remuneration and poor level of educational qualification are the two most compelling reasons behind the existing skills gap in Leather and Leather Goods sector.

Although training has a vital role in enhancing skills, the study finds that a tiny share of workers (10.3%) received some sorts of training from their current employers on fire safety drill, occupational safety and health and development of productivity in the workplace. A good number of workers believe that receiving such training is quite helpful to them.

According to the experts and employers interviewed in this study, there is no coordination between the industry needs and trainings provided. The trainings are mostly lecture-based and assessment is not competency-based, and not following a nationally consistent approach and quality assurance. Hence, trained people also underperform if they get recruited. Majority of the training providers are imparting skills following the traditional theory-based technique. This type of learning provides a little practical experience. Lack of qualified instructors, competency standards not in line with the industry needs and shortage of registered assessors make the output less-satisfactory.

Skills Development System

Under the Technical and Vocational Education and Training (TVET) system, there are 13,163 institutions in Bangladesh with a 1,081,796 seat capacity. Bangladesh Technical Education Board (BTEB), offers 4 different courses and/or trades relevant to Leather and

Leather Goods sector. Each of the training courses has its own curriculum, duration, entry requirement and assessment procedure.

SEIP is an umbrella initiative where different programs are in operation to improve the skill needs in Leather and Leather Goods sector. SEIP has been working to skill-up around 260,000 participants through the network of a large number of institutions including (i) 32 public training providers; (ii) PKSF through its partner NGOs; (iii) Bangladesh Bank through its SME and special program department; and (iv) Industry Associations. PKSF as member of SEIP network is providing training on leather making and leather goods. This is a basic trade course (360 hours) that comprises few components namely; Basic competencies (37 hours), Machines operate and maintain (10 hours), the concept of Electricity (10 hours) and Preparation of leather product (123 hours). A total of 600 young male and female are trained by partner NGOs of PKSF under SEIP.

Absence of nationally consistent approach for quality assurance, non-aligned standard of qualifications with the skills levels of industry, inappropriate quality of graduates and the lack of coordination in this sector are some critical issues of TVET (GoB, 2011). To address these, Industry Skills Council (ISC) is established under National Skill Development Council (NSDC) for Leather and Leather Goods sector. Administering competency based assessment of learning or competencies by external assessor registered with BTEB and recognition by prior learning (RPL) might be two avenues for assessment and certification.

Current State of Skills Acquisition

Skills acquisition status of the current workers in Leather and Leather Goods sector is not found encouraging. Survey findings exposed that only 18.3 per cent of workers had skill development training prior to joining their present job. Learning new knowledge (100%), acquiring new skill (72.7%), and getting a job after completing training (27.3%) are three main factors that motivated to participate in the training.

On the effectiveness of the training to get a better job, a vast majority of respondents (91%) opined that training received before getting the current job were conducive. Following the similar spirit, workers believe that on job training is useful in their workplace and will bring benefits in future as well. All the respondents mentioned about the beneficial impact of this training in their workplace. Potential employee/job seekers who received training from SEIP-PKSF supported training centers were loud about the satisfactory quality of training provided to them. However, assistance in finding job is limited to offer temporary job and job offered to the very competent trainee candidates.

Assessment on gender inclusiveness of the provided training is impressive. Most of the training venue was evaluated as woman friendly in relation to training venue, behavior of the authority and trainer, consideration of woman health and maternity issues as well as assistance in getting job.

At the survey time, employers mentioned that soft skills were expected as training outcome. Among various types of soft skills, 70 per cent of employers keep the 'positive attitude of worker' at the top of the list followed by self-motivated (60%), mutual interaction and/or team work (50%) and problem solving attitude (50%).

Recommendations and Action Plan

1. According to the study findings, in the next decade (by 2027), there will be a total of 263,259 jobs in Leather and Leather Goods sector where semi-skilled (51.9%) and less-skilled (47%) occupation/trades are two major sources of this employment. At the same time, study shows that there is huge skills gap across occupation/trade in this sector as the

bulk segment of the workers (78.2%) are found less competent in doing their works in the enterprise.

Study findings suggest that skill development initiatives should target a number of occupation/trade under semi-skilled category. Such occupation/trade primarily includes lasting, setting and assembly operator; cutting operator and AZ colors; stitch operator and simulator; and supervisor and line leader.

Although a small number of jobs (as a share of total employment) will be created under skilled category, these are high income generating jobs. Skills development program should also target management type of occupations like design manager, and auto CAD and pattern making operator.

Considering the fact that a large number of less-skilled occupation/job will be created in Leather and Leather Goods sector, it would be more useful to offer some basic trade training on sewing machine operator specific to the leather goods and footwear industry.

2. PKSF is working with NGOs for poverty eradication and most of them are creating jobs through Employment and Income Generation (EIG) program. So, self-employment, especially in the informal sector, SME and industry based job, should be the target of PKSF supported skills training. To this end, skill training pertaining to the leather and footwear industry should include Dhaka and Kishoreganj to select the participants for training on footwear technician as well as other industry related training. In addition, financial literacy and management training should be provided.
3. NSDC is developing competency standards for the trainings of Leather and Leather Goods sector, among others. The courses and their duration are stated below. Training for the above-mentioned high demand trades should be designed on the basis of the following trainings as per CBT&A developed and set by BTEB and NSDC.

a. Machine Maintenance Technician	360 hrs.
b. Machine Operator (Leather Goods)	380 hrs.
c. Machine Operator (Footwear)	380 hrs.
d. Common (NPVC 2; pre vocational)	360 hrs.
4. In order to ensure inclusion of people from low income group, following intervention strategy should be taken.
 - a. Trainee selection and need assessment should be done by the NGOs
 - b. For easy initial placement, trainings for trades should consider local demand,
 - c. Common training (NPVC 2) could be provided in order to make them prepared for further training.
5. Competency-based learning materials (CBLMs) built upon the competency standard approved by BTEB has to be prepared and used in the training and periodical review of the CBLM. It will ensure updating knowledge and technology to be imparted by training institutes.
6. Inclusion of soft skills as unit of competency and increased hours to complete the unit successfully need to be considered in the competency standards.
7. Training participants under RTOs should be given opportunity to be assessed later on to get NTVQF certificate in case of unavailability of the BTEB accredited assessor on time.
8. Based on the BTEB approved competency standards, learning materials should include core, trade and soft unit of competency. It should focus extra unit on labour rightly, decent work, safe migration, green job, climate change, disaster and labor migration.