



LABOUR MARKET INFORMATION BULLETIN 2015

Labour Market Information and Research Division
Department of Employment
Ministry of Labour and Human Resources

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Foreword

The Labour Market Information and Research Division (LMIRD) of the Department of Employment, Ministry of Labour and Human Resources is pleased to release the eighth issue of the Labour Market Information Bulletin (LMIB).

The labour market like any other market can be described in terms of supply and demand components. The supply side primarily refers to the number of potential workers and their characteristics whereas the demand side refers to employers' staffing requirements as casual, contract and regular employees. The labour market is an arena where those who are in need of labour and those who can supply the labour come together. Therefore, the common space both demanders (employers) and suppliers (jobseekers) meet can be broadly termed as the labour market.

The labour market information is intended to help individuals and businesses understand the current situation of the supply and demand of workers in the Bhutanese market.

On behalf of the Department of Employment, Ministry of Labour and Human Resources, I hope that government, non-government agencies, private/corporate sectors, students, job-seekers, researchers and career counselors make use of the bulletin for proper planning and decision making.

**DIRECTOR GENERAL
DEPARTMENT OF EMPLOYMENT
MINISTRY OF LABOUR AND HUMAN RESOURCES**

Definitions:

Reference Period: The reference period of the survey pertains to the last one week's time prior to the date of enumeration.

Labour Force: The labour force comprises of the economically active population (employed + unemployed) 15 years of age and above.

Marginal Revenue Product: Also referred to as the marginal revenue product of labor, is the change in total revenue earned by a firm that results from employing one more unit of labor.

Employed: Those persons, who during the reference period, work as paid employees, employers, own account workers (self-employed), or family workers. This even includes persons with a job but not at work during the reference period.

Unemployed: Those persons who did not work during the reference period but looking for work and simultaneously available to take up the work.

Employee: The person who works for payment (cash or kind).

Employer: The person who employs at least one paid employee under him.

Supply of Labour: Supply of labour represents the number of workers entering into the labour market from schools, universities, educational institutions and technical & vocational training institutions.

Demand for Labour: Demand for labour encompasses the number of employment opportunities available in the public corporate and private sector institutions within the country and abroad.

Price of Labour: Price of labour reveals the wage rates at which the Bhutanese labour exchanges locally.

Labour productivity or Growth rate of GDP per person employed: It is defined as output per unit of labour input. The input can be the total number of employed persons or the total hours worked by the employed persons.

Employment-to-population ratio: It is the number of people in employment to the country's working age population (15 years and above).

Proportion of employed people living below \$1(PPP) per day: It is defined as individuals who work, but nevertheless live with their families in poverty on less than US \$1 a day per family member.

Proportion of own-account and contribution family workers in total employment: It is the percentage of own account/self-employed and family workers out of the total employed persons.

Abbreviations:

ATP	-	Apprenticeship Training Programme
PEEP	-	Pre-Employment Engagement Programme
ESD	-	Employment Services Division
LMIRD	-	Labour Market Information & Research Division
DoE	-	Department of Employment
DHR	-	Department of Human Resources
DoL	-	Department of Labour
MoLHR	-	Ministry of Labour and Human Resources
MoE	-	Ministry of Education
RCSC	-	Royal Civil Service Commission
RUB	-	Royal University of Bhutan
NSB	-	National Statistics Bureau
GoI	-	Government of India
RGoB	-	Royal Government of Bhutan
RTC	-	Royal Thimphu College
RIM	-	Royal Institute of Management
PPP	-	Purchasing Power Parity
LFS	-	Labour Force Survey
PHCB	-	Population and Housing Census of Bhutan
GDP	-	Gross Domestic Product
NHRD	-	National Human Resources Development
LMIB	-	Labour Market Information Bulletin

INTRODUCTION

The Labour Market Information Bulletin comprises information on the supply and demand for workers both from within and outside the country. It also provides means by which employers find the labour they need, whilst hundreds of individuals offer their labour services in different occupations.

Generally, the nature of a market is known by three key economic factors viz. demand, supply and price (wage, remuneration). Similarly, the labour market too is a space where demand and supply meet. Demand for labour encompasses the number of employment opportunities available in the public, corporate and private sectors within and outside the country. Supply of labour represents the number of workers entering into the world of work from schools, universities, educational institutions and technical & vocational training institutions. Price of labour reveals the wage rates at which the Bhutanese labour is willing to exchange locally and internationally.

The Labour Market Information Bulletin 2015 provides practical and timely information on the employment situation in the country and at the same time it is also expected to assist policy makers to make human resource development programs. The information in the bulletin enables users to explore employment trends in the private and corporate sectors.

SUMMARY HIGHLIGHTS:

Sl. No.	Key Indicators	2001	2003	2004	2006	2009	2010	2011	2012	2013	2014	2015
	Population distribution by age structure (%)											
1	<15	36.4	35.5	31.3	30.8	31.2	30.5	30.5	28.9	29.1	26.3	26.9
	15-64	60.5	59.5	62.3	60.9	62.6	64	64.1	65.3	65.5	67.1	66.4
	65+	3.1	5	6.4	8.3	6.3	5.5	5.4	5.8	5.5	6.6	6.7
	Rural-Urban proportion (%)											
2	Rural	69.7	73.6	73.1	72.6	75.5	69.2	68.5	69.5	69.1	69.3	69.4
	Urban	30.3	26.4	26.9	27.4	24.5	30.8	31.5	30.5	30.9	30.7	30.6
	Male-Female Proportion (%)											
3	Male	49.8	49.7	48	50.7	49.5	48.6	48.8	48.9	49.6	48.6	48.0
	Female	50.2	50.3	52	49.3	50.5	51.4	51.2	51.1	50.4	51.4	52.0
	Labour Force Participation Rate (%)	56.5	62.9	54.4	61.8	68.5	68.6	67.4	64.4	65.3	62.6	
	By area											
4	Rural	51.7	66.5	56	63.5	71.9	69.3	70.1	60	67.9	65.7	64.8
	Urban	66.4	52.3	49.7	57.2	63.2	67	61.2	59.2	59.5	55.3	59.2
	By gender											
	Male	75.2	72.6	67.5	69.8	72.8	73.6	72.3	65.7	72.1	71.0	71.2
	Female	38.4	53.6	42.7	53.9	64.6	63.9	67.4	63.2	58.9	54.8	55.9
	Unemployment rate (%)	1.9	1.8	2.5	3.2	4	3.3	3.1	2.1	2.9	2.6	
	By area											
5	Rural	0.6	1.5	2.6	2.5	3	2.6	2.1	1.5	1.5	1.2	1.0
	Urban	4.1	2.9	2	4.9	7.5	5.1	5.8	3.54	6.3	6.7	6.3
	By gender											
	Male	1.3	1.6	2.1	2.6	2.6	2.7	1.8	1.9	2.2	1.9	1.8
	Female	3.2	2	3.3	3.8	5.4	4	4.5	2.2	3.7	3.5	3.1
9	Proportion of own-account and contributing family workers in total employment (%)	20.6	13.9	14.5	67.7	74.2	27.3	70.9	53.0	69.9	71.1	72.9

Source: Labour Force Surveys, MoLHR and National Accounts Statistics, NSB

CHAPTER 1: POPULATION AND LABOUR FORCE

Population

The estimated population of Bhutan for 2015 is 764,667 as per Labour Force Survey Report 2015 – comprising of 48.0 percent male and 52.0 percent female. Also 69.4 percent of the Bhutanese population is estimated to reside in rural areas and 30.6 percent in urban. Bhutan's demographic profile is observed as youthful with 61.6 percent of the total population belonging in the age group 0-34 years.

Table 1.1: Population Estimate by age group, sex and area of residence - 2015

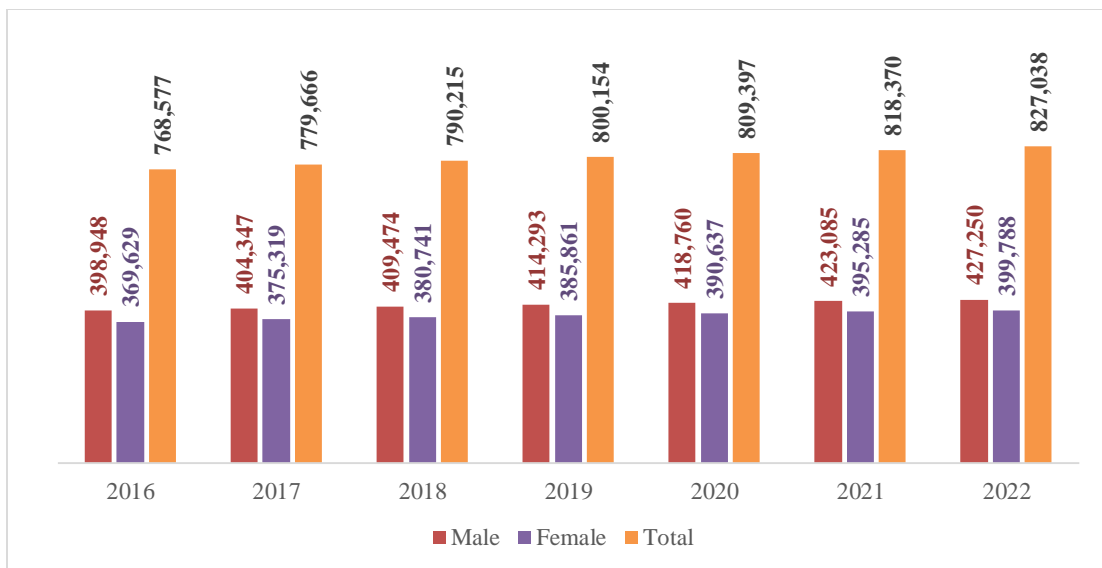
Age group	Bhutan			Urban			Rural		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
0-4	29,753	26,934	56,687	18,703	17,249	35,953	11,049	9,685	20,734
5-9	33,959	32,584	66,544	22,441	21,839	44,280	11,518	10,746	22,264
10-14	39,523	42,954	82,477	27,555	29,964	57,519	11,968	12,990	24,958
15-19	38,138	43,130	81,268	27,437	29,918	57,355	10,701	13,213	23,914
20-24	28,133	32,259	60,392	19,906	19,979	39,885	8,227	12,280	20,507
25-29	29,388	36,978	66,366	17,151	21,030	38,182	12,236	15,948	28,184
30-34	26,126	30,891	57,018	14,626	17,483	32,108	11,500	13,409	24,909
35-39	26,180	29,200	55,381	15,239	17,916	33,155	10,941	11,284	22,225
40-44	21,063	24,651	45,714	13,473	18,145	31,618	7,590	6,506	14,096
45-49	19,942	21,702	41,644	13,751	16,456	30,207	6,191	5,245	11,437
50-54	17,901	18,456	36,357	13,825	15,601	29,426	4,077	2,854	6,931
55-59	16,612	16,725	33,337	14,221	14,276	28,496	2,392	2,449	4,841
60-64	14,048	16,071	30,119	12,241	14,292	26,532	1,807	1,779	3,587
65+	26,653	24,712	51,364	23,980	21,826	45,806	2,673	2,885	5,558
Total	367,419	397,248	764,667	254,547	275,974	530,522	112,871	121,274	234,145

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Source: Labour Force Survey 2015, MoLHR

Population growth is the change in population over time, and can be quantified as the change in the number of individuals in a population using "per unit time" for measurement. The population growth projections from 2016-2022, as per the Statistical Yearbook of Bhutan 2015 of the National Statistics Bureau (NSB), indicates an annual growth of 10,549 persons every year. The projections have been made using the PHCB-2005 data by the National Statistics Bureau keeping the annual growth rate at 1.3 percent.

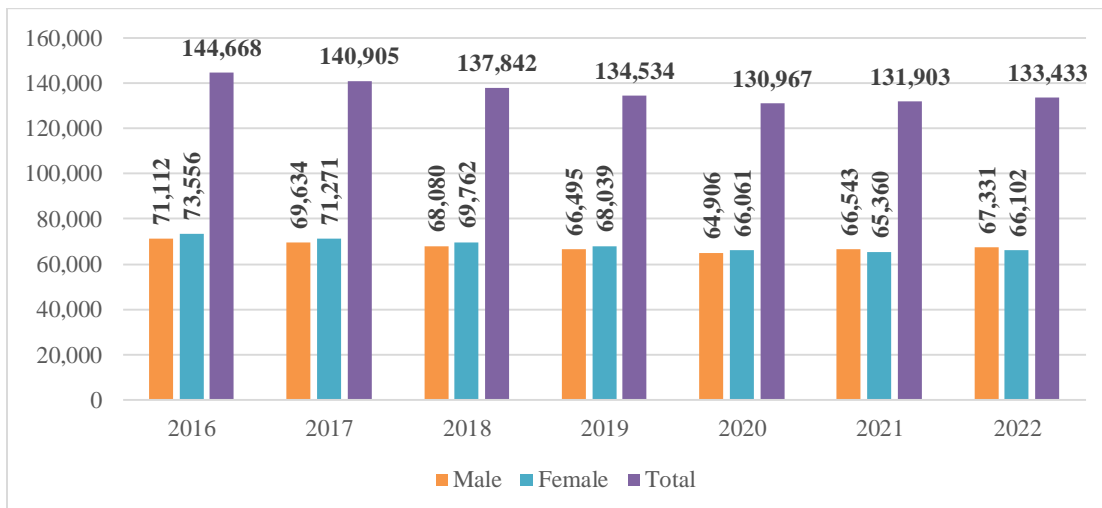
Chart 1.1: Population projection 2016-2022



Source: Population Projections of Bhutan, 2005-2030, NSB

According to the youth population projection from 2016-2022 by the NSB, the total youth population is estimated to be 133,433 by 2022, 50.5 percent male youth and 49.5 percent female youth.

Chart 1.2: Youth Population Projection



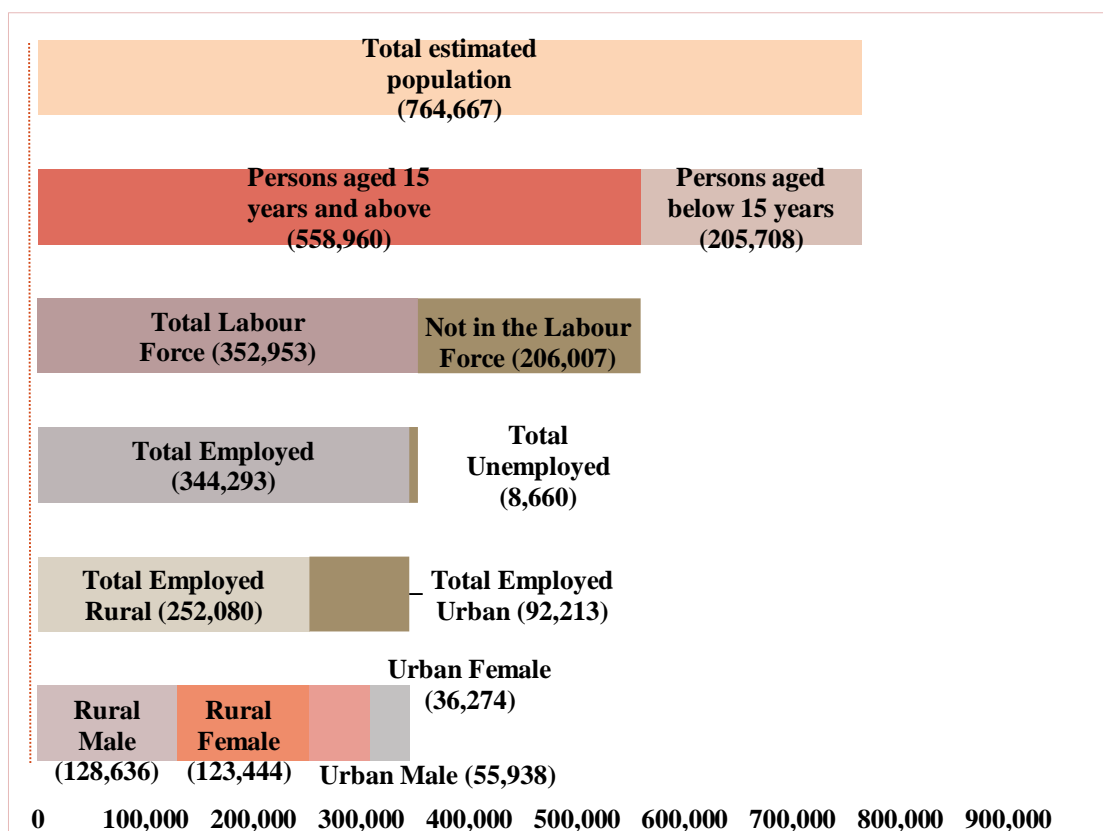
Source: Population Projections of Bhutan, 2005-2030, NSB

Labour Force

With the population estimate of 764,667 and 558,960 people who are in the working age population (persons aged 15 years and over) as per Labour Force Survey 2015, a total of 352,953 (Chart 1.3) make up the total labour force of Bhutan which brings the current labour force participation rate (LFPR) to 63.1 percent, an increase of 0.5 percentage points from 62.6 percent in 2014.

From the 206,007 persons who are not in the labour force, 47.8 percent of them are currently in schools/colleges/training institution, about 26.9 percent are unable to actively participate in the labour market due to household/family duties, and 17.8 percent due to old age.

Chart 1.3: Labour force composition: 2015



Source: Labour Force Survey 2015, MoLHR

As is the case with previous data from Labour Force Survey Reports, the Labour Force Survey Report 2015 data also showed age to be the main factor contributing to loss in the dynamism of labour market (Table 1.2). This variation in labour force participation rate (LFPR) by age is attributed to the age distribution of the population changing significantly due to changes in factors like fertility, migration and mortality.

Table 1.2: Labour Force Participation Rates by age group, area of residence and sex - 2015

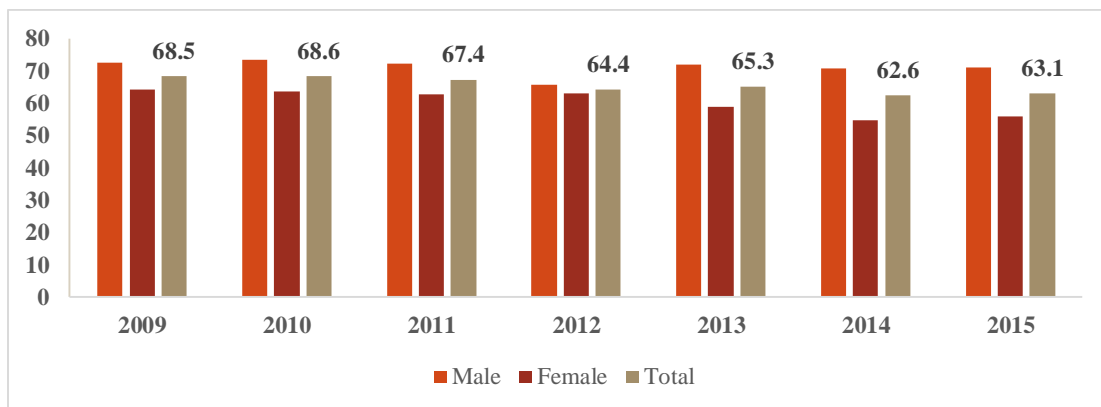
Age group	Bhutan			Rural			Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
15-19	9.1	10.5	9.9	11.3	12.5	11.9	3.5	6.0	4.9
20-24	53.6	58.5	56.2	55.9	66.2	61.1	48.1	45.9	46.8
25-29	90.1	69.8	78.8	89.1	76.1	82.0	91.4	61.5	74.5
30-34	95.2	75.7	84.7	93.8	87.6	90.4	97.0	60.3	77.2
35-39	96.7	75.7	85.6	95.7	87.4	91.2	98.2	57.1	77.3
40-44	98.0	73.5	84.8	98.5	80.4	88.1	97.0	54.0	77.2
45-49	98.9	80.1	89.1	99.5	90.3	94.5	97.4	48.2	74.8
50-54	95.8	82.7	89.2	96.1	89.2	92.4	95.0	47.4	75.4
55-59	77.9	49.6	63.7	78.3	51.3	64.8	75.3	39.6	57.2
60-64	74.8	33.7	52.9	76.6	34.6	53.9	63.1	27.2	45.2
65+	44.5	23.1	34.2	46.0	24.4	35.7	30.9	12.5	21.3
Total	71.2	55.9	63.1	69.7	60.4	64.8	74.6	45.5	59.2

Source: Labour Force Survey 2015, MoLHR

Studying the trend of LFPR by gender over the years (2009-2015), it is quite evident that the LFPR for male has always been higher than that of female over the years. Interestingly, LFPR for female has significantly improved since 2001, having risen from 38.4 percent in 2001 to 55.9 percent in 2015, a 17.5 percentage point increase in these 14 years. However, since 2012, it has been on a continuous decline.

The decline for overall Labour Force Participation Rates as compared to 2013 could mainly be attributed to the increase in the number of people who are economically inactive, that is, those who are above the age of 15 but not active in the labour market due to reasons ascribed as studies, house/family duties and others.

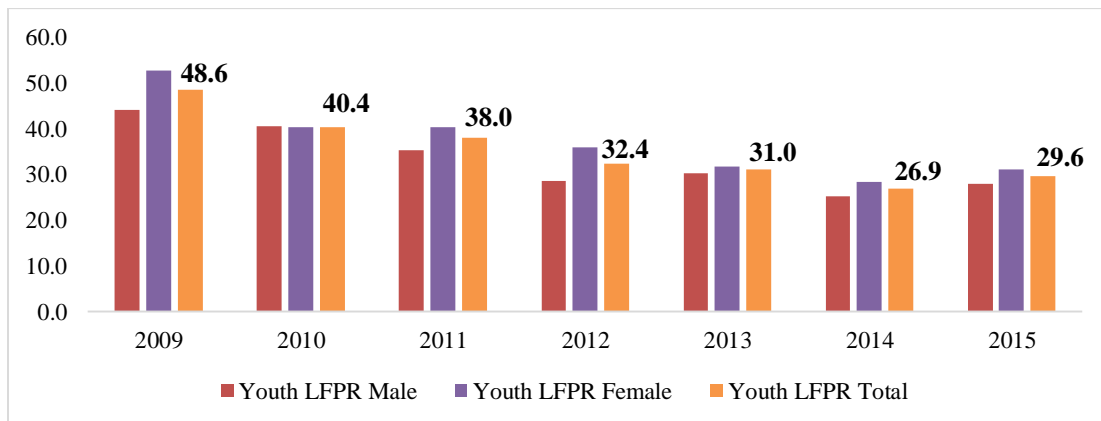
Chart 1.4: Labour Force participation rates by gender – 2009-2015



Source: Labour Force Survey 2015, MoLHR

The Labour Force Survey Report 2015 indicated the youth population aged 15-24 years to be estimated as 141,660, 18.5 percent of the total population. Youth labour force participation rate had decreased in 2014 to 26.9 percent from 31.0 percent in 2013, the rate has improved for 2015 with youth LFPR at 29.6 percent, an increase of about 2.7 percentage points. However, many youths between the ages of 15-24 years are still not active in the economy since many are choosing to pursue further studies.

Chart 1.5: Youth Labour Force Participation Rates by gender - 2009-2015



Source: Labour Force Surveys, MoLHR

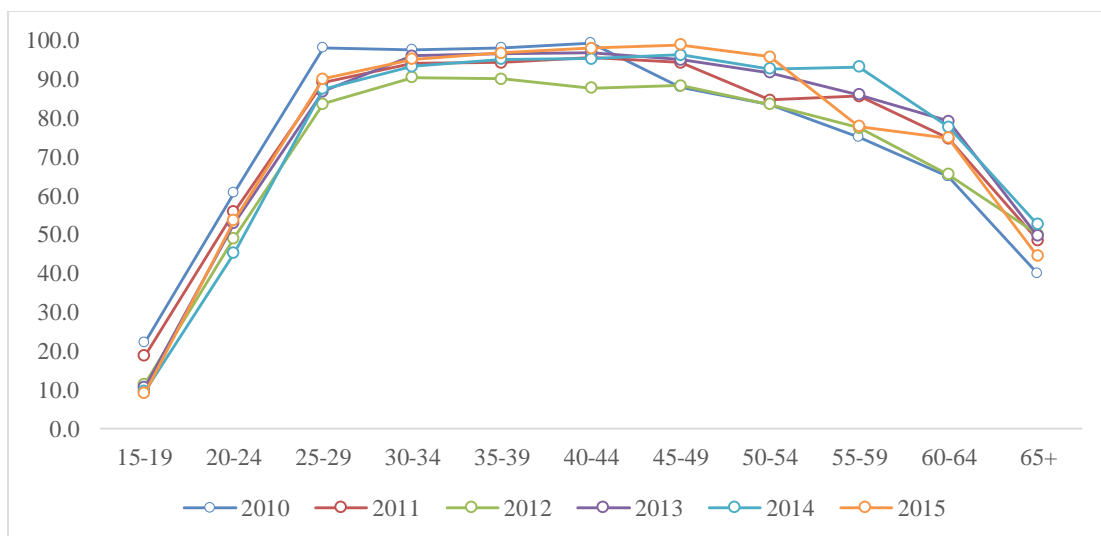
Chart 1.6 shows the changes in the labour force participation rates by sex and age from 2010-2015. From this information we can extrapolate the following conclusions:

1. The labour force participation rate for the young population (below 25 years) and the elderly (60 years and above) for both sexes have been decreasing over the past five years.
2. Both graphs show significant drop in labour force participation rate in the age group 15-19 years indicative of the fact that those belonging in this age group tend to attend school for longer duration.
3. While the male participation rate is has been more or less consistent over the past five years, the case is not the same for the female workforce. The labour force participation rate for female aged 15-44 years has further declined from 2013, and the overall female LFPR has dropped continuously from 58.9 percent in 2013 to 54.8 percent in 2014 and 55.9 percent in 2015.
4. Thus it has been derived that through the studies of such indicators, unemployment issues could be addressed. However, budgetary issues still remain to reign supreme hindering the government's reluctance to execute the recommended policies.

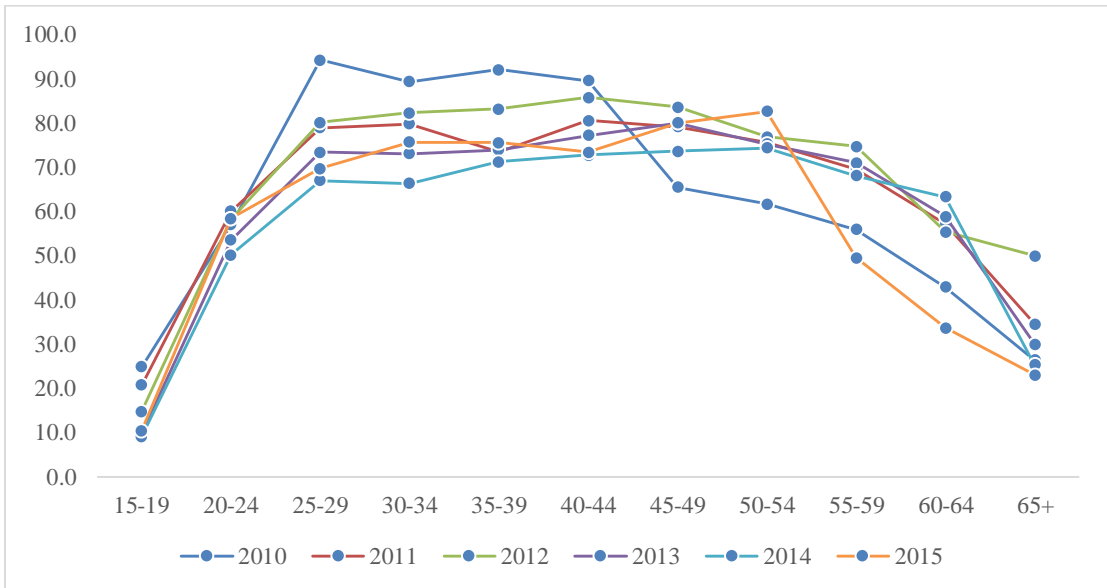
Note: Labour force participation rate for women do not form "M" shape as normally observed in other countries since those who are on maternity leave are still considered to be economically active in Bhutan.

Chart 1.6: Labour Force Participation Rates by gender and age over the years

(a) Male



(b) Female



Source: Labour Force Surveys, MoLHR

CHAPTER 2: EMPLOYMENT

Employment Policies and Effort to Combat Unemployment

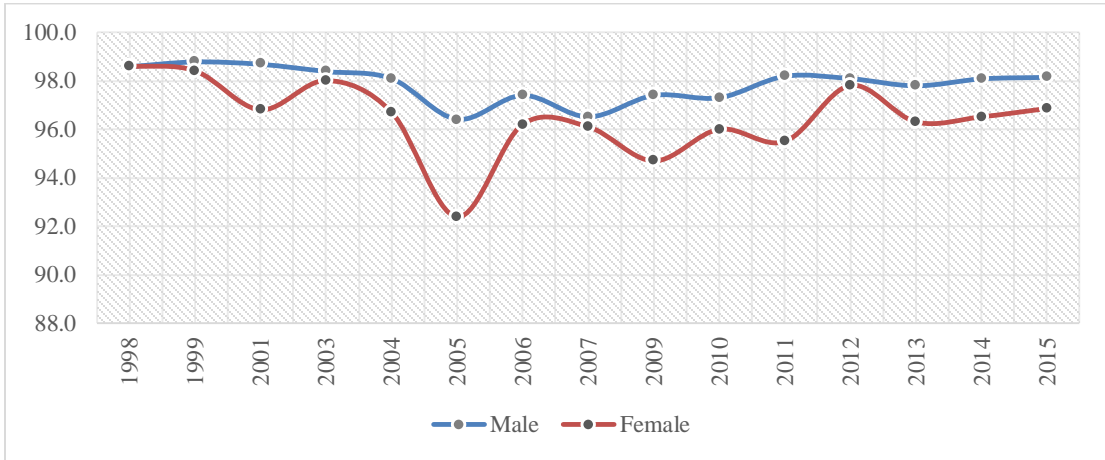
The policy of the government is to provide gainful employment to all its citizens of the country, mainly prioritizing on the youths to equip them with hard skills for better employability in the labour market. Job seekers are also encouraged to take up attachments or internship programs during their transition period from school to the world of work.

Number of total employed persons has been increasing consistently over the years. The highest number of employed persons in both urban and rural areas is between the age group of 25-29 years, gradually declining with the advancing age group. Out of the total 344,293 employed persons in Bhutan as of 2015, 53.6 percent of the total employed are male and the remaining 46.4 percent female, hence showing employment rates over the years to be in the favour of the male population (as seen in Chart 2.1).

Table 2.1: Employed persons by age group, area of residence and sex – 2015

Age group	Bhutan			Rural			Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
15-19	3,306	4,210	7,516	3,031	3,684	6,715	275	525	800
20-24	13,728	16,219	29,947	10,722	12,271	22,993	3,005	3,948	6,954
25-29	25,107	24,328	49,435	15,004	15,703	30,707	10,103	8,625	18,728
30-34	24,432	22,939	47,371	13,523	15,157	28,680	10,910	7,782	18,691
35-39	25,292	21,984	47,276	14,580	15,654	30,234	10,712	6,330	17,043
40-44	20,603	18,063	38,666	13,268	14,597	27,866	7,335	3,466	10,800
45-49	19,669	17,341	37,011	13,684	14,860	28,544	5,985	2,481	8,467
50-54	17,155	15,248	32,403	13,280	13,912	27,192	3,875	1,335	5,211
55-59	12,908	8,282	21,189	11,135	7,330	18,465	1,773	951	2,724
60-64	10,511	5,409	15,919	9,371	4,938	14,309	1,140	470	1,610
65+	11,863	5,696	17,559	11,039	5,336	16,375	825	360	1,185
Total	184,574	159,719	344,293	128,636	123,444	252,080	55,938	36,274	92,213

Source: Labour Force Survey 2015, MoLHR

Chart 2.1: Employment Rates by sex over the years

Source: Labour Force Surveys, MoLHR

Most of the employed persons are contributing family workers in agriculture, 32.4 percent, with only about 23.5 percent of those employed being regular paid employees. There are also more number of males under paid employees or own account workers while a greater share of women are contributing family workers.

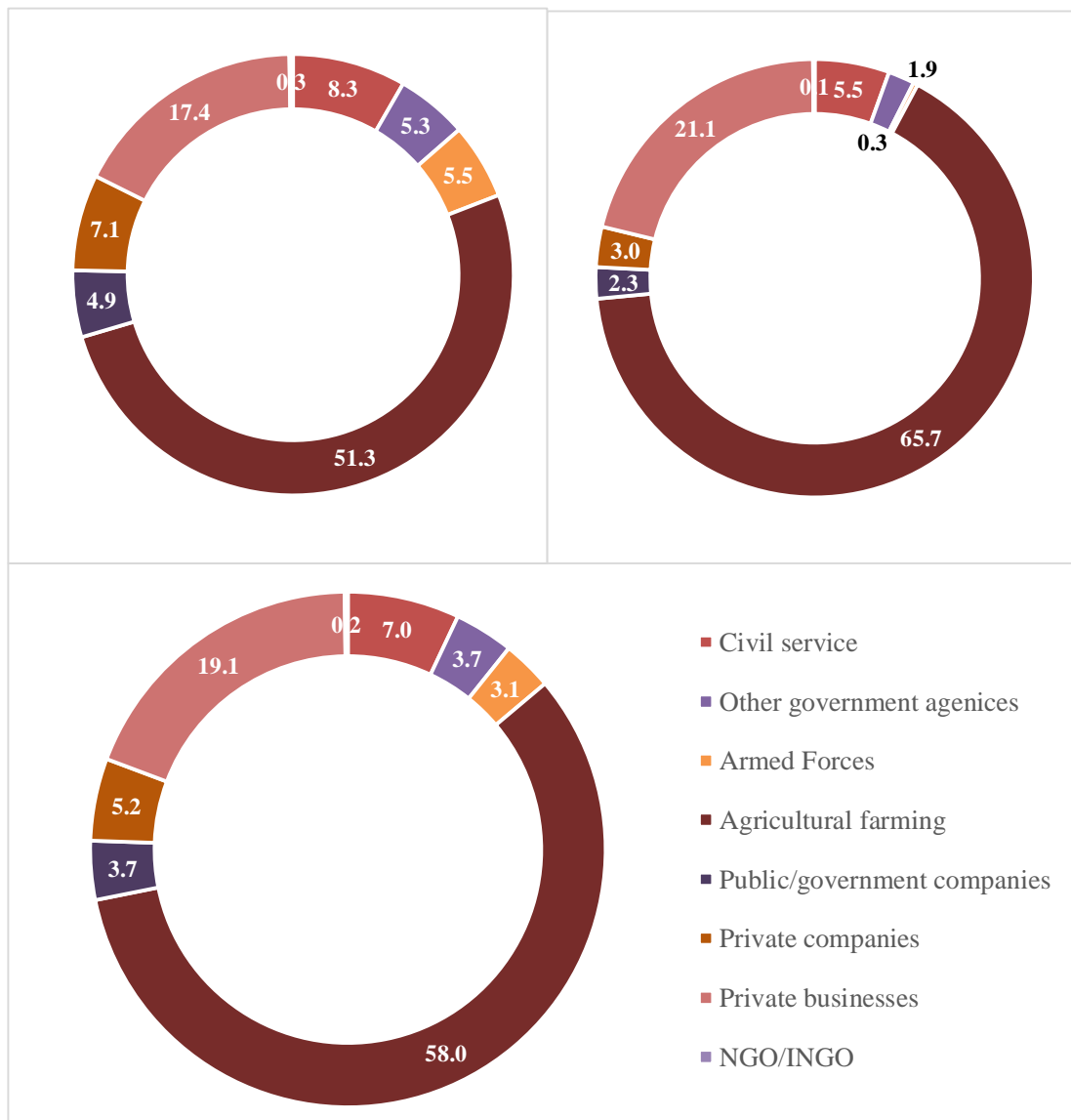
Table 2.2: Employment by sex and area of residence - 2015

Table 2.3 (a): Employment status by sex and nature of employment - 2015								
Sex	Nature of Employment							Total
	Regular paid employee	Casual paid employee	Contract/Piece paid employee	Own account worker (Non agriculture)	Own account worker (Agriculture)	Family worker (Non-agriculture)	Family worker (Agriculture)	
Male	57,066	7,381	3,430	20,681	50,554	2,468	42,994	184,574
Female	22,305	1,853	1,173	21,498	35,840	8,460	68,590	159,719
Table 2.3 (b): Employment status by area of residence and nature of employment - 2015								
Area	Nature of Employment							Total
	Regular paid employee	Casual paid employee	Contract/Piece paid employee	Own account worker (Non agriculture)	Own account worker (Agriculture)	Family worker (Non-agriculture)	Family worker (Agriculture)	
Rural	24,322	5,668	2,584	18,728	84,853	6,114	109,811	252,080
Urban	55,049	3,566	2,020	23,451	1,541	4,813	1,772	92,213
Total	79,371	9,234	4,604	42,179	86,393	10,927	111,584	344,293

Source: Labour Force Survey 2015, MoLHR

Of the total 344,293 employed persons, 58.0 percent are engaged in agriculture farming, followed by private businesses and civil servants with 19.1 percent and 7.0 percent respectively. The majority of employed persons are in the age group 25-49 years, forming 62.2 percent of the total labour force.

Chart 2.2: Percentage distribution of employed persons by type of enterprise - 2015



Source: Labour Force Survey 2015, MoLHR

Table 2.3: Number of employed persons by age group, type of enterprise and sex – 2015

Age Group	Civil service		Other government agencies		Armed Forces		Agricultural farming		Public/government companies		Private companies		Private businesses		NGO/INGO	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
15-19	0	0	0	0	0	18	2,678	3282	13	0	213	212	402	698	0	0
20-24	295	712	329	212	305	172	8,483	9,330	484	528	1,437	1,063	2,381	4,191	13	13
25-29	3,101	3,134	708	593	1,053	90	9,191	11,037	1,859	1,197	3,555	1,623	5,355	6,615	284	38
30-34	2,979	2,307	2,148	980	2,697	117	7,958	12,371	1,247	880	2,174	1,061	5,138	5,178	92	44
35-39	3,373	1,438	1,517	709	2,347	90	9,173	12,286	1,733	660	1,987	377	5,112	6,390	51	35
40-44	1,756	563	1,300	186	1,917	35	9,354	12,763	1,143	325	1,556	247	3,564	3,917	13	26
45-49	1,870	352	962	126	1,459	16	10,003	13,533	1,381	40	1,023	92	2,971	3,169	0	13
50-54	1,155	134	1,500	204	298	0	10,220	13,127	925	26	664	26	2,368	1,706	26	26
55-59	573	174	628	18	136	0	9,242	7,097	236	37	143	56	1,937	900	13	0
60-64	251	0	181	68	13	0	8,443	4839	13	0	253	0	1,357	502	0	0
65+	13	0	421	0	13	0	9,945	5285	0	0	13	0	1,459	411	0	0
Total	15,366	8,813	9,692	3,097	10,239	538	94,689	104,951	9,033	3,692	13,018	4,756	32,046	33,678	492	194

Source: Labour Force Survey Report 2015, MoLHR

Table 2.4: All employed persons by major economic activity and nature of employment - 2015

Major economic activity	Nature of employment							Total
	Regular Paid Employee	Casual Paid Employee	Contract/Piece Paid Worker	Own-account Worker (Non-agriculture)	Own-account Worker (Agriculture)	Family Worker (Non-agriculture)	Family Worker (Agriculture)	
Agriculture and Forestry	246	999	418	0	86,393	0	111,584	199,640
Mining and Quarrying	1,963	28	14	0	0	0	0	2,004
Manufacturing	8,137	1,488	327	10,260	0	2,111	0	22,323
Electricity, Gas and Water Supply	1,793	28	862	12	0	0	0	2,695
Construction	3,171	907	1,086	980	0	96	0	6,241
Wholesale and Automotive Fuel	2,752	242	262	17,952	0	5,583	0	26,791
Hotels and Restaurants	3,016	103	25	3,340	0	1,498	0	7,981
Transport, Finance and Communications	4,498	1,715	186	6,046	0	157	0	12,603
Financial Intermediation	2,277	0	224	0	0	0	0	2,501
Real Estate, Renting and Business Activities	1,446	82	49	1,534	0	73	0	3,185
Public Administration and Defense Activities	30,745	506	256	0	0	0	0	31,507
Education	10,667	207	201	176	0	0	0	11,251
Health and Social Work	8,234	2,874	627	1,800	0	120	0	13,655
Private Households with Employed Persons	427	55	67	79	0	1288	0	1915
Total	79,371	9,234	4,604	42,179	86,393	10,927	111,584	344,293

Source: Labour Force Survey 2014, MoLHR

CHAPTER 3: UNEMPLOYMENT

Changes in Unemployment Rates and the Unemployment Structure

The major cause of unemployment in the country is due to mismatch in the supply and demand of labour in the labour market. Subsequent to the period of high economic growth, demand is influenced by the increasing prominence of the service sectors, information technologies and booming construction sectors. These changes, all significant have created demand for workers with diverse, specialized skills. Supply has changed as well, with increasing number of youth continuing their higher education and entering job market.

Referral and Placement of Job seekers

The Employment Services Division of the Department of Employment facilitates in referring job seekers to various companies for employment. Job seekers who are issued referral letters are considered to be genuinely looking for a job. This is calculated as follows:

The number of referral flows is given by:

$$E = kU,$$

where E represents the number of referral flows and U indicates the number of job seekers who register at the Employment Services Division. Therefore, k implies an average number of referral letters per job seekers. If $k \geq 1$, a job seeker applies for more than one job vacancy on an average. Dividing the number of job vacancies (V) by the referral flow (E) equation gives:

$$\phi = 1/k \theta$$

where (V/E) represents the ratio of job vacancies to the referral flow. This ratio is referred to as “labour market tightness.” The symbol θ indicates the ratio of job vacancies to all job seekers regardless of whether they have referral letters where ($\theta = V/U$). This is referred to as the “application ratio” and ratio of job placements to the job vacancies is “adequacy ratio.”

Labour market tightness for Bhutan has vastly declined from 37.4 in 2006 to 9.3 in 2015 (as seen in Chart 3.1) which indicates that the number of referrals issued has increased over the years. This increase in number of referrals is mainly due to increased availability of job opportunities and issuance of referral letters to the job seekers by Employment Services Division, and drastic improvements in various employment facilitation services offered by the Ministry.

Application ratio has also declined from 2.9 in 2006 to 1.0 in 2015 due to rapid growth in number of job seekers.

The adequacy ratio has remained more or less same over the years due to proportionate increase in number of placements and available vacancies.

In 2006, the number of job vacancies used to greatly exceed the number of job seekers but by 2010, the number of job seekers has increased sharply corresponding to increased job vacancies (Chart 3.2) but the effort of the job seekers to look for jobs is still low as compared to the job vacancies that are available. Since 2008, the number of job seekers has been more than the number of job vacancies. However, the referral flows have been marginally low leading to lower job placements as well, although both have been on the constant rise.

Chart 3.1: Trends for application ratio, labour market tightness and adequacy ratio over the years

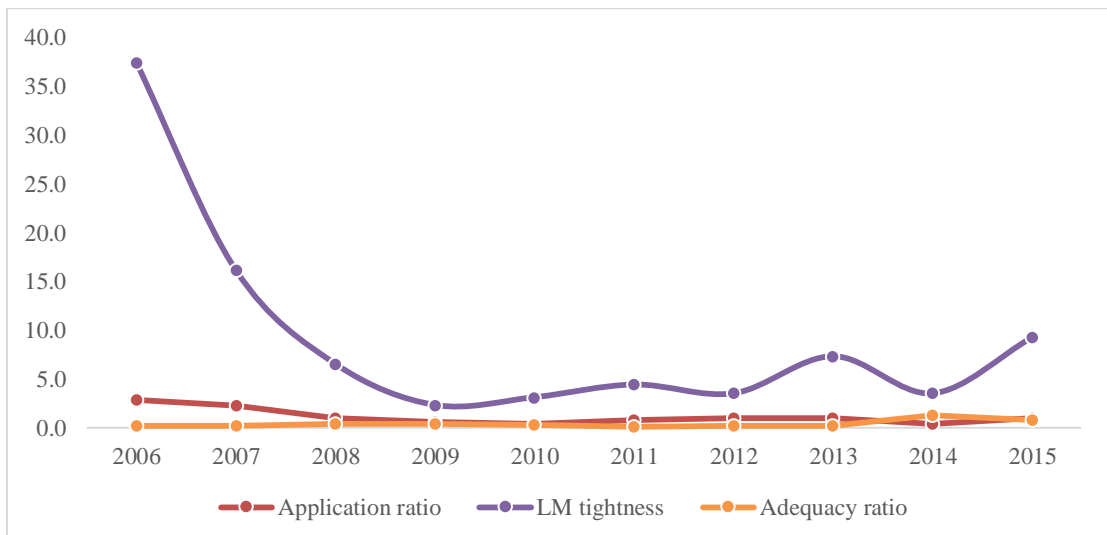
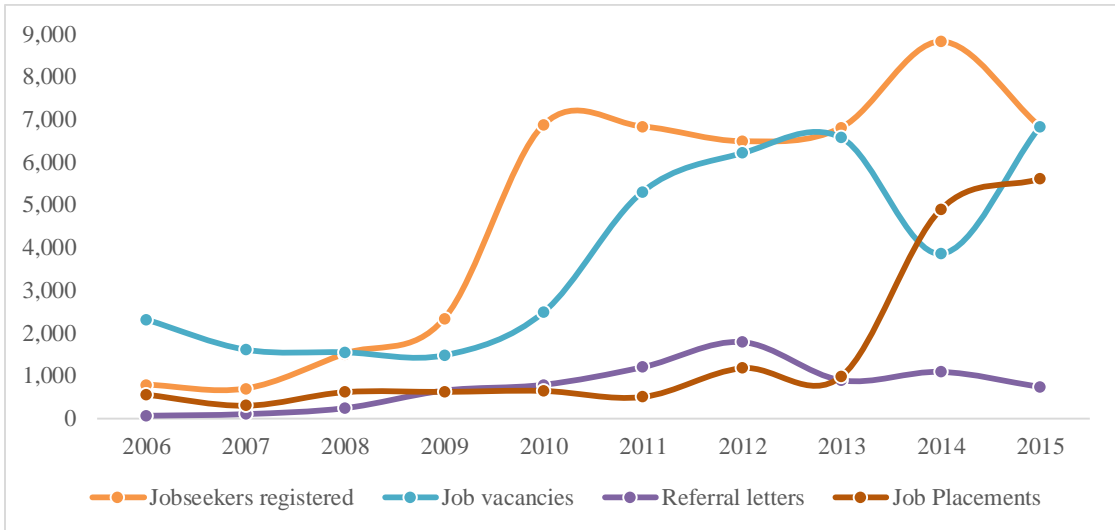


Chart 3.2: Trends of Job Seekers, Job Vacancies, Referral Letters and Job Placements over the years



Source: Employment Services Division, DoE, MoLHR

Unemployment

The following table shows the unemployment rate over the years. The Labour Force Survey Report 2015 estimated the unemployment rate for Bhutan to be 2.5 percent. Overall unemployment rate for Bhutanese male and female for the year 2015 is at 1.8 percent and 3.1 percent respectively. That is, for every 1,000 male in the labour force, 18 are found to be unemployed, and similarly for every 1,000 female in the labour force, 31 are unemployed.

The trend shows that female unemployment rate has always been higher than that of male, and although the gap was seen closing in 2012, however, it again started widening from 2013 - a 1.6 percentage point difference between male unemployment rate and female unemployment rate for 2014, and a 1.3 percentage point difference in 2015.

Not only has unemployment rate been biased of gender but also by area of residence – unemployment, considered to be an urban phenomenon and for 2015, urban unemployment stands at 6.3 percent, which is higher than that of rural at 1.20 percent.

Table 3.1: Unemployment trends by sex

Year	Number of Unemployed		Total	Unemployment Rate		Total
	Male	Female		Male	Female	
1998	1,288	947	2,235	1.4	1.4	1.4
1999	1,288	1,263	2,551	1.2	1.6	1.4
2001	1,972	2,550	4,522	1.3	3.2	1.9
2003	2,000	2,000	4,000	1.6	2	1.8
2004	2,400	3,000	5,400	1.9	3.3	2.5
2005	4,767	3,098	7,865	2.9	3.3	3.1
2006	3,400	3,800	7,200	2.6	3.8	3.2
2007	5,400	5,200	10,600	3.5	3.9	3.7
2008						
2009	4,400	8,500	12,900	2.6	5.3	4
2010	4,600	6,400	11,000	2.7	4	3.3
2011	3,200	7,300	10,500	1.8	4.5	3.1
2012	3,122	3,782	6,904	1.9	2.2	2.1
2013	4,016	5,900	9,916	2.2	3.7	2.9
2014	3,627	5,546	9,174	1.9	3.5	2.6
2015	3,470	5,190	8,660	1.8	3.1	2.5

Source: Labour Force Surveys, MoLHR

Chart 3.3: Unemployment rates by gender over the years

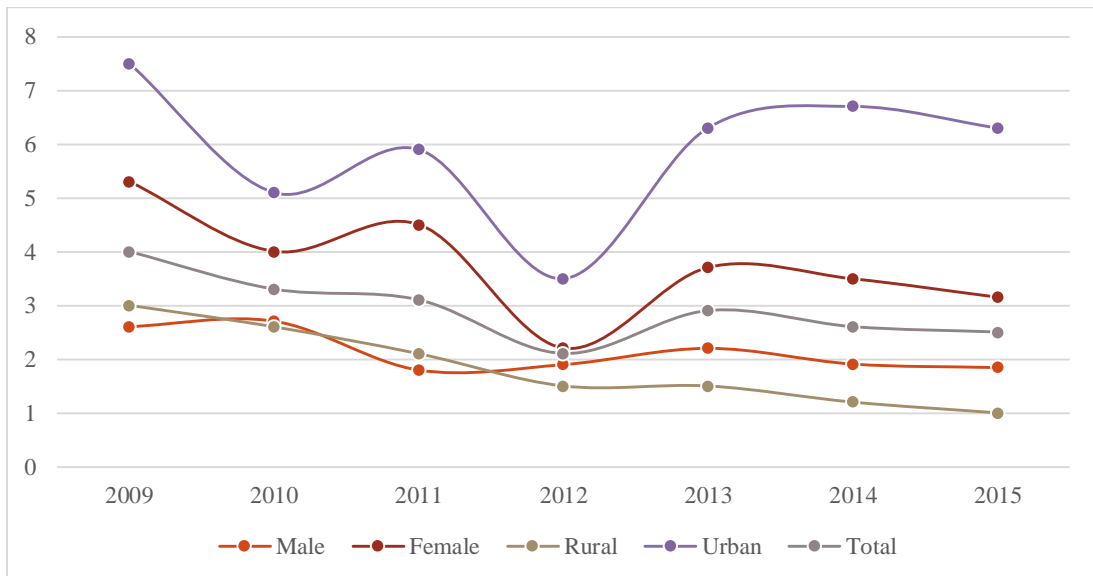
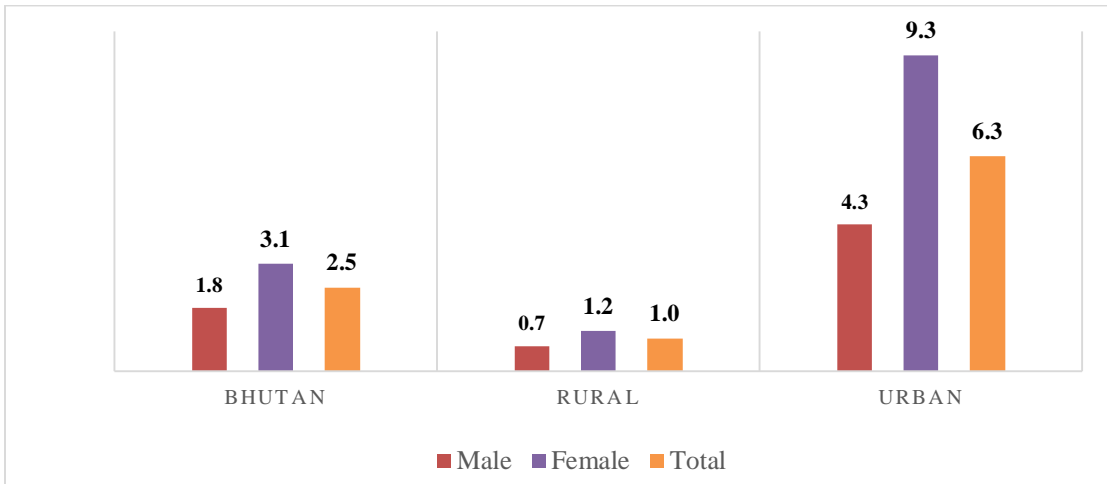


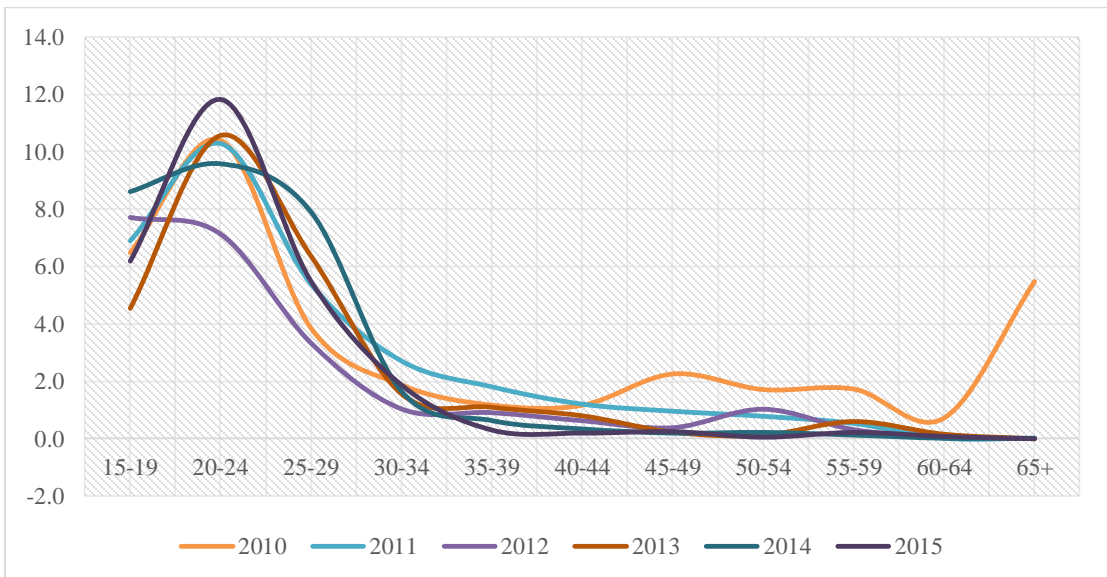
Chart 3.4: Unemployment by area of residence and gender - 2015



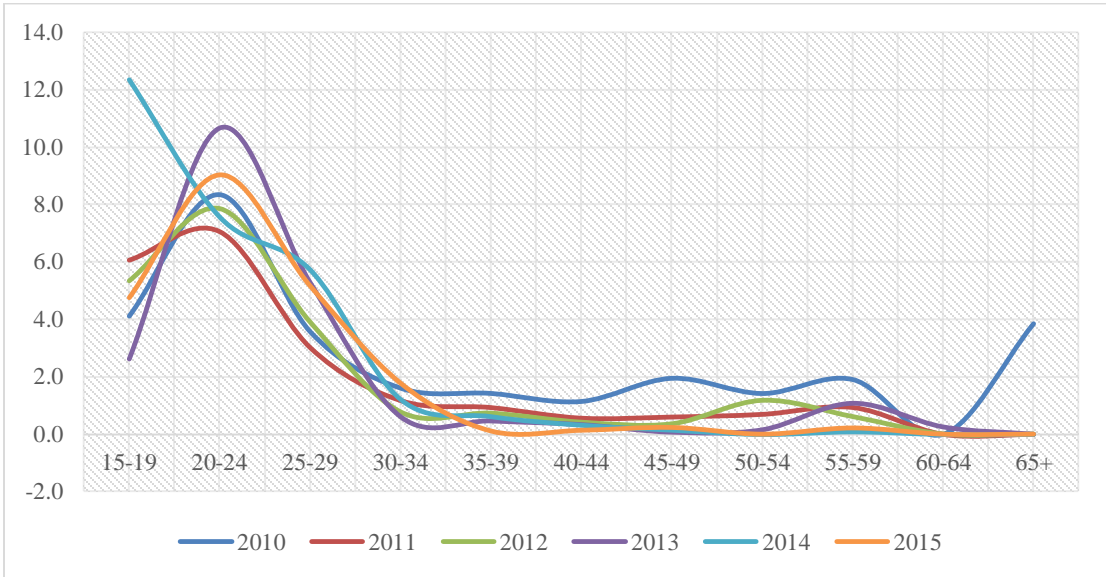
Source: Labour Force Survey 2015, MoLHR

Unemployment is also seen to be particularly high among those between ages 20-24 for both male and female as most of the job seekers enter the job market in either of the age group after school/college, thus making unemployment among youths seem more prominent.

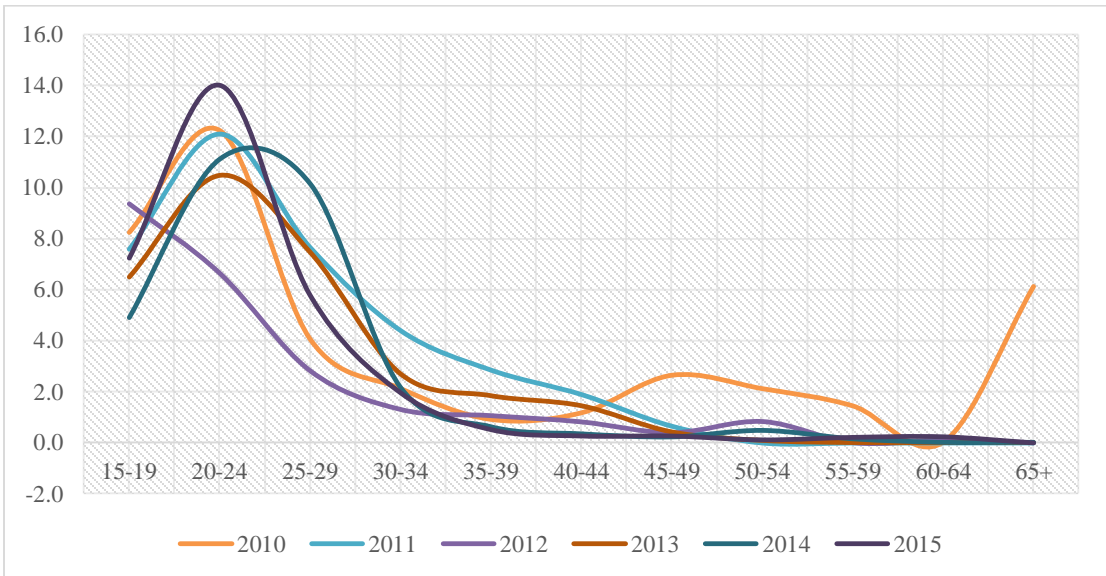
Chart 3.5: Unemployment rates by age group, area of residence and sex over the years – 2010-2015: (a) Bhutan



(b) Male:



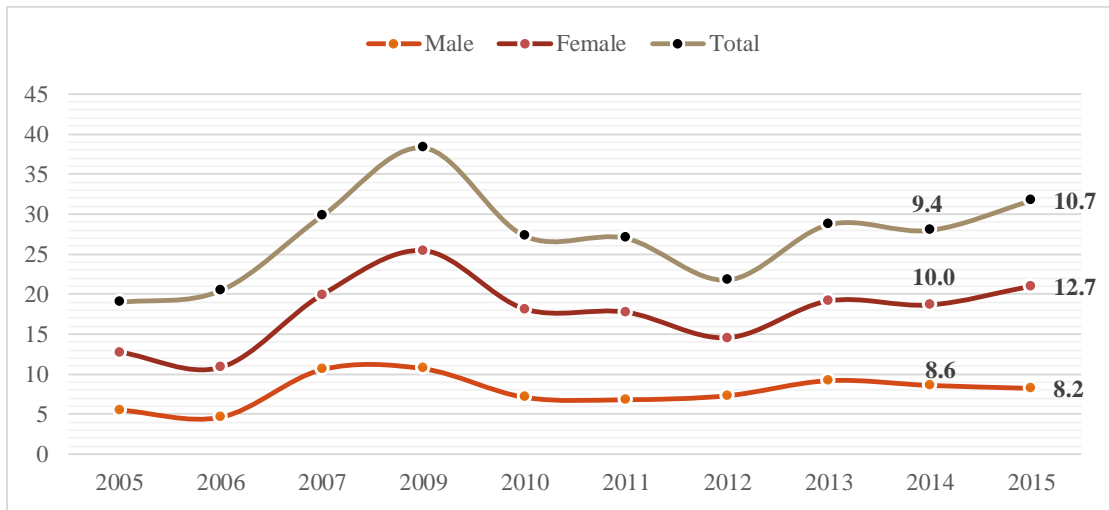
(c) Female:



Source: Labour Force Survey Reports, MoLHR

It can also be clearly noted that although overall unemployment rate has been on a steady decline since 2009, youth unemployment rate has continued to be a growing concern with a majority of those unemployed consisting of young persons aged 15-24 with higher education background. Youth unemployment rate has increased from 9.4 percent in 2014 to 10.7 percent, and while male youth unemployment rate has slightly decreased to 8.2 percent in 2015 from 8.6 percent in 2014, that of the female youths has increased to 12.7 percent in 2015 from 10 percent in 2014.

Chart 3.6: Youth unemployment rate by gender over the years



Source: Labour Force Surveys, MoLHR

Unemployment and Training

Of the total 8,660 unemployed persons, 90.7 percent (7,856) of the total unemployed were without any training while only 8.4 percent who had attended some form of training indicating that skill trainings did play a role in securing employment in the current labour market. Among the 728 unemployed with training, 25.1 percent had undergone training related to business management followed by IT training with 21.2 percent.

Table 3.2: Training and Unemployment by gender, 2015

Less than one month	0			18	
One to less than 6 months	64	74	138	8.8	10.2

Six months to less than one year	72	123	195	Six months to less than one year	9.9	16.9
One year to less than two years	18	230	248	One year to less than two years	2.5	31.6
Two year and above	61	66	127	Two years and above	8.4	9.1

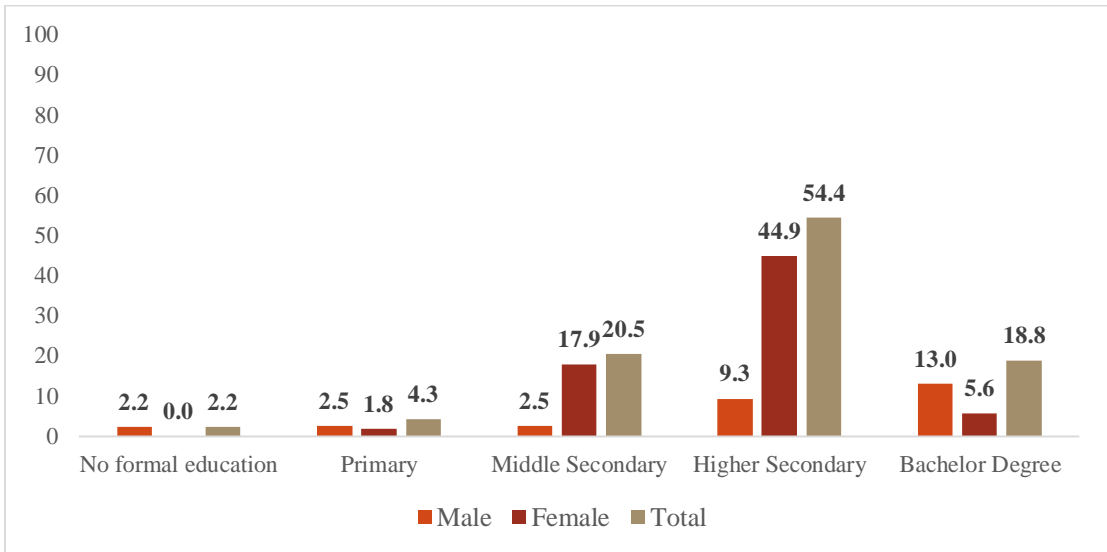
Source: Labour Force Survey 2015, MoLHR

Table 3.3: Unemployed persons with training by field of training, 2015

Field of Training	Male	Female	Total
Agriculture, livestock etc.	18	0	18
Construction and other engineering	74	25	99
Manufacturing and mining	13	0	13
Information technology	13	141	154
Business management, finance etc	0	183	183
Health/Education	13	38	51
Hair dressing, Cosmetology	0	38	38
Tourism and Hospitality	26	57	82
Arts and crafts	0	28	28
Others	60	0	60
Total	216	512	728

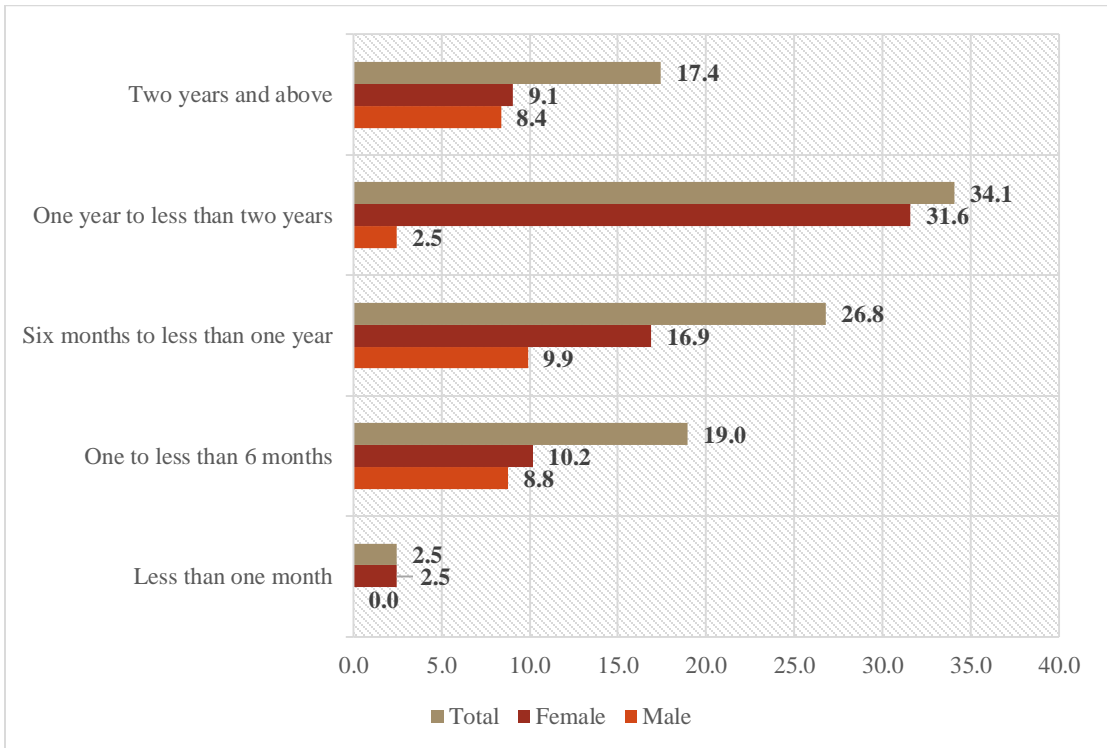
More than half of those unemployed with training have completed higher secondary education (54.4%) followed by those who completed middle secondary education and bachelor degree with 20.5 percent and 18.8 percent respectively. The lowest unemployed persons with training are those without any education background (2.2%). Moreover, only 17.4 percent of those unemployed with training had attended the training for two years or more, 34.1 percent for over a year but less than two years and 48.5 percent for less than one year.

Chart 3.7: Percentage share of unemployed persons with training by level of education, 2015



Source: Labour Force Survey 2015, MoLHR

Chart 3.8: Percentage share of unemployed persons with training by duration of training, 2015



CHAPTER 4: DEMAND FOR LABOUR

The section describes the demand for labour that an economy or firm is willing to employ at a given point in time. The data pertaining to the demand for labour is collected and compiled by Employment Service Division, Department of Employment of the Ministry from advertisements in various media outlets, as well as from administrative records maintained by relevant agencies.

A total of 7,786 vacancies have been compiled by the Ministry for 2015-2016, a majority of which constituted from the private sector, 75.1 per cent, followed by government and corporate sectors with 14.6 percent and 9.9 percent respectively. The vacancies from the NGOs only made up a negligible share of overall vacancies.

Highest demand (24.3%) in 2013 was in the qualification of Class IX and below, most of the demand being labour intensive with low education qualification. The uneducated lot constituted of 18.9 percent followed by general graduates (12.90%) and Class X qualification with 12.18 percent.

Table 4.1: Number of job seekers registered, vacancies advertised, job seekers referred and employed in the private and corporate sectors over the years

Year	Jobseekers registered	Vacancies	Referred	Employed
2002	746	NA	NA	502
2003	686	NA	NA	223
2004	746	NA	NA	169
2005	1,444	NA	NA	669
2006	786	2,317	62	564
2007	693	1,611	100	305
2008	NA	1,549	240	622
2009	2,330	1,477	653	628
2010	6,878	2,484	789	651
2011	6,842	5,313	1,203	509
2012	6,496	4,128	1,793	1,183
2013	6,937	6,576	896	1,075
2014	8,835	3,859	1093	4,889
2015	8,185	6,513	1,354	NA

Source: ESD, DoE, MoLHR (as of 30th April 2016)

Table 4.2: Vacancy distribution by sectors over the years

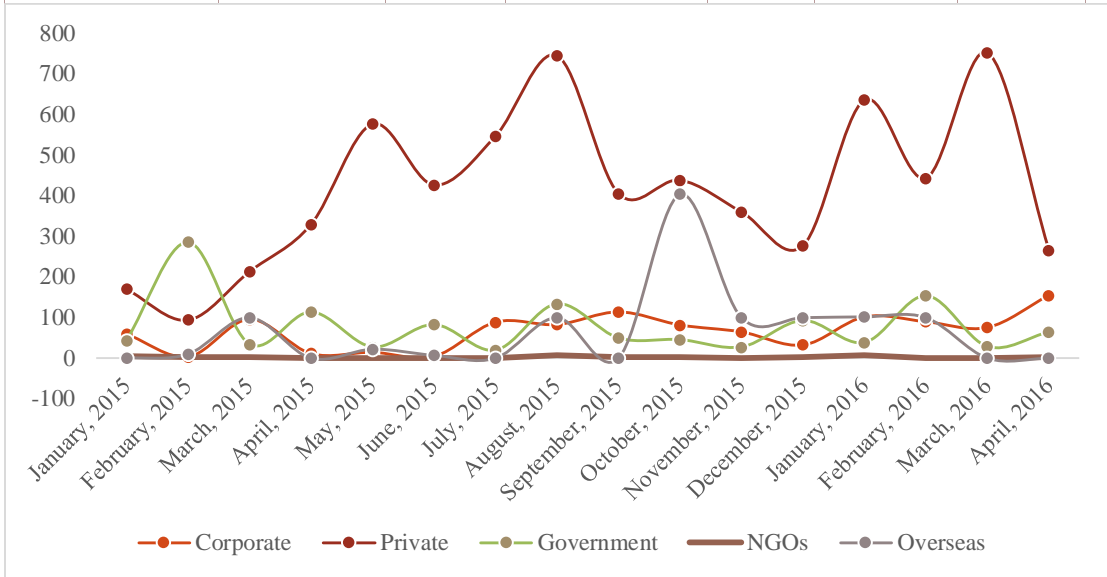
Year	Sector					Total
	Corporate	Private	Government	NGO/ING O	Overseas	
2003	316	96	1,177	6	NA	1,595
2004	236	201	1,408	20	NA	1,865
2005	113	320	1,036	16	NA	1,485
2006	567	1757	278	13	NA	2,615
2007	311	1,300	141	0	NA	1,752
2009	473	1,004	842	49	NA	2,368
2010	619	1,865	3,119	207	11	5,810
2011	1,349	3,964	2,397	71	100	7,781
2012	1,199	2,929	2,038	48	65	6,214
2013	1,352	2,629	2,560	35	394	6,513
2014	710	2,095	1,007	47	685	3,859
2015	879	4,865	648	27	906	7,325

Source: ESD, DoE, MoLHR (as of 30th April 2016)

Chart 4.1: Vacancy distribution by sectors, 2015-2016

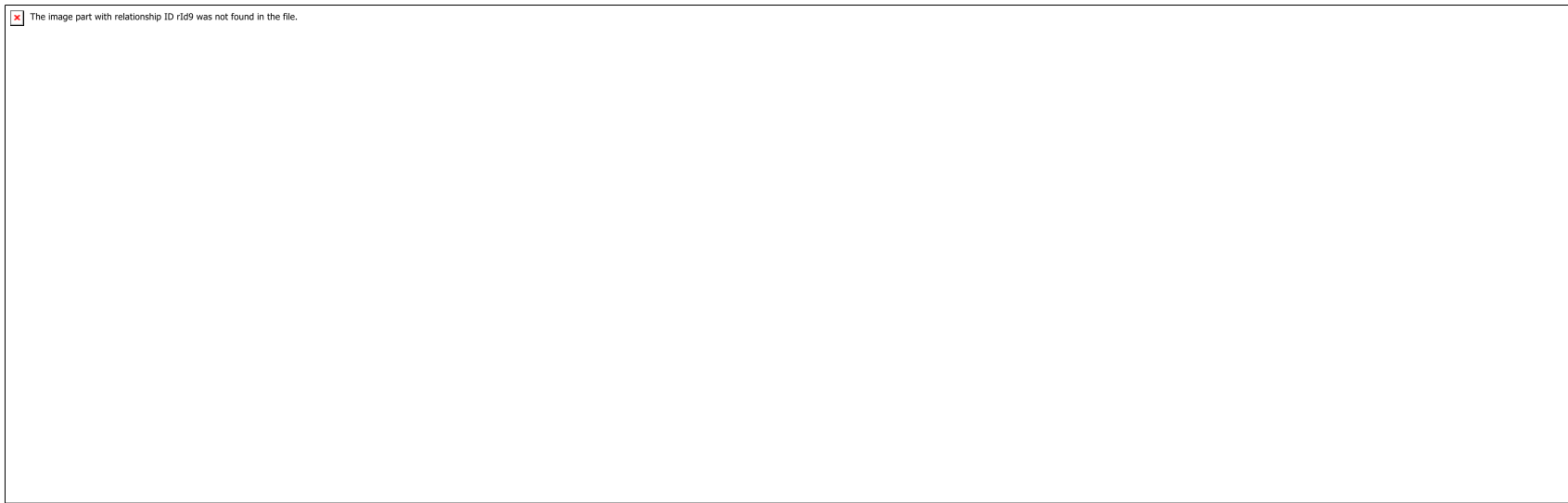
Months	Vacancies announced over various sectors					Total
Months	Corporate	Private	Government	NGOs	Overseas	Total
January, 2015	59	170	43	4	0	591
February, 2015	3	94	285	2	10	394
March, 2015	95	213	34	3	100	445
April, 2015	11	329	113	1	0	454
May, 2015	14	576	27	0	22	639
June, 2015	4	426	82	0	7	519
July, 2015	88	546	19	1	0	654
August, 2015	82	744	133	6	100	1065
September, 2015	113	405	49	3	0	570
October, 2015	81	438	45	3	404	971
November, 2015	64	360	27	0	100	551
December, 2015	32	277	92	2	100	503
January, 2016	101	635	38	8	102	884
February, 2016	89	443	153	1	100	786

March, 2016	75	751	28	0	0	854
April, 2016	154	266	64	3	0	487
Total	1,065	6,673	1,232	37	1,045	10,367



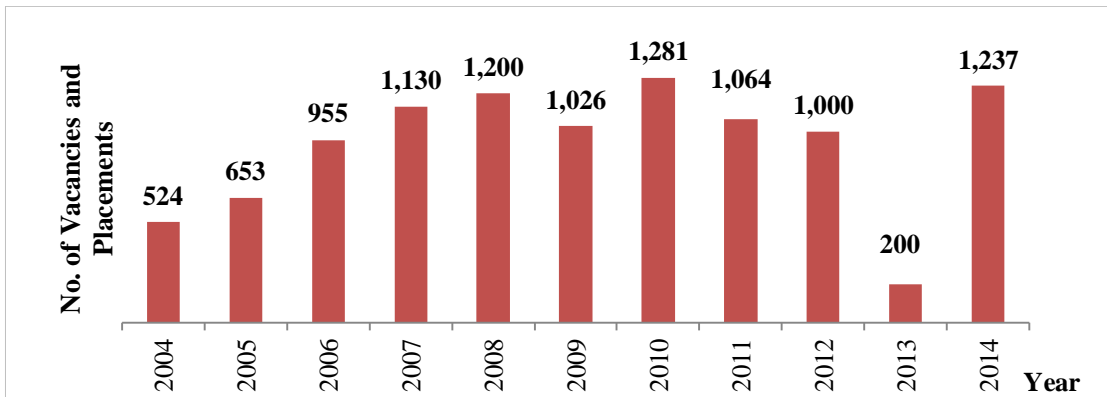
Source: ESD, DoE, MoLHR (as of 30th April 2016)

Table 4.3: Vacancies, Referrals and Placements in various sectors - 2015

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Source: ESD, DoE, MoLHR (as of 30th April 2016)

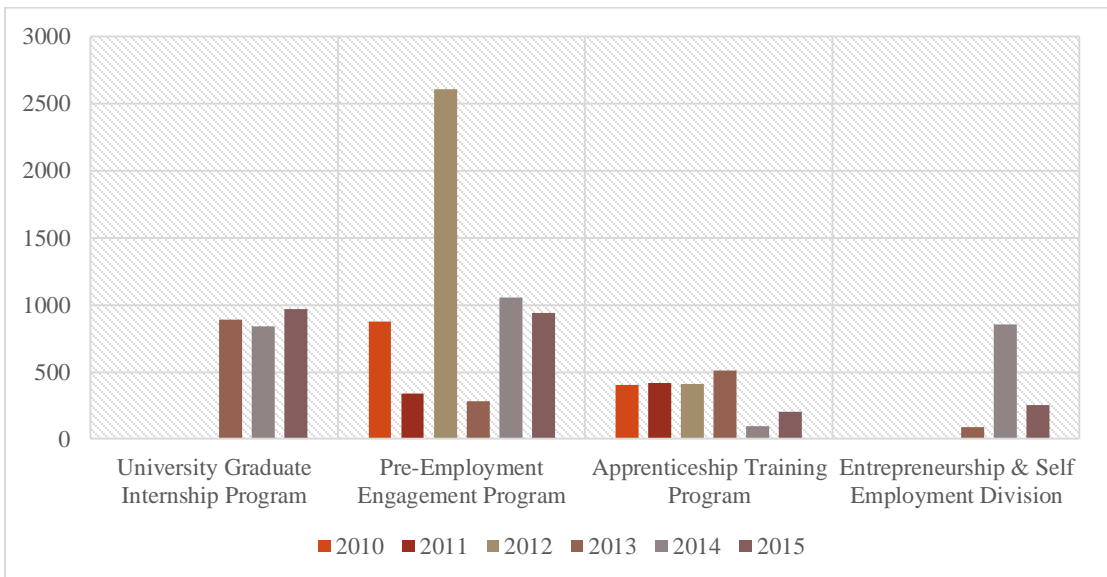
Chart 4.2: Number of vacancies during National Job Fair over the years



Source: Job Fair, ESD, MoLHR

In an effort to help youth keep themselves meaningfully involved while being in the job market, the Ministry has introduced various engagement programs to enable them to equip themselves with necessary skills, knowledge and work experiences which will eventually benefit them in their future.

Chart 4.3: Engagement Program enrolment over the years



Source: PEEP, UGIP & ESED, DoE, MoLHR

CHAPTER 5: SUPPLY OF LABOUR

The data pertaining to this section has been collected and compiled from the enrolment report maintained by the Royal University of Bhutan, Royal Institute of Management, Royal Thimphu College and Department of Adult and Higher Education, Ministry of Education.

Recently, our labour market has seen higher supply of general graduates, more specifically in the field of business studies and general arts subjects in comparison to the demand in the labour market; almost 71.6 percent (46.7% male and 53.3% female) of the 2,762 graduates who attended National Graduate Orientation Program (NGOP) 2015 were general graduates, with about half of them having a degree in business studies. In view of this situation, it was felt necessary that the Bhutanese students planning to pursue higher education or training should be guided to make informed choice/decision that would ensure higher employability in the labour market on completion of their studies.

RUB alone constitutes more than 70 percent of the total enrolments (both inside and outside Bhutan). Around 4,000 students are expected to complete the undergraduate studies from within the country in 2016, of which 55.7 percent are male and 44.3 percent female.

Table 5.1: Supply of undergraduates by institutes within Bhutan and gender, 2015

Institutes	Male	Female	Total
College of Language and Culture Studies	232	182	414
College of Science and Technology	96	39	135
Gaeddu College of Business Studies	239	238	477
College of Natural Resources	99	58	157
Sherubtse College	279	292	571
Royal Thimphu College	206	204	410
Paro College of Education	425	333	758
Samtse College of Education	243	254	497
Jigme Namgyel Engineering College	323	105	428
Royal Institute of Management	121	98	219
GRAND TOTAL	2,263	1,803	4,066

Source: Royal University of Bhutan and Royal Institute of Management

Table 5.2: Estimated supply of labour by institutes, course and sex, 2015

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Source: Royal University of Bhutan and Royal Institute of Management

According to the administrative records from Department of Adult and Higher Education, a total of 921 students are currently undergoing tertiary education on scholarship of which 242 students are expected to graduate in 2016 and enter the job market whereby female scholarship graduates of 2014 being only 29.5 percent.

Table 5.3: Estimated supply of scholarship students by field of study and gender from outside Bhutan, 2015

Field of study	Gender		Total
	Male	Female	
Medicine	56	24	80
Biological Sciences	17	3	20
Engineering	60	15	75
Education and Academics	18	25	43
Arts & Humanities	9	15	24
Total	160	82	242

Source: Scholarship and Student Support Division, DAHE, MoE

Table 5.4: Estimated supply of scholarship students by country of study and gender from outside Bhutan, 2015

Scholarship	Country of study	Male	Female	Total
GOI	India	87	27	114
APEMS	India	0	0	0
	Srilanka	0	4	4
	Bangladesh	2	1	3
RGOB-QECS	India	6	5	11
RGOB	India	7	1	8
	Malaysia	4	7	11
	Srilanka	16	8	24
	Bangladesh	0	0	0
	Thailand	6	3	9
	korea	0	0	0
	USA	1	0	1
	Cuba	1	0	1
	Australian	2	3	5
	RTC, Bhutan	13	17	30
Adhoc	Cuban Govt	0	0	0
	ICCR	14	5	19
	SAARC Chair	1	1	2
TOTAL		160	82	242

Chart 5.1: Job seekers projection till 2019

Source: *Comprehensive Statistics, MoLHR*

Note: The projection does not take into account the backlog of 9,859 unemployed youth currently registered for jobs which may continue over the reporting period if the current unemployment situation continues

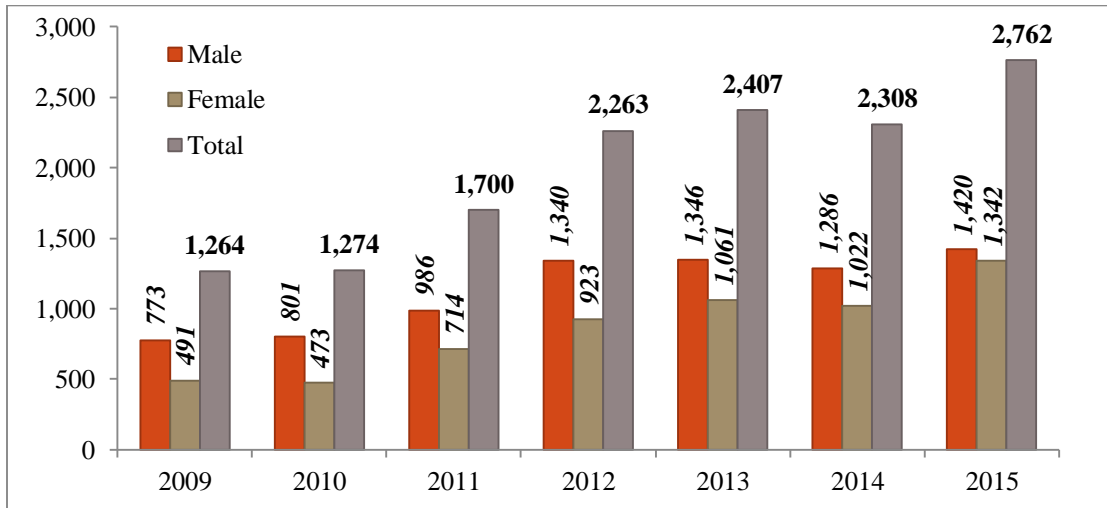
Table 5.5: Number of job seekers registered by educational attainment and gender over the years

Category	2011			2012			2013			2014			2015		
	M	F	Total	M	F	Total	M	F	Total	M	F	Total	M	F	Total
PhDs	NA	NA	NA	NA	NA	NA	2	0	2	NA	NA	NA	4	0	4
Masters	26	9	35	45	20	65	29	18	47	65	46	111	97	60	157
Technical Graduates	337	138	475	448	268	716	549	373	922	620	411	1,031	1,267	756	2,023
General Graduates	656	523	1,179	792	636	1,428	809	893	1,702	193	210	403	2,785	3,018	5,803
Diploma	26	27	53	50	5	55	3	0	3	NA	NA	NA	305	152	457
Class XII	1,435	1,365	2,800	1,192	1,295	2,487	974	1,229	2,203	3,095	3,505	6,600	4,974	6,683	11,657
Certificate	321	274	595	53	74	127	203	296	499	NA	NA	NA	815	535	1,350
Class X	524	737	1,261	485	660	1,145	399	659	1,058	3,945	4,788	8,733	1,795	3,323	5,118
IX & Below	118	134	252	130	102	232	39	89	128	NA	NA	NA	225	314	539
Illiterate	77	115	192	67	175	242	19	200	219	NA	NA	NA	39	260	299
Others	NA	NA	NA	NA	NA	NA	20	15	35	NA	NA	NA	195	135	330
Total	3,520	3,322	6,842	3,262	3,235	6,497	3,046	3,772	6,818	7,918	8,960	16,878	12,501	15,236	27,737

Source: ESD, DoE, MoLHR (as of 30th April 2016)

Out of the total 2,762 graduates who attended the National Graduate Orientation Program (NGOP) in 2015, 55.7 percent of them were male and the remaining 45.3 percent were female graduates. While about 48.6 percent of them had completed their tertiary education from India followed by 47.8 percent from within the country. Around 87.1 percent (1,078 male and 933 female) of those attending the program were without work, and about 13.9 percent of them being employed in various sectors.

Chart 5.2: Number of graduates attending NGOP over the years



Source: LMIRD & ESD, DoE, MoLHR

Table 5.6: Number of graduates for NGOP 2015 by employment status and gender

Employment Status	Male	Female	Total
Corporate employees	16	20	36
Employed in other countries	2	1	3
Government employees	210	73	283
NGO employees	10	8	18
Private employees	19	18	37
Self-employed	9	6	15
Unemployed	1,154	1,216	2,369
Total	1,420	1,342	2,762

Source: LMIRD, DoE, MoL

Note: The total number of graduates in the country for a given year is expected to be slightly higher than the numbers reflected in the figures above since some graduates voluntarily choose to not attend the program.


Table 5.7: Number of graduates for NGOP 2015 by country of study

Sl. No.	Country of study	Male	Female	Total
1	Australia	4	4	8
2	Bangladesh	2	15	17
3	Bhutan	743	765	1,508
4	Canada	0	1	1
5	Germany	0	1	1
6	India	645	506	1,151
7	Malaysia	2	4	6
8	Pakistan	0	1	1
9	South Korea	0	2	2
10	Sri Lanka	12	9	21
11	Thailand	10	26	36
12	United Kingdom	1	2	3
13	United States	1	6	7
Total		1,420	1,342	2,762

Source: LMIRD, DoE, MoLHR

Table 5.8: Number of graduates from Technical Training Institutes (TTIs) and Zorig Chusum by course and institute, 2015

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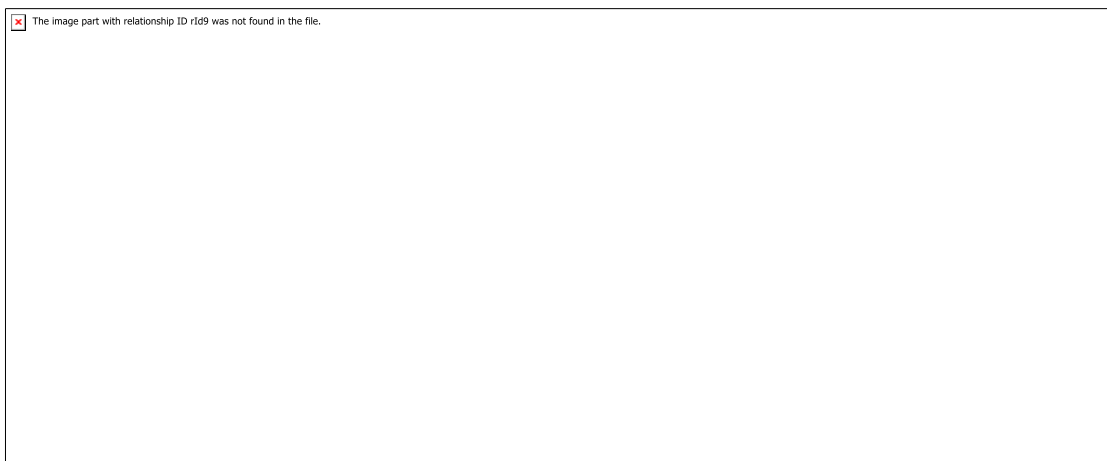
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Source: Department of Human Resource, MoLHR

CHAPTER 6: FOREIGN EMPLOYMENT

Total foreign workers in the country stands at 48, 122 as of April 2016, 99.6 percent male and only 0.4% female foreign workers, which is also indicative of the kind of occupational group that they are mostly engaged in – 85.9% in crafts and related trade workers, 4.9 percent in elementary occupations, and 4.3 percent in plant and machine operators and assemblers.

Table 6.1: Number of Foreign workers employed in Bhutan by major occupational group, nationality and sex (2015-2016)



Source: Labour-net System (as of April 2016), Department of Labour, MoLHR

Table 6.2: Foreign workers by nationality and gender (2015-2016)

Country	Male	Female	Total
Australia	4	9	13
Austria	0	1	1
Bangladesh	27	1	28
Brazil	0	1	1
Myanmar	1	0	1
Canada	5	8	13
Sri Lanka	4	0	4
Czech Republic	1	0	1
France	2	1	3
Germany	6	5	11
Ghana	0	0	0
Greece	3	0	3
India	47,799	115	47,914
Italy	2	0	2
Japan	25	23	48

Laos	1	0	1
Malaysia	2	1	3
Maldives	0	1	1
Mauritius	0	1	1
Nepal	27	0	27
Netherlands	3	1	4
New Zealand	1	0	1
Philippines	1	1	2
Singapore	1	0	1
Vietnam	8	2	10
South Africa	1	0	1
Zimbabwe	1	0	1
Switzerland	4	0	4
Thailand	9	6	15
United Kingdom	6	1	7
Total	47,944	178	48,122

Source: Labour Net System (as of April 2016), DoL, MoLHR)