

REPORT ON MONITORING OF EMPLOYMENT SURVEY-2009

Executive summary

Introduction

This report is based on Monitoring of Employment (Labour Force) Survey (MES) 2009. Under the capacity building of BBS project, MES was conducted with a short module of questions along with the Welfare Monitoring Survey (WMS). It has been conducted in 700 Primary Sampling Units (PSUs) out of 1000 PSUs. A sample of 20 households was drawn from each PSU which yielded 14,000 households for survey throughout the country.

The main objectives of the Monitoring of Employment (Labour Force) Survey were:

1. To standardize concepts, definitions and measurement techniques of Labour Force statistics by gender.
2. To review the Labour Force Dynamics of the country.
3. To identify key labour force indicators to be updated annually.
4. To develop instrument/ questionnaire for collecting employment data.

The labour force i.e. economically active population consists of persons (15+) employed for pay or profit during the specified week, plus persons who sought work during that week, the underemployed. All others aged 15 and over are categorized as not in the labour force.

Dimension of the labour force

The survey finds that the labour force increased from 49.5 million to 53.7 million from 2006 to 2009. The growth rate has been 2.7% a year. 62.7% of the population are of age 15 years and over and out of them 59.3% are economically active and 40.7% are economically not active. The volume of female labour force (13.5m) is much smaller than that of male (40.2m) and the volume of not in the labour force for female is larger than that of male. Employment rate for male (94.9%) was higher than female (92.5%) at the national level. Employment rate in urban area (59.5%) was slightly higher than that of rural area (59.2%). Unemployment was higher for female (7.7%) than male (4.3%). Unemployment rate was also higher in the rural area (5.1%) than in the urban area (5.0%).

The population growth, size and structure are important determinant of labour force growth in Bangladesh. Changes in the size of the labour force are brought about by changes in the size of the population interacting with changes in the activity rate i.e., the percentage of the economically active persons in the total population. The crude activity rate for both sexes is 37.2 while the rate for male (54.6) is much more than that of female (19.1). It shows that only slightly over one third of the population is engaged in income-producing activities and males are more active than the females. Both males and females of urban areas (56.2%, 19.7%) are more active than that of the rural areas (54.1%, 18.9%). In addition to the youthful age structure of the population, the low level of the female activity rate is due to, among other things, the principal role of women considered to be in domestic work at home.

While the levels of refined rates are, by definition, higher than those of crude rates, their trends are similar to the CARs. Refined Activity Rates (RAR) of both male and females of both the urban and rural areas are substantially more than those of the crude activity rates. Refined activity rates for males (87.5%) also are more than females (30.3%).

Data show that both the men and women at old ages remain in the labour force as long as they are physically able, in order to share the burden of supporting their large and poor families. Since most of these aged men are independent workers in agriculture and trade and women are independent worker in agriculture , they can continue their participation in economic activities beyond the age at which wage earners retire.

Impact of education appear to be very powerful factor tending to increase female participation in economic activities, not only by breaking down the traditional barriers, but also by opening up new and desirable employment opportunities.

Labour Force Structure

For labour force structure analysis, three sector classifications in various forms have been used – the categories being (a) agricultural (b) secondary sector (c) tertiary sector. The rates of growth of the Bangladesh labour force during 2005-2009 period were uneven among different industries. The results are reflected in the changes of the industrial structure. The leading role played by agriculture is clearly revealed in the report. Its relative share in the economically active population ranged between 43.6 and 48.1 percent during 2005-2009 period. The shares of agricultural and non-agricultural sectors in the labour force underwent some change. The non-agricultural labour force increased significantly, both in absolute number and in its proportionate share. Within the secondary sector, manufacturing has occupied a primary place; its share ranged between 11 and 13 percent of the labour force in that sector between 2006 and 2009. Tertiary sector provides higher employment opportunities for the females. There has been a sustained transformation, with two outstanding features: a shift from agricultural to non-agricultural activities and, within the non-agricultural sector, a shift from less productive to more productive industries and lines of activity. These features are indicative of progressive economic growth.

Occupation

The proportion of workers in white-collar occupations (as seen at table 4.4.3) amounted to about 33 percent of the economically active population while the proportion of blue-collar workers are rest. The occupational shifts observed overtime seems to be compatible with no increasing complexity of technology and economic organization. Females appear to have larger proportionate shares than males in both professional, service and agriculture occupations and smaller shares in other occupations. In short, the occupational structure is influenced not only by industrial shifts but also among other things, by occupational substitution and the increase of general education and vocational training of the population.

Status Composition

The status composition of the labour force varies significantly between the two sexes (males and females) as well as by age. Females, as compared with males, have in general lower proportion in the groups on independent workers and higher proportions of unpaid family workers. However, the trend for each sex follows the same pattern with varying rates of change. It is quite likely that the high and rising man/land ratio in Bangladesh with the concomitant rise in the number of land-less workers, who continue living on the farm and derive their livelihood by wage earning in agricultural activities, is a primary factor for the high proportion of employees in agriculture.

Unemployment and Underemployment

Although unemployment picture of Bangladesh depicts a very low level (5.0%), the real situation is reflected in the high underemployment rate (28.7%) and the statistical artifact emanated from the definition of labour force i.e. active and inactive population, unemployment and underemployment along with the questionnaire employed for measurement of the economically active and economically inactive population. Substantial underemployment exists both in rural and urban areas. Underemployment rates of females are more than those of males both in urban and rural areas. Similar scenario prevails for unemployment rates of males and females also.

Monthly Income and Wages

The survey shows (Table 5.1 and 5.2) that indicative wage rates of both the males and also females workers by industrial and occupational classifications. The general observations are that the wage rates of males are slightly higher than those of females in both the urban and rural areas. The only exception is agricultural occupation where the wage rate for female is more than male. In case of monthly income (as evident from table 5.3 and 5.4) average monthly income of males are more than those of females.

Relevance and Reflections of MES

The Monitoring of Employment (Labour Force) Survey is meant to be comprehensive source of information on economic activity of the entire population. As per international standard, a Labour Force Survey (i.e. a survey of the economically active population) should cover all branches of economic activity, all sectors of the economy and categories of workers, and should be developed to the fullest extent possible in harmony with other economic and social statistics.

Bangladesh should undertake labour force surveys on a regular basis with the objective of measuring current levels of employment and unemployment and the corresponding changes. The aim of these surveys should be to provide more detailed information on the structure of the labour market. Such surveys are of longer-term interest, owing to their value in providing essential information for planning and policy formulation at the national level. Owing to the official status and national scope, labour force surveys are subject to fairly stringent requirements of timing, data accuracy and internal consistency, especially consistency of the time series generated by regular surveys. Keeping these concerns in mind, regular surveys should be conducted to monitor the performance of the economy; to obtain indicators of changes in current rates of labour force participation, employment, unemployment and underemployment; and to measure trends, as well as cyclic and seasonal variations in the rates. From this stand point the findings of MES can be used as the benchmark indicators.

Key Findings

Labour Force Characteristics		MES 2009	LFS 2005-06
1. Economically Active Population / Labour Force (Million) (15+)			
1.1 Bangladesh			
Total		53.7	49.5
Male		40.2	37.3
Female		13.5	12.1
1.2 Urban			
Total		12.8	11.7
Male		9.7	8.9
Female		3.1	2.8
1.3 Rural			
Total		40.9	37.8
Male		30.5	28.5
Female		10.4	9.3
2. Employed Population (Million)			
2.1 Bangladesh			
Total		51.0	47.4
Male		38.5	36.1
Female		12.5	11.3
2.2 Urban			
Total		12.2	11.3
Male		9.3	8.6
Female		2.9	2.7
2.3 Rural			
Total		38.8	36.1
Male		29.2	27.5
Female		9.6	8.6
3. Unemployed population (Million)			
3.1 Bangladesh			
Total		2.7	2.1
Male		1.7	1.2
Female		1.0	0.9
3.2 Urban			
Total		0.6	0.5
Male		0.4	0.3

Labour Force Characteristics		MES 2009	LFS 2005-06
	Female	0.2	0.2
3.3 Rural			
	Total	2.1	1.6
	Male	1.3	0.9
	Female	0.8	0.7
4. Not in Labour Force (Million)			
4.1 Bangladesh			
	Total	36.9	35.1
	Male	5.7	5.7
	Female	31.2	29.4
4.2 Urban			
	Total	8.7	9.3
	Male	1.5	1.8
	Female	7.2	7.5
4.3 Rural			
	Total	28.2	25.8
	Male	4.2	3.9
	Female	24.0	21.9
5. Unemployment Rate (%)			
	Total	5.1	4.3
	Male	4.3	3.4
	Female	7.5	7.0
6. Underemployment Rate (%)			
	Bangladesh		
	Total	28.7	24.5
	Male	27.5	10.9
	Female	32.5	68.3
7. Labour Force Participation Rate (%)			
	Bangladesh		
	Total	59.3	58.5
	Male	87.2	86.8
	Female	31.5	29.2
	Urban		
	Total	59.5	55.7
	Male	86.4	83.2
	Female	30.5	27.4

Labour Force Characteristics	MES 2009	LFS 2005-06
Rural		
Total	59.2	59.4
Male	87.9	88.0
Female	30.2	29.8
8. Crude Activity Rate (%)		
Bangladesh		
Total	37.2	36.0
Male	54.6	53.3
Female	19.1	18.0
Urban		
Total	38.6	36.3
Male	56.2	54.2
Female	19.7	17.9
Rural		
Total	36.7	35.9
Male	54.1	53.0
Female	18.9	18.1
9. Employment by Broad Economic Sector (%)		
Total	100.0	100.0
Agriculture	43.6	48.1
Non-agriculture	56.4	51.9
10. Employment by Major Occupation (Million)		
Total	51.0	47.4
Professional, Technical	2.8	2.2
Administrative, Managerial	0.5	0.2
Clerical Workers	1.4	1.0
Sales Workers	7.1	6.7
Service Workers	4.9	2.8
Agriculture, Forestry and Fisheries	22.2	23.0
Production and Transport Labourers	12.1	11.5
11. Employment by Major Industry (Million)		
Total	51.0	47.4
Agriculture, Forestry and Fisheries	22.2	22.8
Mining and Quarrying	0.1	0.1
Manufacturing	6.9	5.2
Electricity , Gas and Water	0.1	0.1

Labour Force Characteristics	MES 2009	LFS 2005-06
Construction	2.0	1.5
Trade, Hotel and Restaurant	7.8	7.8
Transport, Storage and Communication	4.2	4.0
Finance and Business Services and Real Estate	1.2	0.8
Health, Education, Public administration and Defense	3.6	2.6
Community and Personal Services	2.9	2.6
12. Status in Employment (Million)		
Total	51.0	47.4
Self Employed/ Own Account Workers	20.0	19.9
Employer	0.2	0.1
Employee	8.7	6.6
Unpaid Family Helper	10.8	10.3
Day labourers	10.3	8.6
Others	0.9	1.9