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## LABOUR MARKET INFORMATION BULLETIN 2016

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

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## Foreword

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

Knowing how information is powerful and access to timely and reliable labour market information is important for workers, employers, job seekers and students. The Bulletin is intended to help both the supply side (jobseekers and workers) and demand side (employers) understand the current labour market situation and be informed about various opportunities in the labour market.

Labour market information is crucial not only to help guide educational choices but also while transitioning between schooling and working. Right information will allow us to make right decisions and the availability of and access to labour market information is a step towards making informed decisions.

On behalf of the Department, I hope this Bulletin will help government, non-government agencies, private/corporate sectors, students, job-seekers, researchers and career counselors to guide proper planning and decision making and help shape an informed workforce.

The Department encourages and welcomes your comments and feedback on Labour Market Information Bulletin 2016 for future improvement.

**DIRECTOR GENERAL  
DEPARTMENT OF EMPLOYMENT AND HUMAN RESOURCES  
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 interview.

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

**Employed:** Persons who worked as paid employees, employers, own account workers (self-employed), or family workers during the reference period. It 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 for 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 live with their families in poverty on less than US \$1 a day per family member.

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

## Abbreviations:

<b>ATP</b>	-	Apprenticeship Training Programme
<b>PEEP</b>	-	Pre-Employment Engagement Programme
<b>ESD</b>	-	Employment Services Division
<b>LMIRD</b>	-	Labour Market Information & Research Division
<b>DoE &amp;HR</b>	-	Department of Employment and Human Resources
<b>DHR</b>	-	Department of Human Resources
<b>DoL</b>	-	Department of Labour
<b>MoLHR</b>	-	Ministry of Labour and Human Resources
<b>MoE</b>	-	Ministry of Education
<b>RCSC</b>	-	Royal Civil Service Commission
<b>RUB</b>	-	Royal University of Bhutan
<b>NSB</b>	-	National Statistics Bureau
<b>GoI</b>	-	Government of India
<b>RGoB</b>	-	Royal Government of Bhutan
<b>RIM</b>	-	Royal Institute of Management
<b>LFS</b>	-	Labour Force Survey
<b>PHCB</b>	-	Population and Housing Census of Bhutan
<b>GDP</b>	-	Gross Domestic Product



## Summary Highlights on key labour market indicators:

Sl. No.	Key Indicators	2009	2010	2011	2012	2013	2014	2015
1	<b>Population distribution by age structure (%)</b>							
	<15	31.2	30.5	30.5	28.9	29.1	26.3	26.9
	15-64	62.6	64	64.1	65.3	65.5	67.1	66.4
	65+	6.3	5.5	5.4	5.8	5.5	6.6	6.7
2	<b>Rural-Urban proportion (%)</b>							
	Rural	75.5	69.2	68.5	69.5	69.1	69.3	69.4
	Urban	24.5	30.8	31.5	30.5	30.9	30.7	30.6
3	<b>Male-Female Proportion (%)</b>							
	Male	49.5	48.6	48.8	48.9	49.6	48.6	48.0
	Female	50.5	51.4	51.2	51.1	50.4	51.4	52.0
4	<b>Labour Force Participation Rate (%)</b>	<b>68.5</b>	<b>68.6</b>	<b>67.4</b>	<b>64.4</b>	<b>65.3</b>	<b>62.6</b>	<b>63.1</b>
	<b>By area</b>							
	Rural	71.9	69.3	70.1	60	67.9	65.7	64.8
	Urban	63.2	67	61.2	59.2	59.5	55.3	59.2
	<b>By gender</b>							
	Male	72.8	73.6	72.3	65.7	72.1	71.0	71.2
	Female	64.6	63.9	67.4	63.2	58.9	54.8	55.9
5	<b>Unemployment rate (%)</b>	<b>4</b>	<b>3.3</b>	<b>3.1</b>	<b>2.1</b>	<b>2.9</b>	<b>2.6</b>	<b>2.5</b>
	<b>By area</b>							
	Rural	3	2.6	2.1	1.5	1.5	1.2	1.0
	Urban	7.5	5.1	5.8	3.54	6.3	6.7	6.3
	<b>By gender</b>							
	Male	2.6	2.7	1.8	1.9	2.2	1.9	1.8
	Female	5.4	4	4.5	2.2	3.7	3.5	3.1

Source: Labour Force Survey Reports, MoLHR

## INTRODUCTION

The labour market, like any other market can be described in terms of three key economic components - demand, supply and price (wage, remuneration). 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 space where these three key components come together to interact is the labour market.

The International Labour Organization (ILO) defines Labour Market Information (LMI) as “*any information concerning the size and composition of the labour market or any part of the labour market, the way it or any part of it functions, its problems, the opportunities which may be available to it, and the employment-related intentions or aspirations of those who are part of it*”. LMI is crucial in facing the uncertainties of a changing demand and supply chains of labour market - it can reduce job search costs for both employers and job seekers and make the supply and demand of labour more elastic thus making the labour market more flexible and adaptable to changing situations.

LMI also plays a key role in policy planning and implementation. It helps prospective job seekers (students) and workers realign their education and training in response to demand in the labour market

leading to better career-management skills and a lower possibility of unemployment. For employers, effective LMI results in fewer skill shortages and a lower turnover rate from an informed workforce and hiring the right people for the right job. Hence, policy planning geared towards guiding the reallocation of skilled workers as per the changing market forces, through effective LMI, can enhance productivity, competitiveness, and economic growth within the market.

Labour Market Information Bulletin provides practical and timely information on the employment situation in the country enabling individuals to explore employment trends in the public, private and corporate sectors. It also comprises of information on the supply and demand for workers both from within and outside the country and acts a means by which employers find the labour they need, whilst hundreds of jobseekers offer their labour services in different occupations.

## CHAPTER 1: LABOUR MARKET

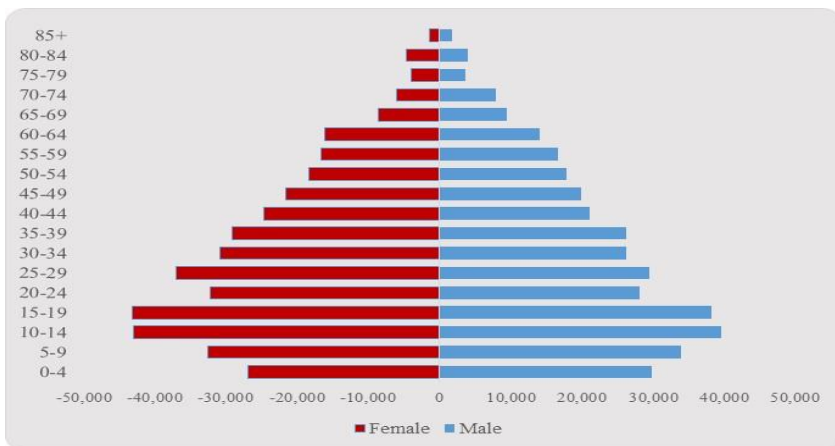
### Labor Market Situation in Bhutan and Analysis

In the last eight years, labor market of Bhutan has undergone structural change. Unemployment Rate which is an important parameter to measure the economy of the country has fluctuated over the years. Every year, it is observed that there has been an increasing number of job seekers, mostly youth (NGOP, DoE&HR, MoLHR) entering the labor market. It was also seen that the trend of employed persons with higher qualification has been a rising phenomenon. Therefore, this chapter aims to provide the transformation of labor market in the last seven years (2009 – 2015).

#### 1. Population and Labour Force

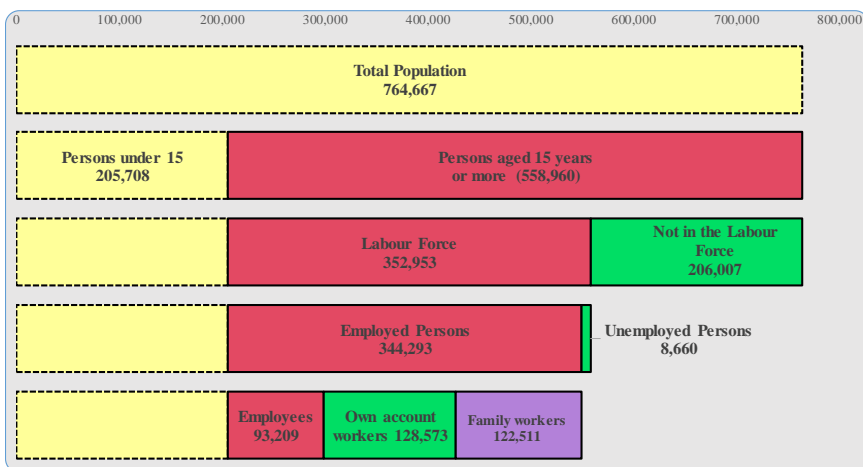
The estimated population of Bhutan stand at 764,667 (LFS 2015) of which 367,419 males and 397,248 females. The population pyramid illustrates the breakdown of population by gender and age group.

**Figure 1.1: Population Pyramid, 2015**



From the Figure.1.1, it shows that Bhutan's demographic profile is youthful. The age group (15-49) constitutes 53.3% of the total population. The figure also shows that the population aged (0-9) years is also diminishing. The decreasing trend may be resulted due to the decline in total fertility rate.

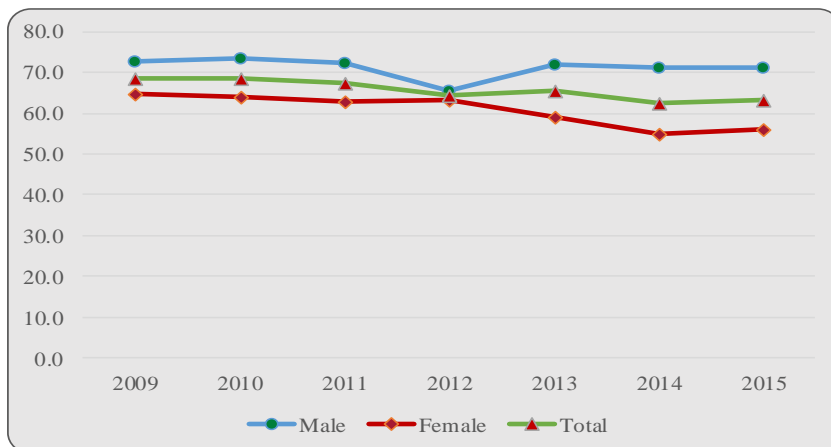
**Figure 1.2: Composition of Labor Force, 2015**



The Figure 1.2, shows the composition of labor force. Of the total of 764,667 estimated population, 26.9% fall under 15 years of age. Only 73.1% (558,960 persons) fall under working age population. Of the total of working age population, 352,953 are engaged in the labor market which accounts to 63.1% and the remaining 36.9% are out of labor force. This section of out of labor force are unable to actively participate in the labor market as a result of household/family duties, old age and disability. The employed persons (344,293) are mostly composed from own account

workers<sup>1</sup>, family workers<sup>2</sup> and employees<sup>3</sup>. The breakdown of this nature of employment are provided in the footnote.

Figure 1.3: Labor Force Participation Rate (LFPR) by male and female over the years



The Figure 1.3, illustrates the LFPR classified by gender from 2009 to 2015, and points out the following characteristics;

1. The male LFPR has remained more or less the same throughout the year except for the year 2012 which declined to 65.7%.

<sup>1</sup>**Own Account Workers:** Own account workers (Agriculture), Own account workers (Non-agriculture) and Employers

<sup>2</sup>**Family Workers:** Family workers (Agriculture) and Family workers (Non-agriculture)

<sup>3</sup>**Employees:** Regular paid, casual paid and contract paid employees

2. It was observed that the female LFPR continued to remain low compared to male LFPR throughout the years (2009 - 2015) and it shows declining trend.

### **Factors behind the Labor Force Participation Rate**

1. The sharp fall in the male LFPR in 2012 is affected by decline in male labor force. The drop in labor force is influenced by employed and unemployed persons which 2012 experienced one of the lowest since 2009.
2. The declining trend in female LFPR can be explained by significant fall in LFPR in the age group (15-19). The female LFPR has declined from 36.4% in 2009 to 10.5% in 2015. The possible reason in sharp decline is affected because they invest their time in educational purposes during these periods.

## **2. Employment and Unemployment trends**

### **Changes in Employment Structure**

Structure of employment is in constant change. It has been gradually shifting from primary sector to tertiary sector. Number of employed persons engaged in agriculture sector has been declining over the years as per the labour force surveys. .

Figure 1.4 illustrates the percentage distribution of working persons by sector in 2014 and 2015. The figure shows that employed persons



has not shifted from Primary<sup>4</sup> sector to Tertiary<sup>5</sup> sector. Primary Sector, which is agriculture sector has increased to 58.0% in 2015 from 56.7% in 2014. Secondary<sup>6</sup> and Tertiary sector in 2015 decreased to 9.7% in 2015 from 10.8% in 2014 and 32.4% in 2015 from 32.5% in 2014 respectively.

**Figure 1.4: Percentage distribution of employed persons by sector in 2014 and 2015**

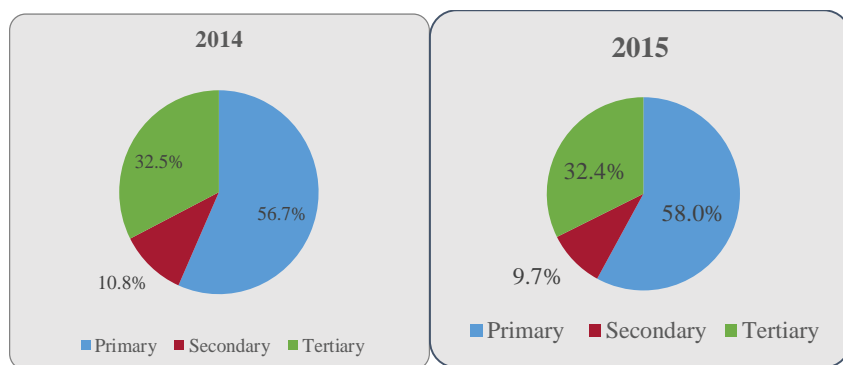


Table 1.1 shows percentage share of working men and women in formal<sup>7</sup> and informal<sup>8</sup> sector by qualification (Bachelor’s degree and

<sup>4</sup>**Primary Sector** : Agriculture and forestry

<sup>5</sup>**Tertiary Sector**: Wholesale & retail, Transportation and storage, Accommodation and food service activities, Information and communication, Financial intermediation, Real estate activities, Public administration, Education, Health and social work and Private Households with employed persons

<sup>6</sup>**Secondary Sector**: Mining and Quarrying, Manufacturing, Electricity and gas supply, Water supply, sewage, waste management and construction

<sup>7</sup>**Formal Sector** for the above table is defined as those persons working as regular paid workers

<sup>8</sup>**Informal Sector** in other hand is defined as those persons working as family workers, own account workers, contract/piece paid workers, casual paid and employers

above) since 2009. It is clear from the table that the Bhutanese labor market is composed of informal sector which contributed to three quarter of the share in all the years. The percentage distribution of working persons with Bachelor's degree and above is less than 5.0% across the years. Women's share of Bachelor's degree and above is lower than men's share however, it is encouraging to see that percentage share of working men and women with Bachelor's degree and above shows an increasing trend.

In the formal sector, the men's share of Bachelor's degree and above has increased to 13.0% in 2015 from 6.2% in 2009. Although the women's share of Bachelor's degree and above in formal sector demonstrate increasing trend over the years still it is very low compared to men's share.

The percentage distribution of working persons in the informal sector, shows fluctuating trend from 2009 to 2015. However, in general, the share of employed person in informal sector is falling. Currently, the share of employed persons in informal sector stand at 77.0%. The share of employed men and women with Bachelor's degree and above in informal sector were very low across the years. The men's share of Bachelor's degree and above showed rising trend over the years and it increased to 1.0 % in 2015 from 0.3% in 2009.

**Table 1.1: Male-female percentage distribution of employed persons in formal and informal sectors with Bachelor's degree & above over the years**

	2009	2010	2011	2012	2013	2014	2015
<b>Employed persons</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
Bachelor's degree & above [Men]	1.5	2.3	2.6	2.8	3.6	4.0	3.8
Bachelor's degree & above [Women]	0.6	1.0	1.0	1.2	1.4	1.8	1.9
<b>Formal Sector</b>							
Share of formal sector	<b>20.4</b>	<b>24.6</b>	<b>24.0</b>	<b>23.8</b>	<b>25.7</b>	<b>24.3</b>	<b>23.0</b>
Bachelor's degree & above [Men]	6.2	7.7	9.3	9.9	11.8	13.2	13.0
Bachelor's degree & above [Women]	2.6	3.3	3.4	4.2	4.7	6.1	7.4
<b>Informal Sector</b>							
Share of informal sector	<b>79.6</b>	<b>75.4</b>	<b>76.0</b>	<b>76.2</b>	<b>74.3</b>	<b>75.7</b>	<b>77.0</b>
Bachelor's degree & above [Men]	0.3	0.5	0.5	0.5	0.8	1.1	1.0

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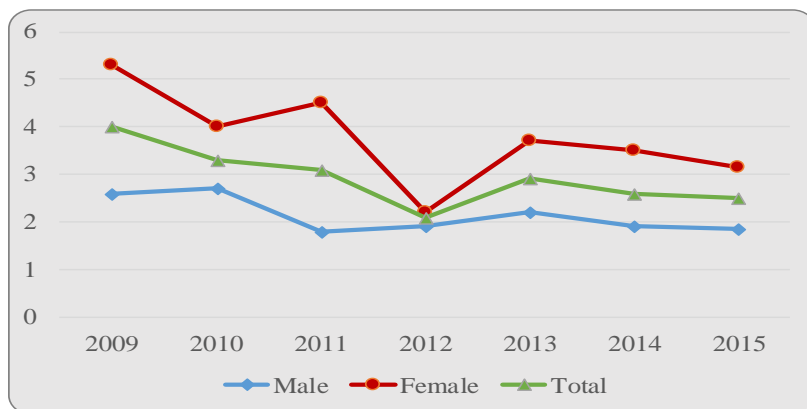
Bachelor's degree & above [Women]	0.0	0.2	0.2	0.2	0.2	0.4	0.3
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## Unemployment trends

Figure 1.5 shows the unemployment rate over the years. In general male experienced lower unemployment rate compared to their female counter part across the years. In addition, male unemployment rate didn't face extreme change. Female unemployment rate didn't face extreme change. Female unemployment rate in the other hand went through sea of change. It stood at 5.3% in 2009 and fell sharply to 2.2% in 2012. It steeply rose to 3.7% in 2013. It gradually declined to 2.5% in 2015. The difference in male-female unemployment rate show a diminishing trend since 2009. It has reduced from 2.7% in 2009 to 1.3% in 2015.

**Figure 1.5: Unemployment rate by gender over the years**



**Figure 1.6: Youth unemployment rate by gender over the years**

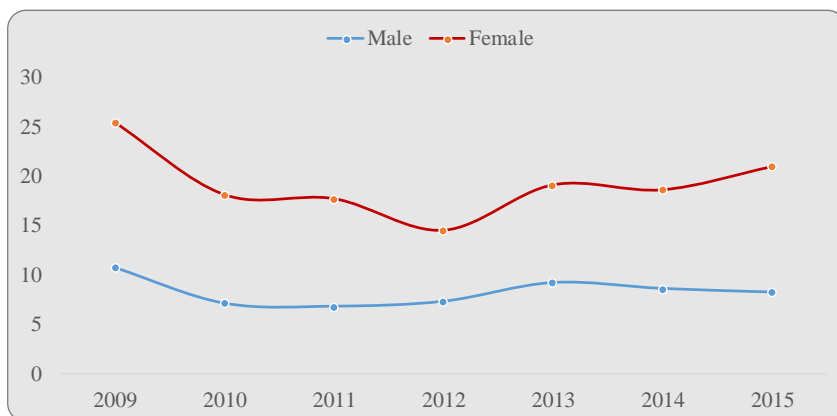


Figure 1.6 indicates that youth unemployment rate by gender over the years. It shows that male youth unemployment rate is decreasing. It has decreased to 8.2% in 2015 from 8.6% in 2014. However, female youth unemployment rate has increased to 12.7% in 2015 from 10.0% in 2014.

## CHAPTER 2: LABOR MARKET INSTITUTION AND LABOR MARKET SEGMENTATION IN BHUTAN

### **Labor Market Institution**

As per the Labour and Employment Act 2007 the legislation on various aspects of labor protection are in place. The government has rectified and improved the regulations on working environment and conditions of workers in the private and corporate sectors. Also initiated Occupational Health and Safety (OHS) in the work places.

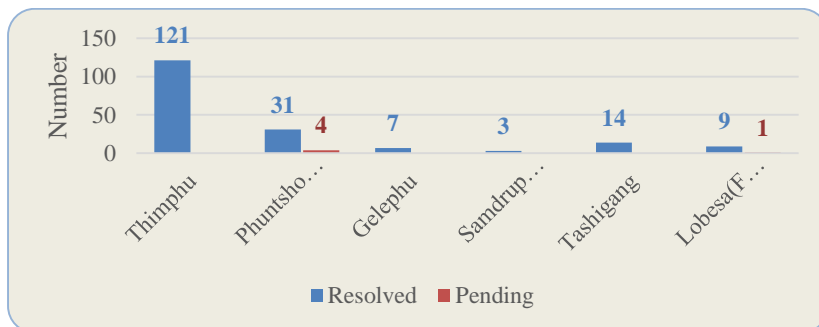
Labor market institution which means institution of rules, practices and organizations which enhance smooth operation of labor market. The balance between labor market flexibility and worker protection which resulted from the institution of labor administration can contribute to creation of jobs and allocation of labor efficiently. On the contrary, if the institutions are unbalanced and provide labor protection to certain section of groups, this may lead to poor outcomes in the labor market. To avoid this outcome, Department of Labor under Ministry of Labor and Human Resources has devoted their attention to provide balanced labor protection.

**Table 2.1: Total number of establishments visited by region wise (2015-2016)**

Region	Routine Inspection	Follow-up Inspection	Special Inspection	Total
Thimphu	249	61	7	<b>317</b>
Phuntsholing	1,046	157	0	<b>1,203</b>
Gelephu	260	80	0	<b>340</b>
Samdrup Jongkhar	311	81	1	<b>393</b>
Trashigang	115	31	0	<b>146</b>
Lobesa (PHPA only)	23	1	11	<b>35</b>
<b>Total</b>	<b>2,004</b>	<b>411</b>	<b>19</b>	<b>2,434</b>

Source: DoL, MoLHR

Table 2.1 shows the cumulative frequency of inspections carried out in the establishments by Labor Inspectors. Total of 2,434 establishments were visited in different category for inspection. The highest being the routine inspection with 2,004 establishments and Phuntsholing region has the highest number of establishments inspected.

**Figure 2.1: Distribution of number of complaint status by region-wise (2015-2016)**

Source: DoL, MoLHR



Figure 2.1 clearly shows that Thimphu region received the maximum number of complaints owing to the large number of establishments in the region while Tashigang region received the least number of complaints.

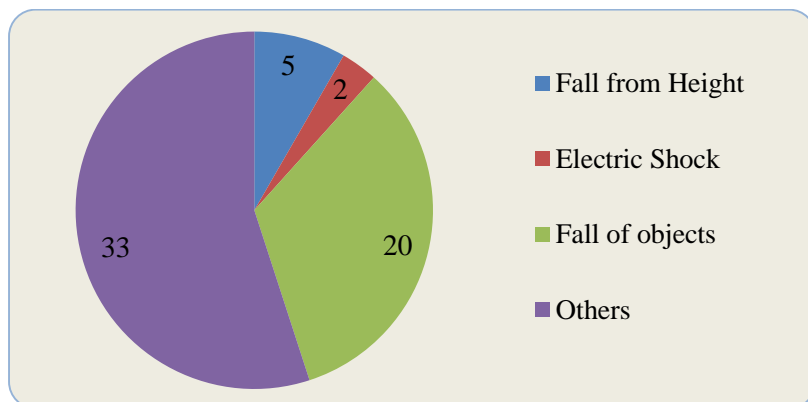
**Table 2.2: Number of employees who met with accidents by sector and types of accidents (2015-2016)**

Sector	Fatal	Total Disability	Partial Disability	Total
Construction	4	0	1	5
Hydropower	17	3	11	31
Manufacturing and Production	1	1	18	20
Mining and Quarry	1	0	2	3
Trading and Services	1	0	0	1
Others	0	0	0	0
<b>Total</b>	<b>24</b>	<b>4</b>	<b>32</b>	<b>60</b>

Source: DoL, MoLHR

Table 2.2 illustrates the number of employees who met with different kind of accidents at their work place by sector. From the total of 60 accidents, the highest was partial disability with 32 employees followed by fatal with 24 employees. Hydropower sector experienced the highest accidents record with 31 employees followed by Manufacturing and Production sector with 20 employees. The least accident was recorded in Trading and Services sector.

**Figure 2.2: Number of employed persons who met with accidents by causes (2015-2016)**



*Source: DoL, MoLHR*

The Figure 2.2 shows the summary statistics of employed person who met with accidents by major causes. The highest causes of accidents were other reasons which includes accidents from vehicle, bridge collapse etc. The second highest accident is caused due to the falling object, which includes falling of boulders, loose soil and falling trees.

**Table 2.3: Number of complaints received by nature of complaint and region-wise (2015-2016)**

Nature of complaints	Thimphu	Phuntsholing	Gelephu	Samdrup Jongkhar	Trashigang	Lobesa	Total
Non-payment of wages	59	19	7	3	10	1	<b>99</b>
Termination without notice	7	6	0	0	0	0	<b>13</b>
Resignation without notice	8	1	0	0	2	4	<b>15</b>
Non-payment of benefits	19	4	0	0	0	2	<b>25</b>
Non-acceptance of resignation	3	0	0	0	0	0	<b>3</b>
Sexual harassment	0	0	0	0	0	0	<b>0</b>
Others	25	3	0	0	2	0	<b>33</b>
<b>Total</b>	<b>121</b>	<b>33</b>	<b>7</b>	<b>3</b>	<b>14</b>	<b>10</b>	<b>188</b>

Source: DoL, MoLHR

Table 2.3 states the number of complaints received by region-wise. Ministry has received total of 188 complaints. Thimphu region received the highest with 121 complaints followed by Phuntsholing region with 33 complaints. Samdrup Jongkhar received the least with 3 complaints. Non-payment of wages topped with 99 complaints.

## Labor Market Segmentation

Labor market segmentation which means the segmentation of employed persons by nature of employment as shown in Table 2.4.

The Table, which illustrates the segmentation of employed persons by nature of employment, depicts that 30.4% of employed persons were working as family worker in agri-farming. Only 24.0% were working as regular paid employees.

**Table 2.4: Market segmentation of employed persons by nature of employment, 2015**

<b>Category</b>	<b>Percent</b>
Regular paid employee	23.1
Casual paid employee	2.7
Contract/Piece paid worker	1.3
Own-account worker(Non-agriculture)	12.3
Own-account worker(Agriculture)	25.1
Family worker(Non-agriculture)	3.2
Family worker(Agriculture)	32.4
<b>Total</b>	<b>100.0</b>

Source: LFS 2015

## CHAPTER 3: LABOUR SUPPLY

### **National Graduates Orientation Program & Registered Job Seekers**

Out of the total 2,229<sup>9</sup> graduates who attended the National Graduate Orientation Program (NGOP) in 2016, 51.8 percent of them were male and the remaining 48.2 percent were female university graduates, the gap between the male and female attending the NGOP has been narrowing since 2010. In 2016, 66.8 percent (1490) of the total NGOP attendee had completed their tertiary education from within the country and 28.3 percent from India as shown in Table 3.1.

Recently, labour market saw an increasing 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 74.9 percent (48.3% male and 51.7% female) of the 2,229 graduates who attended NGOP 2016 were general graduates, with more than half of them having a degree in business studies. There were only 553 (25.1%) technical graduates, 346 male and 207 female technical graduates further showing wider gender gap in the technical field while it was the opposite in the case of general graduates.

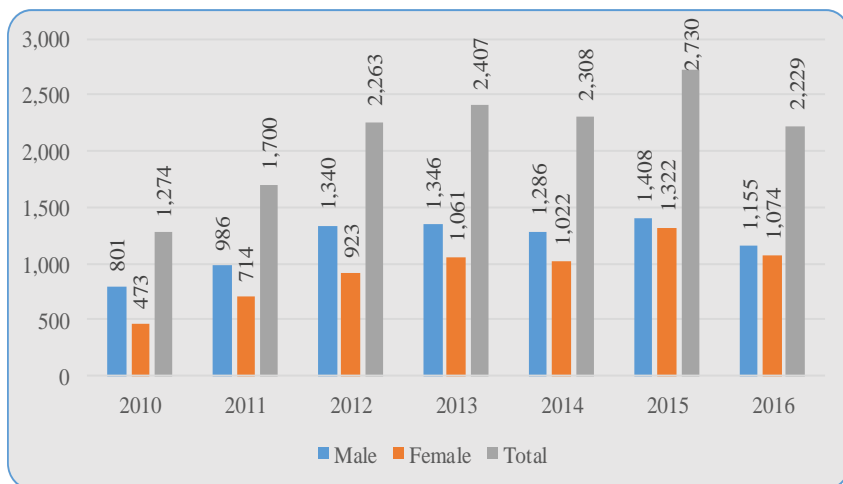
A closer look into the 7,511 job seekers who have registered with the Ministry's online Job Portal System in 2016 shows that majority of them are those with higher secondary education (3,877) followed

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<sup>9</sup>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.

by those with middle secondary education (1,590) and general graduates (1,197) (see Table 3.2 ). With little to no registrations under Certificate/Diploma and less technical graduates, the negative correlation between the demand and supply of labour in terms of qualifications is quite evident.

Figure 3.1: Number of graduates attending NGOP over the years



Source: LMIRD, DoE&HR, MoLHR

**Table 3.1: Number of graduates for NGOP 2016 by country of study**

<b>Country of Study</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>
Australia	3	3	6
Bangladesh	4	13	17
Bhutan	739	751	1,490
China	2	0	2
Philippines	1	0	1
India	370	260	630
Malaysia	3	6	9
United Arab Emirates	11	8	19
Sri Lanka	14	13	27
Thailand	7	17	24
United Kingdom	1	0	1
United States	0	3	3
<b>Total</b>	<b>1,155</b>	<b>1,074</b>	<b>2,229</b>

*Source: LMIRD, DoE&HR, MoLHR*

**Table 3.2: Number of job seekers registered by educational attainment and gender over the years**

Category	2011			2012			2013			2014			2015			2016		
	M	F	Total	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	0	0	0	3	0	3	0	0	0
Masters	26	9	35	45	20	65	29	18	47	33	20	53	22	18	40	14	7	21
Technical Graduates	337	138	475	448	268	716	549	373	922	400	209	609	319	233	552	297	177	474
General Graduates	656	523	1,179	792	636	1,428	809	893	1,702	848	912	1,760	807	920	1,727	594	603	1,197
Diploma	26	27	53	50	5	55	3	0	3	0	0	0	0	0	0	0	0	0
Class XII	1435	1365	2,800	1192	1295	2,487	974	1229	2,203	1691	2178	3,869	1750	1977	3,727	1750	2127	3,877
Certificate	321	274	595	53	74	127	203	296	499	0	1	2	0	0	0	0	0	0
Class X	524	737	1,261	485	660	1,145	399	659	1,058	890	1296	2,186	748	1131	1,879	594	996	1,590
IX & Below	118	134	252	130	102	232	39	89	128	90	105	195	64	74	138	58	96	154
Illiterate	77	115	192	67	175	242	19	200	219	15	42	57	5	15	20	1	10	11
Others	NA	NA	NA	NA	NA	NA	20	15	35	69	40	109	71	45	116	90	97	187
<b>Total</b>	<b>3,520</b>	<b>3,322</b>	<b>6,842</b>	<b>3,262</b>	<b>3,235</b>	<b>6,497</b>	<b>3,046</b>	<b>3,772</b>	<b>6,818</b>	<b>4,036</b>	<b>4,803</b>	<b>8,840</b>	<b>3,789</b>	<b>4,413</b>	<b>8,202</b>	<b>3,398</b>	<b>4,113</b>	<b>7,511</b>

Source: ESD, DoE&amp;HR, MoLHR



## Estimated Supply in 2017

At present the Royal University of Bhutan (RUB) alone constitutes more than 70 percent of the total enrolments. Around 4,054 students are expected to complete their undergraduate studies from within the country in 2017 and enter labour market, of which 54.4 percent would be male and 45.6 percent would be female graduates.

Seeing the disconnect in the labour market, it is crucial that Bhutanese students planning to pursue higher/tertiary education or training are guided and well informed to make their decisions that would ease transitioning into the labour market and ensure higher employability upon completion of their studies.

Table 3.3: Supply of university by institutes and gender from within Bhutan, 2017

Institutes	Male	Female	Total
College of Science and Technology	278	122	400
Jigme Namgyel Engineering College	264	126	390
College of Natural Resources	35	24	59
College of Language and Culture Studies	234	228	462
Gaeddu College of Business Studies	243	206	449
Sherubtse College	280	293	573
Royal Thimphu College	169	198	367
Paro College of Education	398	389	787
Samtse College of Education	305	262	567
<b>GRAND TOTAL</b>	<b>2,206</b>	<b>1,848</b>	<b>4,054</b>

Source: Royal University of Bhutan

**Table 3.4: Estimated supply of labour by institutes, course and sex, 2017**

Sl. No.	Institutes	Programmes	Male	Female	Total
1	College of Science and Technology	Bachelor of Architecture	7	7	14
		BE in Civil Engineering	141	47	188
		BE in Electrical Engineering	62	27	89
		BE in Electronics and Communication Engineering	36	18	54
		BE in Information Technology	32	23	55
		<b>Total</b>	278	122	400
2	Jigme Namgyal Engineering College	Diploma in Civil Engineering	96	43	139
		Diploma in Computer Hardware & Networking	40	18	58
		Diploma in Electrical Engineering	41	21	62
		Diploma in Electronic & Communication Engineering	16	13	29
		Diploma in Materials and Procurement Management	15	7	22
		Diploma in Mechanical Engineering	34	15	49
		Diploma in Surveying	22	9	31
		<b>Total</b>	264	126	390
3	College of Natural Resources	B Sc in Agriculture	0	0	0
		B Sc in Animal Science	0	0	0
		B Sc in Environment and Climate Studies	0	0	0
		B Sc in Forestry	0	0	0
		B Sc in Sustainable Development	16	16	32
		M Sc in Natural Resource Management	1	2	3
		Masters in Development Practice	18	6	24
		<b>Total</b>	35	24	59
4	College of Language and Culture Studies	BA in Bhutanese and Himalayan Studies	84	82	166
		BA in Language and Culture	30	17	47
		BA in Language and Literature	92	112	204
		Diploma in Language and Communication Skills	16	15	31
		MA in Dzongkha and Chokey	12	2	14
		<b>Total</b>	234	228	462

Sl. No.	Institutes	Programmes	Male	Female	Total
5	Gaeddu College of Business Studies	Bachelor of Business Administration	64	52	116
		Bachelor of Commerce	179	154	333
		<i>Total</i>	243	206	449
6	Sherubtse College	B Sc in Computer Science	19	21	40
		B Sc in Environmental Science	21	16	37
		B Sc in Life Science	28	24	52
		B Sc in Physical Science (Mathmatics & Chemistry)	8	10	18
		B Sc in Physical Science (Mathmatics & Physics)	25	3	28
		B Sc in Physical Science (Physics & Chemistry)	12	7	19
		BA (Hons) in Dzongkha	7	1	8
		BA (Hons) in Economics	1	2	3
		BA (Hons) in English	3	5	8
		BA in Dzongkha and Media Studies	8	16	24
		BA in Economics and Geography	39	33	72
		BA in Economics and Population Studies	24	37	61
		BA in English and Dzongkha	21	29	50
		BA in English and Media Studies	9	22	31
BA in History and Dzongkha	25	20	45		
BA in Political Science and Sociology	30	47	77		
		<i>Total</i>	280	293	573
7	Royal Thimphu College	BA Economics-Environmental Studies	8	22	30
		BA English-Dzongkha	6	19	25
		BA English-Environmental Studies	42	47	89
		BA Political Studies	15	16	31
		Bachelor of Business Administration	38	30	68
		Bachelor of Commerce	60	64	124
		<i>Total</i>	169	198	367

Sl. No.	Institutes	Programmes	Male	Female	Total
8	Paro College of Education	B Ed Dzongkha	116	60	176
		B Ed Primary	181	266	447
		B Ed Secondary	30	20	50
		Diploma in Physical Education and Sports Coaching	17	4	21
		M Ed in Dzongkha	22	4	26
		M Ed in Leadership and Management	26	3	29
		Postgraduate Diploma in Education	6	32	38
		<i>Total</i>	398	389	787
9	Samtse College of Education	B Ed Primary	36	52	88
		B Ed Secondary (Arts)	37	50	87
		B Ed Secondary (Science)	132	102	234
		Postgraduate Diploma in Education	72	47	119
		Postgraduate Diploma in Guidance and Counselling	16	7	23
		Postgraduate Diploma in Higher Education	12	4	16
		<i>Total</i>	305	262	567
<b>GRAND TOTAL</b>			<b>2,206</b>	<b>1,848</b>	<b>4,054</b>

Source: Royal University of Bhutan

According to the administrative records maintained with the Department of Adult and Higher Education, more than 900 students are currently undergoing tertiary education under various scholarship programs, of which around 214 students are expected to graduate in 2017 and enter the job market, 70.1 percent male and 29.9 percent female. More than half of these graduates will be from India.

**Table 3.5: Estimated supply of scholarship students by field of study and gender from outside Bhutan, 2017**

<b>Course Field</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>
Medicine	57	28	85
Biological Sciences	9	3	12
Engineering	62	14	76
Education and Academics	9	9	18
Arts & Humanities	13	10	23
<b>Total</b>	<b>150</b>	<b>64</b>	<b>214</b>

*Source: Scholarship and Student Support Division, DAHE, MoE*

**Table 3.6: Estimated supply of scholarship students by country of study and gender from outside Bhutan, 2017**

<b>Country of Study</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>
India	108	42	150
Sri Lanka	23	9	32
Bangladesh	1	1	2
Malaysia	5	4	9
Thailand	6	5	11
South Korea	1	0	1
USA	1	1	2
Australia	5	2	7
<b>Total</b>	<b>150</b>	<b>64</b>	<b>214</b>

*Source: Scholarship and Student Support Division, DAHE, MoE*

Table 3.7: Number of graduates from Technical Training Institutes (TTIs) and Zorig Chusum by course and institute, 2016

Sl. No.	Institute	Trade	Male	Female	Total
1	Technical Training Institute - Chumey	Carpentry	8	16	24
		Masonry	20	10	30
		Plumbing	8	12	20
		Welding	2	6	8
		<i>Total</i>	<b>38</b>	<b>44</b>	<b>82</b>
2	Technical Training Institute - Khuruthang	Electrical	35	23	58
		Mechanical	33	11	44
		<i>Total</i>	<b>68</b>	<b>34</b>	<b>102</b>
3	Technical Training Institute - Rangjung	Electrical	15	9	24
		Computer Hardware	10	13	23
		Furniture Making	8	1	9
		Automobile	0	0	0
		<i>Total</i>	<b>33</b>	<b>23</b>	<b>56</b>
4	Technical Training Institute - Samthang	Automobile	33	13	46
		Heavy Vehicle Driving	18	0	18
		Heavy Earth Moving	12	0	12
		<i>Total</i>	<b>63</b>	<b>13</b>	<b>76</b>
5	Technical Training Institute - Thimphu	Automobile	13	11	24
		<i>Total</i>	<b>13</b>	<b>11</b>	<b>24</b>
6	Jigme Wangchuck Power Training Institute	Carpentry	2	15	17
		Masonry	7	6	13
		Plumbing	6	9	15
		Mechanical	14	4	18
		<i>Total</i>	<b>29</b>	<b>34</b>	<b>63</b>
7	Institute for Zorig Chusum Thimphu	Lhadri (6 years)	8	0	8
		Lhadri (2 years)	32	1	33
		Lhadri (1 year)	30	4	34
		Patra (2 years)	15	0	15
		Tshemzo (1 Year)	1	7	8
		Jimzo (6 years)	4	0	4
		Tshemdrup (2 years)	2	13	15
		Tshemdrup & Tshemzo (2 years)	0	12	12
<i>Total</i>	<b>92</b>	<b>37</b>	<b>129</b>		

Sl. No.	Institute	Trade	Male	Female	Total
		Lhadri (6 years)	4	0	4
		Babzo (4 years)	7	0	7
		Jimzo (6 years)	1	0	1
		Patra (2 years)	12	0	12
8	Institute for Zorig Chusum	Tshemzo (2 years)	0	13	13
	Trashi Yangtse	Tshemdrup (2 years)	0	6	6
		Machine Tshemdrup (1 year)	1	7	8
		Shagzo (2 years)	1	2	3
		Dralham 1 year	0	7	7
		<i>Total</i>	<b>26</b>	<b>35</b>	<b>61</b>
<b>GRAND TOTAL</b>			<b>362</b>	<b>231</b>	<b>593</b>

Source: Department of Technical Education, MoLHR<sup>10</sup>

### Foreign Workers:

Total foreign workers in the country stands at **57,632** as of 5th June 2017, which constitutes 97.2 percent male and only 2.78 percent female foreign workers. Of the total of foreign workers in the country, 83.1 percent of them were engaged in Craft and related trade workers followed by 8.1 percent in Elementary Occupation.

<sup>10</sup>TTI graduation takes place in June and NIZC graduation in December

Table 3.8: Number of Foreign workers employed in Bhutan by Dzongkhag, nationality and sex, 2017

Dzongkhag	Indian			Others			Grand Total
	Male	Female	Total	Male	Female	Total	
Bumthang	686	1	687	4	1	5	692
Chhukha	3671	544	4215	19	0	19	4234
Dagana	1475	0	1475	0	0	0	1475
Gasa	261	1	262	0	0	0	262
Haa	1086	55	1141	1	1	2	1143
Lhuentse	189	0	189	0	0	0	189
Mongar	808	80	888	8	2	10	898
Paro	3654	258	3912	28	4	32	3944
Pema Gatshel	482	0	482	0	0	0	482
Punakha	1549	5	1554	6	2	8	1562
Samdrup Jongkhar	1104	46	1150	2	0	2	1152
Samtse	1477	6	1483	2	0	2	1485
Sarpang	3827	9	3836	1	0	1	3837
Thimphu	10958	151	11109	121	64	185	11294
Trashigang	1639	332	1971	4	10	14	1985
Trashiyangtse	439	0	439	0	0	0	439
Trongsa	9335	6	9341	2	2	4	9345
Tsirang	1501	2	1503	0	0	0	1503
Wangdue Phodrang	10941	11	10952	18	4	22	10974
Zhemgang	734	2	736	0	1	1	737
			<b>Total</b>				<b>57632</b>

Source: Labour-net System (as of 5th June 2017), Department of Labour, MoLHR



Table 3.9: Foreign workers by major occupation and gender, 2017

Major Occupation	Indian			Others			Grand Total
	Male	Female	Total	Male	Female	Total	
Clerical support workers	490	151	641	0	0	0	641
Craft and related trade workers	47841	33	47874	28	2	30	47904
Elementary Occupation	3441	1251	4692	1	0	1	4693
Managers	213	3	216	41	19	60	276
Plant and machine operators and assemblers	1996	0	1996	11	0	11	2007
Professionals	1142	64	1206	94	46	140	1346
Service and sales workers	113	0	113	9	3	12	125
Skilled Agricultural, Forestry and Fishery	63	0	63	1	2	3	66
Technicians and Associate Professionals	517	7	524	31	19	50	574
	<b>Total</b>						<b>57632</b>

Source: Labour Net System (as of 5th June 2017), DoL, MoLHR

## CHAPTER 4: LABOUR DEMAND

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

### **Vacancies:**

In 2016, a total of 8,013 vacancies were compiled by the Ministry, majority of which constituted the private sector, 54.1 per cent, followed by overseas employment and government sectors with 17.9 percent and 15.5 percent respectively. The constitution of the vacancies has changed in comparison to previous years with vacancies from overseas gaining popular among the youth with no employment growth in the government sector. Similarly to previous years, the vacancies from NGOs made up a negligible share to overall vacancies announced.

In line with the Labour Force Survey Reports indicating a significant portion of unemployed persons with higher secondary education and tertiary education, 36.8 percent of these vacancies in 2016 were for those with middle secondary education (Class X) followed by 15.7 percent for general university graduates and 13.4 percent for higher secondary education. Vacancies with below middle secondary education was 7.9 percent, a steady decline since this was the highest requirement in 2013 with 24.3 percent. The requirement for

those with no education background was only 4.4 percent of the overall vacancy share. This gradual shift in labour demand tend to suggest that maybe the market is moving away from labour intensive, low wage settings.

It is, however, important to also note that requirements for vocational skilled and technical graduates are still low, 4.8 percent and 3.4 percent respectively in 2016, despite various efforts to enhance vocational education across the country.

**Table 4.1: Number of vacancies by qualification and sector – 2016**

Qualification	Government agencies	Corporate sector	Private sector	NGOs	Overseas	Total
PhDs	0	0	0	0	0	0
Master degree	5	36	18	6	0	65
General Graduate	125	122	666	16	329	1,258
Technical Graduate	43	163	50	13	0	269
Diploma	153	131	98	4	0	386
Certificate	35	134	856	2	0	1,027
Class XII	146	139	778	8	2	1,073
Class X	217	113	1,514	8	1,100	2,952
Class IX & Below	277	77	273	5	0	632
Illiterate	245	10	83	13	0	351
Others	0	0	0	0	0	0
Total	1,246	925	4,336	75	1,431	8,013

*ESD, DoE&HR, MoLHR*

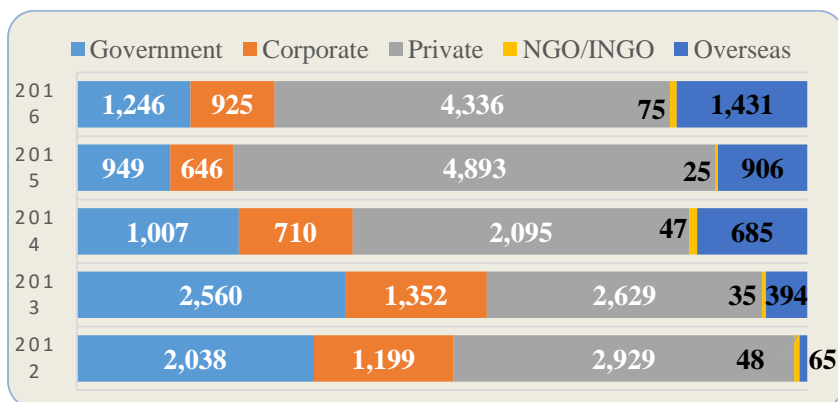
**Table 4.2: Monthly summary of vacancies across various sectors, 2016**

Months	Government agencies	Corporate sector	Private sector	NGOs	Overseas	Total
January	38	101	635	8	102	884
February	153	89	443	1	100	786
March	28	75	751	0	0	854
April	64	154	266	3	0	487
May	174	50	275	8	100	607
June	86	88	135	17	0	326
July	116	21	364	5	0	506
August	44	154	308	6	0	512
September	49	23	282	11	29	394
October	29	28	372	1	100	530
November	308	29	215	1	1,000	1,553
December	157	113	290	14	0	574
<b>Total</b>	<b>1,246</b>	<b>925</b>	<b>4,336</b>	<b>75</b>	<b>1,431</b>	<b>8,013</b>

Source: ESD, DoE&HR, MoLHR

From the vacancies that were compiled by ESD over the years, as shown in Figure 4.1 we can easily see the rise in requirements from the private sector while that from government agencies have declined. Vacancies from NGOs have been consistently negligible.

**Figure 4.1: Vacancies by sectors – 2012-2016**



Source: ESD, DoE&HR, MoLHR

### Referrals:

Job referrals carried out the ESD is often used as a means to encourage employers and job seekers to come together in one platform and connect, minimizing time and cost of normal recruitment processes. However, despite its intentions, of the 8,013 vacancies in 2016, there were only 1,478 referrals made, around 84.0 percent of it made to the private sector which is shown in the Table 4.3.

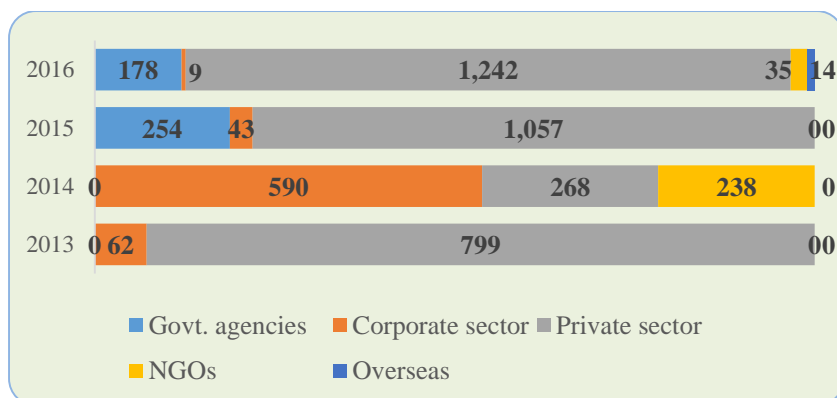
Similar to the case of vacancies, although not as drastically, referrals have been increasing for private sectors from 799 in 2013 to 1,242 in 2016 while that in the government agencies and corporate sectors have been decreasing as shown in the Figure 4.2.

**Table 4.3: Monthly summary of referrals across various sectors – 2016**

Month	Government agencies	Corporate sector	Private sector	NGOs	Overseas	Total
January	4	0	43	0	0	47
February	100	0	2	20	0	122
March	1	0	30	0	0	31
April	5	0	131	11	14	161
May	6	2	149	0	0	157
June	2	0	102	0	0	104
July	0	3	133	0	0	136
August	0	0	230	0	0	230
September	40	0	187	4	0	231
October	18	4	145	0	0	167
November	2	0	34	0	0	36
December	0	0	56	0	0	56
<b>Total</b>	<b>178</b>	<b>9</b>	<b>1,242</b>	<b>35</b>	<b>14</b>	<b>1,478</b>

Source: ESD, DoE, MoLHR

**Figure 4.2: Referrals by sectors – (2013-2016)**



**Placements:**

In 2016, there have been more placements than there were vacancies, that is, 8,263 placements against 8,013 vacancies

announced, with 23.9 percent of those placements made in April followed by 13.1 percent in February.

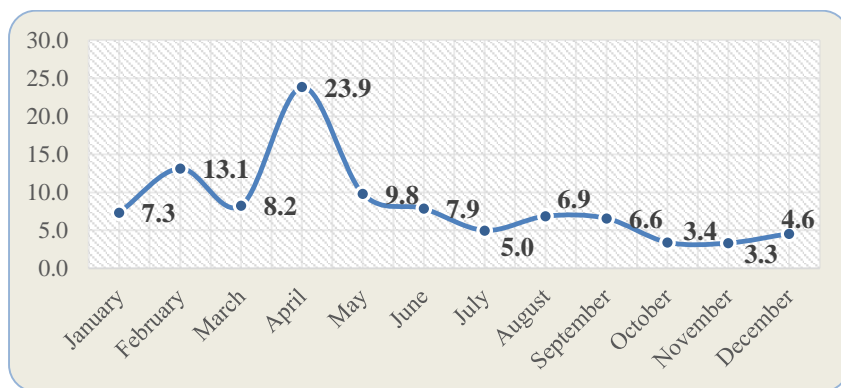
However in the months of October, November and December recorded the lowest placements during the year with 283, 275 and 378 respectively. Of the 8,263 placements, 5,279 placements (63.9%) were made in the private sector followed by 1,448 placements in the overseas program.

**Table 4.4: Monthly summary of placements across various sectors – 2016**

Month	Government agencies	Corporate sector	Private sector	NGOs	Overseas	Total
January	3	11	501	4	88	607
February	130	105	837	8	5	1,085
March	16	28	632	5	0	681
April	262	154	977	2	576	1,971
May	18	92	643	4	53	810
June	14	159	398	0	79	650
July	53	160	154	0	46	413
August	24	9	492	4	38	567
September	64	17	326	6	130	543
October	34	22	145	3	79	283
November	25	24	94	0	132	275
December	32	44	80	0	222	378
<b>Total</b>	<b>675</b>	<b>825</b>	<b>5,279</b>	<b>36</b>	<b>1,448</b>	<b>8,263</b>

Source: ESD, DoE&HR, MoLHR

Figure 4.3: **Monthly placement overview – 2016**



### Labour Market Tightness

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 (Table 4.) 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, but in 2016, number of registered job seekers has been less than the number of vacancies collected, 7,511 registered jobseekers against 8,013 compiled vacancies.

Over the years, the number of vacancies collected has been increasing significantly contrary to the increase in the number of placements that were recorded by Employment Service Division. Despite higher numbers of job vacancies and placements reported, it is also important to note that job referrals have been fairly stagnant and low over the years even though referrals are a cost and time effective method of recruitment.



**Table 4.5: Registration, Vacancy, Referral and Placement Trends over the years**

<b>Year</b>	<b>Jobseekers registered</b>	<b>Vacancies</b>	<b>Referred</b>	<b>Placed</b>
2006	786	2,317	62	564
2007	693	1,611	100	305
2008	1,511	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	6,214	1,793	1,183
2013	7,038	6,796	861	1,345
2014	8,841	4,645	1,096	4,895
2015	8,202	6,918	1,354	5,844
2016	7,511	8,013	1,478	8,241

Source: ESD, DoE&HR, MoLHR

Labour market tightness<sup>11</sup>, which is the ratio of job vacancies to the referral flows, for Bhutan has been increasing from 4.2 in 2014 to 5.4 in 2016 (as seen in Chart 3.1) indicating inadequacy in the rise in the number of referrals issued in comparison to the increasing number of vacancies over the years. Hence, a higher labour market tightness could suggest a larger disconnect between employers and job seekers whereby employers with vacancies find it increasingly difficult contacting relevant job seekers in labour market.

Application ratio<sup>12</sup>, which is the ratio of job vacancies to the registered job seekers, has remained more or less same over the years with 1.0 in 2013 to 1.1 in 2016 indicating the rise in the number of vacancies is relative to the rise in number of job seekers over the years.

The adequacy ratio, which is the ratio of job placements to job vacancies is showing a consistent rise in the past few years, from 0.2

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<sup>11</sup>The number of referral flows is given by:

$$E = kU,$$

where E = number of referral flows

U = number of registered job seekers who register

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) = labour market tightness.

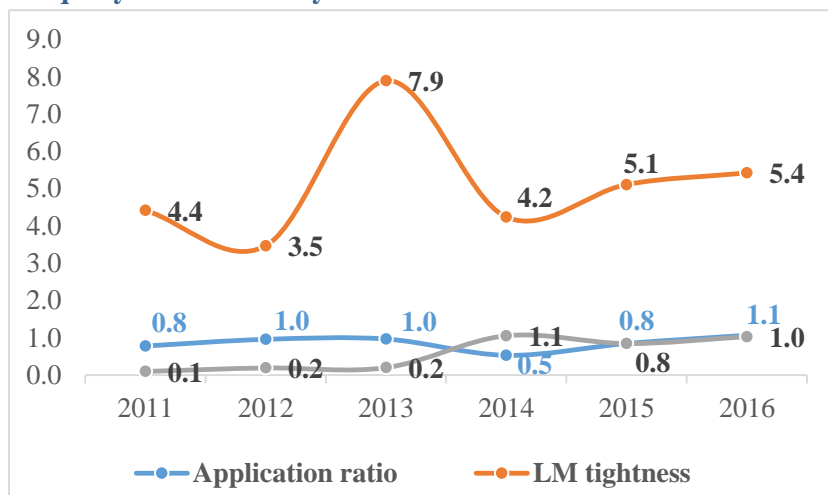
<sup>12</sup>The symbol  $\theta$  in the above equation indicates application ratio, where ( $\theta = V/U$ )

in 2013 to 1.0 in 2016 due to proportionate increase in number of placements and available vacancies.

However, simply relying on a rising adequacy ratio alone is not enough since there are several other factors that needs to be looked into, such as the quality of their placement that may include:

- wages and other benefits
- nature of employment: regular paid, contract or casual or temporary
- whether their placement is in line with their academic and/or training background

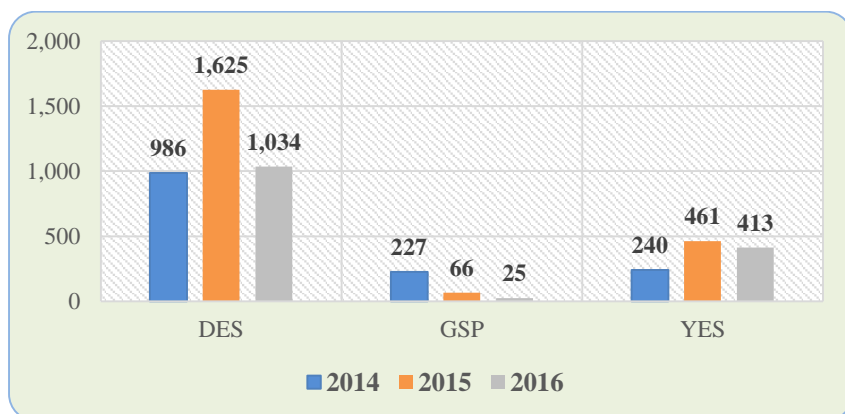
**Figure 4.4: Trends for labour market tightness, application ratio and adequacy ratio over the years**



## Employment Facilitation Programs

In the context of changing labour market scenario and changing efforts to facilitate employment for the growing number of job seekers, several programs were initiated by the Government within the *Guaranteed Employment Program* including (1) Direct Employment Scheme, (2) Overseas Employment Program, and (3) Employment Skills Scheme in order to address the employability issues directly and through skills development both within and outside the country.

**Figure 4.5: Numbers engaged in Guaranteed Employment Program 2014-2016**



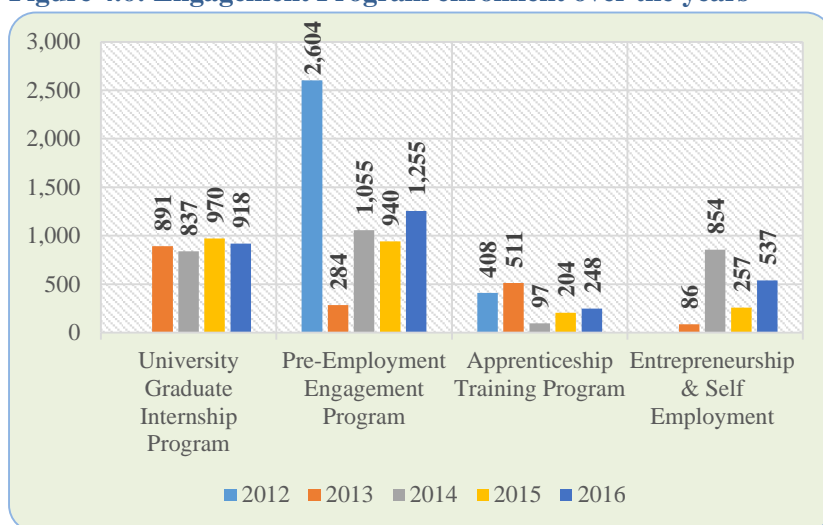
Source: ESD, DoE&HR, MoLHR

## Engagement Programs

In an effort to keep youth meaningfully engaged and familiarize with the work culture, there are various engagement programs to enable to equip with necessary skills, knowledge and work experiences which will eventually benefit them in future. While

University Graduate Internship Program (UGIP) and Pre-employment Engagement Program (PEEP) continue to gain attrition among young job seekers, 918 university graduates and 2,604 Class 10/12 pass-outs respectively having availed the programs in 2016, ATP and entrepreneurship programs have lower enrolments in their program in 2016, 248 and 537 enrolments respectively.

**Figure 4.6: Engagement Program enrolment over the years**



Source: ESD, DoE&HR, MoLHR