



**MINISTRY OF LABOUR AND HUMAN RESOURCES**

# **ANNUAL REPORT**

**(FISCAL YEAR 2014-2015)**

**Policy and Planning Division**

**August 2015**

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## **INTRODUCTION**

The Ministry of Labour and Human Resources (MoLHR) is primarily mandated to work towards addressing the unemployment challenges in the country. During the 11<sup>th</sup> Five Year Plan (FYP), MoLHR targets to achieve “Full Employment” (97.5%) and reduce the overall unemployment rate to less than 2.5%. It is also identified as one of the National Key Result Areas during the 11<sup>th</sup> FYP period. Additionally, MoLHR also aims to reduce the youth unemployment rate to 2.5% from current 9.4% and female youth unemployment rate to 5% from current 10% during the plan period.

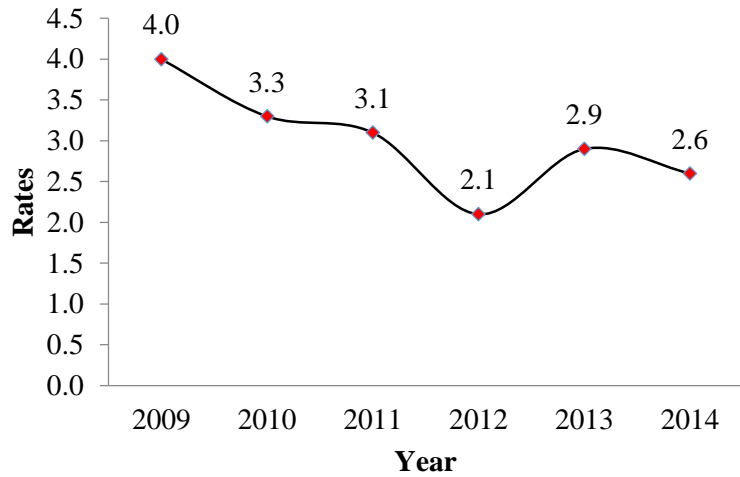
In doing so, concerted efforts are being made by the Ministry through the implementation of various programs and activities by the four departments namely Department of Employment, Department of Labour, Department of Occupational Standards and Department of Human Resources. It is further supported by its four Regional Offices located in Trashigang, Phuentsholing, Samdrup Jongkhar and Gelephu.

This report is divided into three parts: unemployment trends over the years; major achievements of the departments for the FY 204-15; and financial progress for the FY 2014-15.

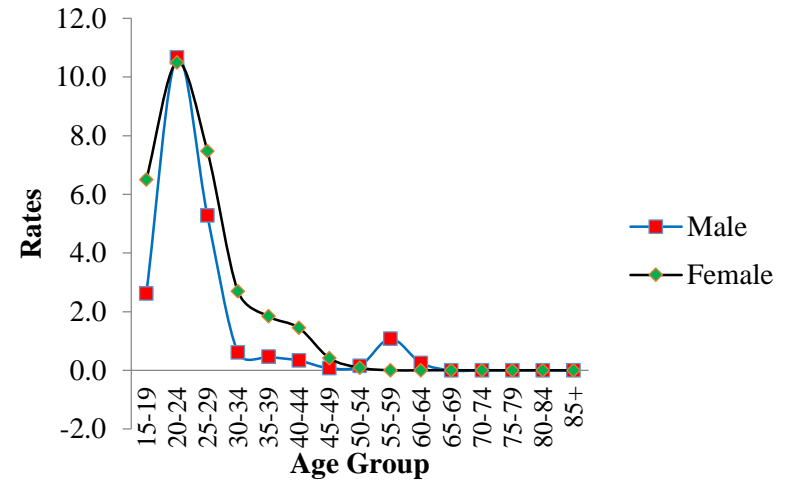
# **PART ONE**

**(Highlights of unemployment rates over the years)**

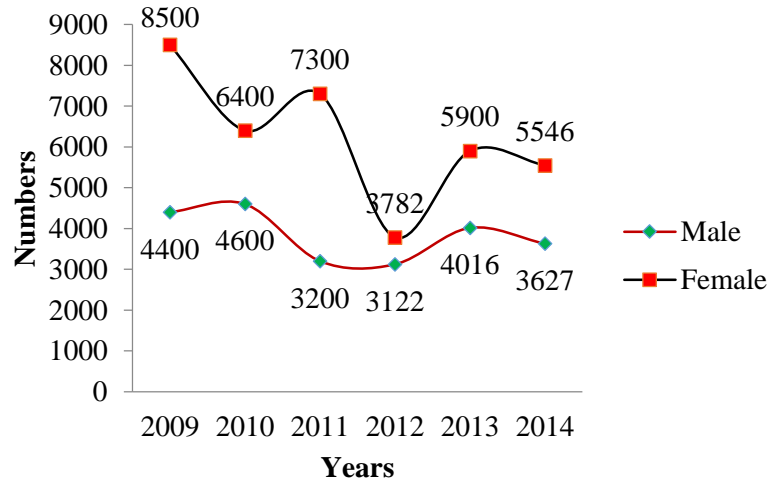
**Unemployment rates over the years**



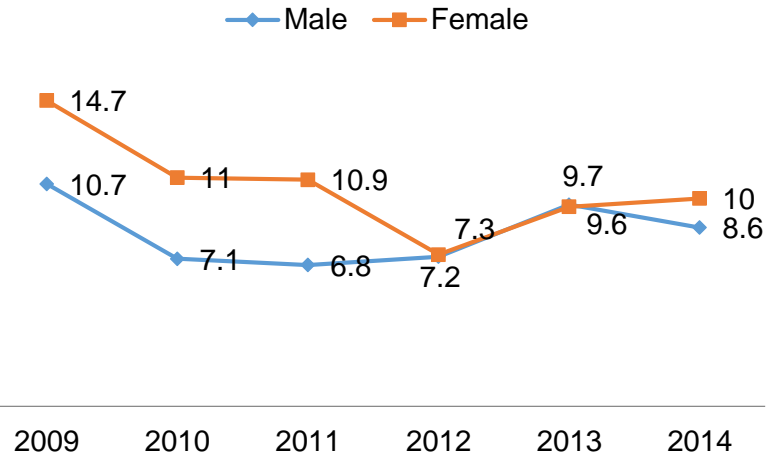
**Unemployment rates by sex and age group-2014**



**Unemployed persons by sex over the years**



**Youth unemployment rates by sex over the years**



Source: Labour Force survey, 2014

# **PART TWO**

**(Highlights of Major Achievements in FY 2014-15)**

## I. Department of Employment

During the FY 2014-15, a total of 8,353 job seekers (3813 male and 4540 female) registered with the department through the online job portal system. Through the Guaranteed Employment Program, a total of 1,911 job seekers were placed under the Direct Employment Scheme and another 341 job seekers placed through the Overseas Employment Scheme.

Table 1: No. of job seekers placed by educational qualification and gender

Sl. No	Program	Qualification								Total
		University Graduates		Class XII		Class X		TTI Graduates		
		M	F	M	F	M	F	M	F	
1	Direct Employment Scheme	300	260	278	329	163	196	220	165	1,911
2	Overseas Employment Scheme	70	63	44	71	21	74	0	0	343
<b>Grand Total</b>		<b>693</b>		<b>722</b>		<b>454</b>		<b>385</b>		<b>2,254</b>

Source: ESD & DES Unit, DoE, MoLHR

Out of 8,353 registered job seekers, 1,436 were referred and 5,265 placed in various private, corporate, NGOs, and government organizations as shown in the table 2.

Table 2: No. of job seekers referred and placed in different enterprises

Sl. No	Program/Organization	Number of job seekers referred	Number of job seekers placed
1	Government	252	1251
2	Corporate	490	628
3	Private	536	3304
4	NGOs	158	82
<b>Total</b>		<b>1,436</b>	<b>5,265</b>

Source: ESD & DES Unit, DoE, MoLHR

To facilitate advocacy and employment, the department organized national and regional job fairs in Thimphu and Samdrup Jongkhar respectively.

Table 3: *No. of exhibitors, vacancies and job seekers placed*

Sl. No.	Dzongkhag	No. of Employers	Vacancies compiled	No. of Job Seekers	No. of job seekers placed
1	Thimphu (National job fair)	33	637	1863	150
2	Samdrup Jongkhar (Regional job fair)	22	53	68	12
<b>Total</b>		<b>55</b>	<b>690</b>	<b>4,931</b>	<b>162</b>

Source: ESD, DoE, MoLHR

Further, in order to enhance school to work transition program, a total of 1,892 jobseekers were attached in various organizations through University Graduates Internship Program (837) and Pre-Employment Engagement Program (1,055). To promote self-employment through entrepreneurship, 452 youth were trained in various entrepreneurship courses (see table 4 for details). Out of this, 13 started businesses: 5 businesses supported by Business Opportunity and Information Centre (BOIC), 1 supported by BDBL (under Credit Guaranteed Scheme) and 7 self-financed businesses. To promote high number of business start-ups by the youth, a Memorandum of Understanding was signed with the BOIC in January 2015 to speed-up the business start-up support and facilitation of human resources to the projects.

Table 4: *No. of participants trained in different entrepreneurship courses by educational qualifications*

Sl. No	Name of the course	Number of participant
1	Advance Entrepreneurship Course	27 (University Graduates)
2	Comprehensive Entrepreneurship Course	190 (Class XII)
3	Basic Entrepreneurship Course	235 (Class X and below and TTI graduates)
<b>Total</b>		<b>452</b>

Source: ESED, DoE, MoLHR



To further integrate entrepreneurship courses in the Technical Training Institutes (TTIs) and the Institutes of Zorig Chusums (IZCs), 20 participants from TTIs/IZCs and colleges under the Royal University of Bhutan were provided Training of Trainers in the entrepreneurship. Further, the department also carried out Mentoring and Innovative Business Idea Competition in April 2015 in collaboration with the Loden Foundation, and Bhutan Innovation and Technology Centre at the Thimphu Techpark.

As a part of the national event to orient university graduates on the national policies, culture and tradition, governance and socio-economic development in the country, a National Graduates Orientation Program was organized from August 12-23, 2014. A total of 2,308 university graduates attended the program out of which, 1,286 were male and 1,022 female.

Labour market information being an integral part of employment and training, the department also conducts the Annual Labour Force Survey and Job Prospecting Survey/Establishment Census.

## II. Department of Human Resources

Towards promoting gainful employment of Bhutanese youth and achieve full employment target, the department has initiated and launched the Youth Employment Skills (YES) Program. It is a need based HRD intervention to address the immediate shortages of skills in the labour market through short-term vocational skills training program for the unemployed youth. The department has collaborated with 3 training providers in skilling and employing 240 youth.

Table 5: Youth trained in different courses under the YES program

Sl. No	Course Title	No of Graduates	Training Providers/Institute
1	Tally Accountant	25	Computer and Management Institute(CMI)
2	Sales Executive	25	CMI
3	Pedagogy: Teaching Skills and Strategies	31	Institute for Management Studies(IMS)
4	Early Childhood Care and Development	37	IMS
5	Commercial Cooking	30	Bhutan International School of Hospitality and Tourism(BISHT)
6	Bakery	15	BISHT
7	Food and Beverage Services	30	BISHT
8	Front Desk	25	BISHT
9	House Keeping	22	BISHT
<b>Total</b>		<b>240</b>	

Source: HRDD, DHR, MoLHR

Likewise, the department also initiated and launched Graduates Skills Program (GSP) – a post-graduation vocational program for the university graduates to align them with the labour market needs in the country. The GSP is designed specifically for the university graduate job seekers who are aspiring to set-up their own businesses or seek employment in the private sector. The training is imparted in collaboration with the registered training providers in the country. Post training graduates interested to setup business through sole proprietorship or partnerships are

supported through the facilities and funding through the BOIC. The department has collaborated with different training providers in skilling of 227 graduate job seekers.

Table 6: *Youth trained in different courses under the GSP*

SI. NO	Course Title	No of Graduates	Institute/Training provider
1	Accounts Officer	35	Rigsum Institute
2	Computer Hardware	18	Rigsum Institute
3	Mobile Application Development	25	Bhutan School of Management and Technology(BSMT)
4	Construction Management Services	15	BSMT
5	Architecture Interior and Furniture Design	15	BSMT
6	Construction Management Supervisor	72	Nyenjor Institute of Works and Human Values
7	Software Application Development	18	Athang Training Academy
8	Accounts Officer	29	Computer and Management Institute
<b>Total</b>		<b>227</b>	

Source: HRDD, DHR, MoLHR

The department has also initiated numerous HRD programs for the workforce engaged in the critical sectors in the form of long-term and short-term in-country, as well as, ex-country training programs. The objective of this program is to develop the nascent industries in the country so that they generate revenue and employment in the economy.

A total of 100 GNM graduates from seven Nursing Colleges in India trained through the support of the Ministry was successfully handed over to the Ministry of Health and RCSC for employment. Another 166 candidates will graduate between September 2015 and March 2016.

A total of 21 individuals were trained in metal work at Dagapela, Dagana Dzongkhag through the Village Skills Development Program. In addition, 10 unemployed youth completed basic skills training in Bamboo weaving at Lhamoizingkhag Drungkhag and another 45 villagers/school

leavers trained in Tailoring. Further, 113 people were trained in hydropower construction skills at TTI-Serzhong, and TTI-Chumey in collaboration with Gammon-India Company.

In order to build stronger institute-industry linkages, an Apprenticeship Training Program (ATP) has been decentralized to the institutes and Regional Offices. A total of 277 candidates were attached in various sectors through this program as shown in the table 7.

Table 7: *Engagement of youth in ATP*

Sl. No	Region/TTIs	Male	Female
1	TTI –Khuruthang	17	36
2	TTI –Samthang	13	0
3	TTI –Chumey	2	5
4	IZC- Thimphu	15	7
5	Thimphu/Paro/Haa	28	75
6	Phuntsholing Region	4	11
7	Trashigang Region	6	12
8	Gelephu Region	5	17
9	S/Jongkhar Region	4	20
<b>Sub Total</b>		<b>94</b>	<b>183</b>
<b>Grand Total</b>		<b>277</b>	

Source: VETD, DHR, MoLHR

To enhance the capacity of TVET training providers/institutes, the department conducted ‘Training of Trainer- Refrigeration & Air-Condition servicing’ for 12 instructors from TTIs and seven technicians from the industries. Additionally, 25 managers and officers from the Ministry and public and private TVET institutes were trained in ‘Image building in TVET’ in collaboration with the Colombo Plan Staff College for Technician Education, Manila. Further, eight instructors from the TTIs and IZCs were trained in ToT- Entrepreneurship development in collaboration with the Department of Employment to introduce Entrepreneurship program in TTIs and IZCs. Another, 34 instructors from TTIs, IZCs and private training providers were also trained in ToT-Pedagogy (Technical Instruction).

Besides developing curriculum for the regular training programs, the department also developed entrepreneurial module to be implemented in the TTIs and IZCs from August, 2015. It has also developed higher level courses curricula for Masonry (NC-3), Plumbing (NC-3) and auto-mechanic (NC-3). The introduction of NC-3 courses in the institutes will serve as a stepping stone to introduce national diploma level courses in TTIs in near future.

For the first time, TVET Winter Camp was organized at TTI- Rangjung in January 2015. A total of 95 class X students from six eastern Dzongkhags of Trashigang, Mongar, Lhuntse, Pema Gatshel, Samdrup Jongkhar and Trashiyangtse participated in the camp. It is one of the ways to attract youth and the general public towards TVET by providing better understanding of the TVET system so that students in particular, make informed choice of their career once they leave the school system.

On Campus recruitment has been also strengthened to facilitate direct employment to the trainees.

Table 8: *Placement of graduates by TTIs*

Sl. No.	Institutes	No. of Graduates	No. of Graduates placed
1	TTI - Dekiling	73	12
2	TTI - Khuruthang	46	6
3	TTI - Rangjung	68	9
4	TTI - Samthang	72	25
5	TTI - Thimphu	25	25
6	TTI - Chumey	64	44
<b>Total</b>		<b>348</b>	<b>121</b>

Source: VETD, DHR, MoLHR

To bring collaboration and cohesion among different HRD implementing agencies and stakeholders in addressing the labour market challenges, unemployment, mismatch of skills and shortages of workforce in the economy, the 3<sup>rd</sup> National HRD Advisory Series was launched in March 2015.

The revised Training Rules and Regulation - ‘Rules and Regulation of HRD Support to the Non-Civil Service Sector’ was launched in December 2014. The Regulation shall promote fair, transparent, coherent and efficient implementation of HRD programs, and services by the MoLHR for the in-service.

As a part of the long-term strategy, TVET Blueprint is being developed to guide the overall development of TVET in the country over the next 10 to 20 years. The vision of the TVET blueprint is to “build a productive, innovative and quality workforce through TVET that is the mainstream choice, and the backbone of Bhutan’s socio-economic development and sustainable growth”.

### III. Department of Occupational Standards

The department in consultation with the industry and field experts developed the National Competency Standards (NCS) and corresponding Vocational Qualifications based on the demand from the industries and training providers.

Table 9: *NCS and qualification levels*

Sl. No	Name of the National Competency Standard	Vocational Qualification Level
1	Trekking Guide	NC 3
2	Nature Guide	NC3
3	Sales Person	NC2
4	Farm Machinery Technician	NC2 & NC3
5	Pay Loader Operator	NC3

Source: DOS, MoLHR

The existing NCS are valid for three years and must be revised thereafter. The revision work is equivalent to developing new NCS as the same standard procedure must be followed.

Table 10: *Existing NCS revised*

Sl. No	Name of the National Competency Standard	Vocational Qualification Level
1	Welder	NC2 and NC3
2	Mechanical Fitter	NC2 and NC3
3	Computer Hardware and Networking Technician	NC2 and NC3
4	Heavy Vehicle Driver	NC2
5	Light vehicle Driver	NC2
6	Computer Application Assistant	NC2 and NC3
7	Construction Carpenter	NC2 and NC3
8	Furniture Maker	NC2 and NC3
9	Commercial Accountant	NC2 and NC3

Source: DOS, MoLHR

The department has developed and published “Regulations for National Assessment & Certification System for TVET in Bhutan, 2015 and its Schedules”. It has also coordinated and conducted National Assessments.

Table 11: *National assessment by occupations and qualification level*

Sl. No	Occupation	Qualification Level	Number assessed
1	Electrician	NC2	76
2	Automobile Mechanic	NC2	32
3	Heavy Vehicle Driving	NC3	19
4	Cultural Tourist Guide	NC2	176
5	Computer Application Assistant	NC2	75
6	Commercial Accountant	NC2	74
<b>Total</b>			<b>452</b>

Source: DOS, MoLHR

Further, the department coordinated and conducted Recognition of Prior Learning (RPL) assessments as shown in the table 12.

Table 12: *RPL assessment by occupations*

Sl. No	Occupation	Number of Candidates
1	Hydropower Plant Mechanics	45
2	Hydropower plant operators	33
3	Hydropower plant Electricians	57
4	Welders	8
5	DoZop and Shing Zop (for lhakhang Karpo)	23
6	Industrial Electrician	10
7	Instrumentation Technician	4
<b>Total</b>		<b>180</b>

Source: DOS, MoLHR

The department organized the National Technical Innovation Competition in October 2014 at the TTI-Thimphu and National Skills Competition in the construction trades in December 2014 at TTI-Dekiling.

It also conducted Training of Assessors and Assessment Resources Developers and trained 61 assessors in nine different occupations. Furthermore, it conducted accreditation of courses as below.



1. Accredited NC 3 in commercial accountancy course offered by 3 private training providers in Thimphu, P/ling and Gelephu.
2. Accredited NC 1, 2 and 3 in commercial accountancy.
3. Accredited NC 3 in Trekking Guide offered by private training institute in Thimphu.
4. Accredited ND 2 in Tour Operation and Hotel Operation course offered by Royal Institute for Tourism and Hospitality, Thimphu.
5. Accredited 15 assessment centers for conducting national assessment.

In order to assess and certify foreign workers in the construction sector, three assessment centers were established in TTI-Chumey, TTI-Dekiling and TTI-Khuruthang.

It has registered 30 Trainers from the private and public training providers and 55 Assessors with level C certificate and upgraded two assessors to level B certificate. Additionally, it has registered three new training institutes (one in Paro and two in Thimphu) and upgraded two institutes from grade C to B. It also published Directory of Training Providers 2014.

#### IV. Department of Labour

It has finalized amendment of Regulation on Foreign Workers Recruitment Agents and conducted Child Labour Training for 25 participants mainly the Labour Officers, Principals of the TTIs and Officials from the Hydropower Projects. Additionally, it has published Handbook on the Child Labour for the Labour Officers. Likewise, it conducted training on Gender Equality to 24 participants from TTI's/ IZC's, Regional Offices & Headquarter. Importantly, the department conducted study on Manpower requirements for Mining & Stone Quarries, Hotels, Furniture House and Automobile Workshops.

Further, it monitored seven Health and Safety Committees and conducted training on Occupational Health and Safety (OHS) to 19 OHS committees. It also conducted training on First Aid to the employees of Mangdechhu Hydropower Authority, Punatsangchhu Hydropower Authority, Hotels Industry in Paro, Automobile Industry in Thimphu and Safety Officers of all the enterprises with health and safety committees.

Table 13: *First Aid training and participation*

Sl. No	Place	Number of Participants
1	Phuentsholing	58
2	Samdrup Jongkhar	19
3	Thimphu	48
4	Paro	47
5	Wangduephodrang (PHPA)	91
6	Trongsa (MHPA)	74
<b>Total</b>		<b>337</b>

Source: DoL, MoLHR

Accordingly, the department conducted assessment for good practice of OHS at workplace for 37 committees out of which, only 10 were certified.

As a part of overall labour administration, 2000 work places were inspected, 370 improvement notices issued and 70 penalties imposed. A total of 44 accident cases were reported to the department as shown below.

Table 14: *Region wise labour administration*

Sl. No	Region	Work Place Inspected	Improvement Notice Issued	Penalty Imposed	Accident Cases
1	Thimphu	360	79	13	7
2	Phuentsholing	716	111	19	6
3	Trashigang	331	74	6	5
4	Gelephu	243	31	6	3
5	Samdrup Jongkhar	257	70	19	0
6	Lobeysa Field Office	93	5	7	23
<b>Total</b>		<b>2000</b>	<b>370</b>	<b>70</b>	<b>44</b>

Source: DoL, MoLHR

The department also provided training on the Basic Occupational Health and Safety to 488 final year trainees of TTIs and IZCs. Out of 182 Internal Service Rules received, only 98 were endorsed. Additionally, the department resolved 138 workplace grievances and seven cases still in pending.

Table 15: *Workplace grievances received and resolved by region*

Sl. No	Region	No. of cases resolved	No. of cases pending
1	Thimphu	69	4
2	Phuntsholing	44	3
3	Trashigang	2	0
4	Gelephu	7	0
5	Samdrup Jongkhar	9	0
6	Lobeysa Field Office	7	0
<b>Total</b>		<b>138</b>	<b>7</b>

Source: DoL, MoLHR

As of June 30, 2015, there were a total of 44,744 foreign workers in the country including those in the hydropower projects. The target is to maintain foreign workers within the government approved ceiling of 45,000.

Table 16: Number of foreign workers by dzongkhag and gender

Dzongkhag	Indian			Others			Grand Total
	Male	Female	Total	Male	Female	Total	
Bumthang	360	3	363	3	1	4	367
Chhukha	2524	18	2542	7	2	9	2551
Dagana	749	0	749	8	0	8	757
Gasa	142	0	142	0	0	0	142
Haa	320	2	322	1	0	1	323
Lhuentse	413	0	413	0	0	0	413
Mongar	385	4	389	3	2	5	394
Paro	2647	4	2651	19	11	30	2681
Pema Gatshel	768	1	769	43	1	44	813
Punakha	1221	6	1227	13	1	14	1241
Samdrup Jongkhar	774	24	798	1	0	1	799
Samtse	787	11	798	2	0	2	800
Sarpang	1848	3	1851	4	1	5	1856
Thimphu	7859	40	7899	103	40	143	8042
Trashigang	483	6	489	3	3	6	495
Trashiyangtse	162	2	164	3	1	4	168
Trongsa	8487	5	8492	2	2	4	8496
Tsirang	351	2	353	0	1	1	354
Wangdue Phodrang	13300	6	13306	14	3	17	13323
Zhemgang	718	3	721	8	0	8	729
<b>Total</b>	44,298	140	<b>44,438</b>	237	69	<b>306</b>	<b>44,744</b>

# **PART THREE**

**(Financial Progress FY 2014-15)**

During the FY 2014-15, the Ministry was allocated a total budget of Nu. 329.842 million including various donor assisted projects amounting to Nu. 239.77 million. Out of the total budget allocation, Ministry spent Nu. 304.888 million (92.4% utilization). The detail is presented in table 17.

Table 17: *Approved budget and expenditure by departments and Secretariat*

Sl. No	Department	Approved Budget (Nu. In million)			Financial Progress (Nu. In million)			
		Current	Capital	Total	Current	Capital	Total	%
1	Secretariat	0.731	4.359	5.09	0.616	4.358	4.974	97.72
2	Employment	14.811	144.195	159.006	14.034	141.668	155.702	97.92
3	Labour	1.631	2.19	3.821	1.391	1.965	3.356	87.78
4	Occupational Standards	0.41	8.28	8.69	0.4	7.955	8.355	96.14
5	Human Resources	6.08	147.155	153.235	4.822	127.679	132.501	86.46
	<b>Grand Total</b>	<b>23.663</b>	<b>306.179</b>	<b>329.842</b>	<b>21.263</b>	<b>283.625</b>	<b>304.888</b>	<b>92.4</b>

Source: AFD, MoLHR

## **CONCLUSION**

The Ministry targets to reduce the unemployment rate to 2.5% or less by the end of the 11<sup>th</sup> plan period. Through various programs implemented by MoLHR in collaboration with other relevant agencies, it has been able to reduce the overall unemployment rate from 2.9% in 2013 to 2.6% in 2014. Similarly, the youth unemployment rate has also been reduced from 9.6% in 2013 to 9.4% in 2014. (Labour Force Survey Report, 2014). Towards addressing employment challenges, MoLHR is implementing numerous programs like guaranteed employment, skills training, entrepreneurship, vocational qualification framework and diversification of TVET. Alongside, the Ministry is also carrying out labour administration to improve working environment and conditions.

