

FEASIBILITY STUDY FOR NEW PROJECTS OF DYD

EXECUTIVE SUMMARY

The labour market for the youth had drawn immense interest among the policy makers in recent years. This was mainly because of the growing cross-country literature towards the contribution of human capital dividends on economic growth. Interestingly, the nexus among human capital dividend-productivity-economic growth is found to reveal mixed evidences towards its contribution on economic growth based upon age group in the cross-country context that has got profound policy implications. However, debates are there regarding the advantages of youth population dividends and its timeline, the relationship among education, age structure, skills formation and their interlinkages with the development goals. In this line of discussion, the analysis of stages of economic growth has become extremely valid to identify the strategies regarding collective corrective measures to advocate the effects of demographic changes on development. This has further been triggered by the on-going international preparedness debates on the 4th phase of the industrial revolution (4IR).

The challenges of the 4th IR will be pertinent across various stages of the economic growth process and preparedness measures will likely vary intensively based upon the nation's comparative advantages i.e., labour and capital. Labour intensive countries like Bangladesh where the working-age population is moderately large; the preparedness strategies would be directly and significantly related to the skills formation techniques of the youth population. The National Youth Policy, 2017 focuses on several target groups such as welfare of the unemployed youths, young females, young entrepreneurs, expatriate youths, rural youths, school dropout youths, illiterate youths, unskilled youths, youths with special needs, youth with drug addiction problem, homeless youths, and youths suffering from epidemics. Defining the age group 18-35 years as "Youth"; the Government of Bangladesh created the Ministry of Youth Development in 1978 which subsequently renamed as the Ministry of Youth and Sports (MoYS) and the Department of Youth Development (DYD) in 1981. Since its inception, the DYD has been working to transform the promising, productive and job-seeking youth force into disciplined, organized and skilled workforce so that the active labour force can fully participate in the nation's transformation process towards digitalization (2021), achieving SDG goals (2030), attaining the Perspective Plan (2021-2041), 8th FYP and developed country status (2041). Through the Department of Youth Development, the MoYS provides more than a dozen services including self-employment and entrepreneurship development training on different trades, ICT training, micro-credit scheme and so on.

To fulfill the need to design and implement age group-based labour market intervention programs to identify, build, facilitate and enhance the productivity of the youths in the economic development process and formulate short- to medium-term strategies to generate self-employment and entrepreneurship through youth empowerment in the post COVID-19 era; the Department of Youth Development (DYD) had proposed seven (7) new youth development projects and nominated the Bangladesh Institute of Development Studies (BIDS) to conduct feasibility studies under the umbrella project "Feasibility Study for New Projects of DYD."

We start our feasibility assessment criteria from three (3) broad perspectives: i) Capacity of the implementing agency (based on infrastructure and past executing experiences in terms of the intended interventions); ii) Project viability (including SWOT); and iii) Beneficiaries' perceptions (including challenges and opportunities). The underlying assumption to focus on these three broad criteria is to uncover the feasibility of the proposed project from both supply and demand side assessments. We therefore analyzed the following dimensions to assess the capacity of the implementing agency to carry out the proposed interventions:

- Problem statement
- Relevance of the project idea
- Proposed project interventions
- Stakeholders
- Demand analysis
 - Current demand
 - Future demand
 - Various constraints to meet the demand including government regulations, technological developments
- SWOT Analysis (Strengths, Weaknesses, Opportunities and Threats to the project)
- Technological and Engineering Analysis
- Environmental Sustainability, Climate Resilience and Disaster Risk Analysis
- Cost-Benefit Analysis
- Human Resources and Administrative Support Analysis
- Institutional and Legal Analysis
- Risk (Uncertainty) and Sensitivity Analysis
- Alternative / Options Analysis

To investigate the above dimensions including demand side assessments i.e., beneficiaries' perceptions including their opportunities and challenges, our methodological approach has been the following:

- a) Quantitative framework:
 - i) Structured Questionnaire Survey (4000 current and prospective trainees with 70-30 percent male-female ratio from 20 selected Upazilas across 8 administrative divisions and 700 male and female youths of 30-70 percent ratio who are not in education, employment or training)
 - ii) The Cost-Benefit Analysis (CBA) Method
 - iii) Modular Analyses
 - iv) Correlation Matrix Analysis and Econometric Techniques
- b) Qualitative framework:
 - i) Key Informant Interviews (Entrepreneurs/Self-employers–Small and Medium sized Enterprises; Trainers; Training Coordinators; Bank Officials)
 - ii) Focus Group Discussion (FGD)
 - iii) Stakeholder Consultation(s).

We start our discussion on the survey results of the 4000 current and prospective trainees (including potential migrant workers) from 20 selected Upazilas across 8 administrative divisions. This is a unique survey (converted into a database) that has strictly followed the age group criterion 18-35 to adhere with the definition of the youths according to the National Youth Policy, 2017. Our trainee sample includes 2,478 (61.95%) male and 1,522 (38.05%) female respondents. Among them, the demographic profile demonstrates early youth age group 18-23 (29.57%), mid youth age group 24-29 (34.85%) and senior youth age group 30-35 (35.2%). About 69.62 per cent of the trainees reside in the rural areas while 30.38 per cent live in the urban areas. Among the trainees; about 32.17 per cent have passed HSC/Alim with primary education (25.32%), higher education (18.85%), SSC/Dakhil (18.23%) and so on. Of them, about 48.95 per cent have passed from the government educational institution with private (45.42%), Alia Madrasah (4.15%) and Qawmi Madrasah (0.33%). About 87.41 per cent have permanent employment where 71.95 per cent are full-time. The average monthly income of the trainees is found to be BDT 13,218.

The distribution of the NEET youths among various age groups is divided in five (5) age groups i.e., 15-18 (pre-youth), 18-23 (early youth), 24-29 (mid-youth) and 30-35 (senior youth) in the BIDS NEET Survey 2022. Our comparative distributional status between the QLFS, 2016-17 and BIDS NEET Survey 2022

reveals that the proportion of the mid-youth group (24-29) has been the highest i.e., 38.10% and 33.71% respectively, in both cases. Interestingly, the proportion has been higher (27.90%) in the age group (30-35) in QLFS compared to BIDS NEET survey in which the second highest proportion has been observed in the age group category between 19-23 (31.6%). It needs to be noted here that the numbers in respective age groups represent the share of the NEET youths as a percentage of the total NEETs. This indicates that the percentage of the NEET youths in the nationally representative Labour Force Survey is 12% and hence, the proportion of the various age groups has been distributed according to their availability out of this total. However, the BIDS NEET Survey 2022 is a unique survey based upon a strict selection criterion to identify the NEET youths and has been conducted in 7 NEET prone Upazilas (sub-districts) with a sample coverage of randomly selected 700 NEET females and males (100 from each Upazila). Therefore, the share of the NEETs under numerous age groups has been based upon the overall sample i.e., 700 (100%).

We specify our recommendations based upon four (4) criteria:

- Demand for New Trades
- Intervention specific recommendations
- Stakeholder targeted recommendations
- Supply side recommendations

Our recommendations are as follows:

- 1) To introduce training for new trades based upon local and international demands.¹ This is particularly important in the context of post-COVID uncertainties with regards to skills demand and employment trends.
- 2) **To upgrade curriculum (module) with more practical work and extensive field visit.** In particular, the DYD's existing curriculum needs to get upgraded with 50% practical content, industry internship as assessment criteria, syllabus upgradation, extensive field inspection, cluster-based training programs and non-knowledge-based training e.g., soft skills etc.
- 3) To adjust the training modules as per the curriculum of Technical Education Board/NSDA and introduce Competency Based Learning Material (CBLM).
- 4) To design and scale up the training modules towards longer durations (i.e., more than 7-days) and upgrade them into formal training for efficient outcomes.
- 5) To make the ratio of trainers and trainees to 1:25 and ensure residential facilities for all trainees of short, medium and long duration courses.
- 6) To introduce need-based allowances to incentivize training on trades at the regional level.
- 7) To organize more formal training and rearrange the timing of the key informal trainings based upon regular disaster events particularly in the coastal Upazilas e.g., monsoonal floods and tropical cyclones etc. It is imperative to deliver environmental risk, business resilience and business continuity knowledge through training curriculum in these areas.
- 8) To evaluate trainees and trainers before and after training and introduce a pre-screening process for trainee selection, evaluate the trainers after the training session and arrange a learning sharing session after completion of the training course.
- 9) To set up a monitoring and evaluation cell of the department for evaluation of training and post-training stage with adequate budgetary support towards smooth and efficient monitoring outcomes.

¹ See Annex-VI on the demand for new trades.

- 10) To arrange internship/field level activities in various industrial institutes/factories besides training the trainees in the relevant subject areas.
- 11) To create a database of trainees to communicate with them later and provide administrative support in the post-training phases. Local Youth Organizations could also be used to connect employers and job seekers.
- 12) To introduce a **Youth Entrepreneurship Development Training Program (YEDTP)** equipped with basic business knowledge, communication skills, business model development, business continuity plans, handling emergency situations, knowledge on market demands and online market place.
- 13) To introduce a **Trainer Skills Development Program (TSDP)** towards trainer growth and development and thereby train the thematic trainers in relevant subjects including technology and other emerging technologies.
- 14) **To increase the limits of the DYD loan amount and upgrade the conditions of the lending policy i.e., increase of loan ceiling, increase the age limit of youth loan seekers, reduction of interest rate etc.²**
- 15) To make the loan borrowing conditions flexible for business initiatives of underprivileged groups in hilly areas and also towards emerging entrepreneurs in char and/or other remote areas.
- 16) To establish and modernize new infrastructural facilities required for training of new trades e.g., arranging day-care facilities at each training centre, ensuring male and female residential facilities for technical training with longer durations (i.e., more than 7 days) including adequacy and maintenance of hygiene in the toilets for all training programs, ensuring uninterrupted power supply to the training infrastructures, arranging garage facilities, arranging workshops for technical training, delivering preparatory briefing for employment seekers and keeping a small range of counseling facilities.
- 17) To motivate the youths to choose DYD training compare to others; the implementing agency should initiate post-training financial and administrative support, industry paid internship after training, online virtual training platform, digital certification, online marketplace, curriculum (module) upgradation with more practical work and extensive field visit, job fair, training courses related advisor/mentor support and free foreign language course consecutively.
- 18) To make the training program more effective and competitive; the DYD's next steps could be introducing TV commercial, guest lecture by bank officials of youth loan providers, making DYD's training programs enjoyable and interactive through recreational activities and training of trainers, guest lectures by DYD's successful entrepreneurs in the DYD training programs, training operations manual/booklet/guide and engagement of successful trainees as trainers/training advisors respectively.
- 19) To develop a self-sustaining operational and business model in the scaling up phases to justify the project's sustainability in the longer time span. We therefore, suggest development of **Business Continuity Institutes and investment in research projects** contributing to resilience building of small and medium sized business enterprises through the youth skills providers in both the public and private sector.
- 20) To bring all of training plus (+) interventions under the broader framework of "**Composite Skills Development Program.**" It is important to note here that singular interventions are highly unlikely to fulfill objectives of creating self-employment unless singular undertaking of

² It is perhaps worthwhile for the policy makers to think how to integrate the issue of providing collateral free loans taking some of the thoughts of microcredit in the existing youth loan policy.

bringing efficiencies in all the interventions of three intervention phases: pre-, during and post-training comes on board.

Besides these specific recommendations; it is important to note here that the thematic areas and the key interventions are found to be quite similar in three new proposed projects of DYD which has also been verified by our field level investigations and validated in the final stakeholder workshop. **Therefore, we recommend merging of the following three (3) projects:**

- i) Creation of Employment at Village for Youth and Poverty Reduction
- ii) Creation of Youth Entrepreneurs through Capacity Building Training
- iii) Strengthening Training Programmes at Upazila Level for Creation of Employment and Self-employment (2nd Phase)

To conclude; despite beneficial outcomes, our project viability assessment on the note of benefit-cost ratio is highly sensitive on the assumption that the inflation rate would be consistent and stable over time which essentially depends upon the growth rate and balancing of other macroeconomic and economic development indicators as well. The impact of the key interventions on the short and medium to longer-term outcomes of the project would evidently depend upon access and timely release of finance, faster mobilization of technical and administrative decisions, timely availability of infrastructural and architectural design, deployment of skilled manpower and so on. Some sort of “Savings Development Fund” under the comprehensive program could be designed with the direct supervision of the mentors of the implementing agency over a certain period of time to facilitate the comparatively younger groups who might lack collateral related documentations. The GoB could further consider introducing and integrating “Youth Insurance Policy” and “Youth Bonds” in addition to the ongoing “Youth Loan Policy” towards youth empowerment and development. To clarify the extent of sensitivity of the project interventions on the project outcomes i.e., composite skills development interventions toward materialization of entrepreneurial and self-employment ventures; it is crucial to further explore the strength and weaknesses of the development models and their assumptions, operating both in the formal and informal sector of the economic environment. **Therefore, the proposed project is feasible based upon the condition that the capacity of the DYD would be sufficiently enhanced through efficient and successful execution of the proposed recommendations in the implementing and scaling up phases of the key interventions.**