

Unemployment among Educated Youth in Bangladesh Stands at 29pc: IMF Report

Nearly 29 percent of highly educated young people in Bangladesh are unemployed, while around half of employed workers with higher education are engaged in jobs that do not fully utilise their academic qualifications, according to the International Monetary Fund (IMF).

The findings highlight persistent weaknesses in Bangladesh's labour market, including youth unemployment, a mismatch between educational qualifications and job requirements, and the dominance of informal employment.

The issues were highlighted in the IMF's October 2026 Regional Economic Outlook: Asia and Pacific, which examines labour market challenges across Asia and the impact of artificial intelligence (AI) on employment.

According to the report, the overall unemployment rate among young people in Bangladesh stands at around 12 to 13 percent, significantly higher than the rate among the general population. Among highly educated youth, however, unemployment rises to approximately 28 to 29 percent.

The figures indicate that obtaining higher education does not necessarily guarantee access to employment, with many graduates struggling to find jobs that match their qualifications and skills.

Education and employment mismatch

The report estimates that nearly 50 percent of highly educated workers in Bangladesh are employed in positions where their educational qualifications are not fully utilised.

The mismatch between skills acquired through the education system and those demanded by employers is one of the key factors contributing to the problem. Many young people face prolonged job searches because they lack the practical or specialised skills required in the workplace.

As a result, some graduates eventually accept jobs that do not correspond to their educational backgrounds or professional aspirations.

The situation raises concerns about both youth employment prospects and the effective use of human capital. When the skills of educated workers are not deployed in productive activities, the economic returns on investment in education remain limited.

Informal employment remains a major challenge

The prevalence of informal employment is another significant weakness in Bangladesh's labour market, with a substantial proportion of workers dependent on agriculture and other informal economic activities.

Such jobs often offer limited employment security, fewer opportunities for career advancement and inadequate access to formal employment protections.

Consequently, many people classified as employed continue to face uncertain incomes and insecure working conditions. The conventional unemployment rate alone cannot fully capture these challenges, as being employed does not necessarily mean having a secure job or working in a position suited to one's qualifications.

Working-age population to expand

Bangladesh is also approaching a critical phase of demographic change that could create substantial economic opportunities.

According to projections cited in the IMF report, the

country's working-age population, defined as people aged 15 to 64, is expected to increase by around 10 to 12 percent between 2025 and 2035.

Effectively integrating this growing population into productive employment could support economic growth and improve living standards.

Expanding higher-productivity jobs in manufacturing and services would be particularly important for translating the demographic opportunity into sustained economic gains.

However, the inability to create sufficient decent jobs for young people could undermine these prospects. Persistent skills shortages and limited employment opportunities could deepen frustration among young people while constraining productivity and economic growth.

AI presents new labour market challenges

The growing adoption of artificial intelligence is reshaping employment patterns and the skills required across Asian economies.

The IMF's analysis indicates that hiring demand in occupations more exposed to AI has declined by around 10 percent compared with occupations that are less exposed to the technology. At the same time, demand for workers with AI-related skills is increasing.

These developments have important implications for Bangladesh, where a large and growing young population needs access to productive employment.

If workers cannot adapt their skills to technological changes, existing employment challenges could become more severe. Conversely, investment in relevant skills and training could help workers benefit from emerging opportunities associated with AI and other digital technologies.

The report raises broader questions about where future jobs will be created, how workers can acquire the necessary skills and how labour markets can adapt to the changes driven by AI.

For Bangladesh, addressing these challenges will require greater alignment between education and labour market demand, stronger skills development and the creation of more productive and secure jobs.

Making effective use of the country's expanding working-age population will be crucial to turning its demographic advantage into sustainable economic progress.