



LABOUR MARKET INFORMATION BULLETIN

2018

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 and Human Resources, Ministry of Labour and Human Resources is pleased to release the tenth 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 the 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 reliable 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 2018 for future improvement.

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

Definitions:

Working Age Population: It refers to persons who are 15 years of age and above.

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 were 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.

Abbreviations:

DEHR	-	Department of Employment and Human Resources
DoL	-	Department of Labour
DTE	-	Department of Technical Education
FWD	-	Foreign Workers Division
TISD	-	Technical Institute Support Division
ESD	-	Employment Services Division
LMIRD	-	Labour Market Information & Research Division
MoLHR	-	Ministry of Labour and Human Resources
MoE	-	Ministry of Education
NSB	-	National Statistics Bureau
ILO	-	International Labour Organization
LFS	-	Labour Force Survey
NGOs	-	Non-Government Organizations

Key Indicators of Labour Market (2013 – 2018)

Indicators	2013	2014	2015	2016	2017	2018
Labour Force Participation Rate (%)	65.3	62.6	63.1	62.2	65.7	62.6
Male	72.1	71.0	71.2	71.7	72.1	70.1
Female	58.9	54.8	55.9	53.6	59.9	55.5
AREA						
<i>Rural</i>	67.9	65.7	64.8	65.4	68.0	64.3
Male	71.2	70.7	69.7	71.1	70.4	68.3
Female	64.8	61.1	60.4	60.3	65.7	60.5
<i>Urban</i>	59.5	55.3	59.2	54.5	62.1	58.9
Male	74.1	71.7	74.6	73.1	74.9	74.1
Female	45.9	39.8	45.5	37.5	50.6	45.1
%share of employed in primary sector	56.3	56.7	58.0	57.2	51.3	54.0
%share of employed in secondary sector	9.7	9.8	8.7	8.5	11.8	11.5
%share of employed in tertiary sector	34.0	33.5	33.3	34.4	36.9	34.5
Employment to population ratio	63.5	61.0	61.6	60.9	63.7	60.5
Unemployment Rate (%)	2.9	2.6	2.5	2.1	3.1	3.4
Male	2.2	1.9	1.8	2.0	2.7	2.7
Female	3.7	3.5	3.1	2.3	3.6	4.2
AREA						
<i>Rural</i>	1.5	1.2	1.0	1.5	1.7	1.8
Male	1.5	1.1	0.7	1.6	1.7	1.8
Female	1.6	1.2	1.2	1.4	1.8	1.7
<i>Urban</i>	6.3	6.7	6.3	3.9	5.6	7.1
Male	3.6	3.7	4.3	2.8	4.2	4.6
Female	10.3	11.9	9.3	5.9	7.4	10.9
Youth Labour Force Participation Rate (%)	31.0	26.9	29.6	27.1	34.2	26.1
Male	30.2	25.3	28.0	24.6	33.1	27.5
Female	31.8	28.4	31.0	29.1	35.1	24.8
AREA						
<i>Rural</i>	32.6	30.3	32.1	30.5	32.7	25.3
Male	32.2	28.1	30.1	26.7	31.9	26.6
Female	33.1	32.4	34.0	33.6	33.4	23.9
<i>Urban</i>	27.7	19.5	24.2	20.2	36.4	27.7
Male	25.5	18.7	22.9	20.5	35.0	29.5
Female	29.4	20.1	25.2	20.0	37.5	26.3
Youth Unemployment Rate (%)	9.5	9.4	10.7	13.2	12.3	15.7
Male	9.2	8.6	8.2	16.4	11.2	15.4
Female	9.9	10.0	12.7	11.0	13.2	16.1
AREA						
<i>Rural</i>	4.0	5.1	4.8	9.9	8.6	10.8
Male	5.5	5.4	3.3	13.7	8.1	10.9
Female	2.6	5.0	6.0	7.4	9.1	10.7
<i>Urban</i>	22.8	24.0	28.0	23.3	17.0	24.4
Male	20.1	20.1	24.3	23.7	15.6	24.5
Female	24.5	27.0	30.5	23.0	17.9	24.3

Source: LFS Reports 2013-2017, MoLHR; LFS Report 2018, NSB

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 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.

CHAPTER 1: LABOUR MARKET

Current Labour Market Situation in Bhutan

Bhutan's labour market is constantly undergoing changes and national unemployment rate has fluctuated over the years. The unemployment rate being an important parameter to measure the economy of the country has continued to be a growing concern for policy makers and the government. The issue is more centered on youth (15-24 years) as we witness an increasing number of young job seekers entering the labor market each year. It has also seen that the trend of unemployed persons with higher education qualification has been a rising phenomenon. This chapter aims to provide an account of the current labour market situation, focusing on both employment and unemployment scenario.

Labour Force

As per the 2018 Labour Force survey Report 2018, Bhutan's working age population is estimated at around 496,550 persons. Among the working age population, 63 percent of them are active and engaged in the labour market, constituting the country's labour force, while the remaining 37 percent are out of the labour force. The out of labour force population are unable to actively participate in the labour market as a result of currently in being schools, due to household/family duties, old age and disability and other reasons.

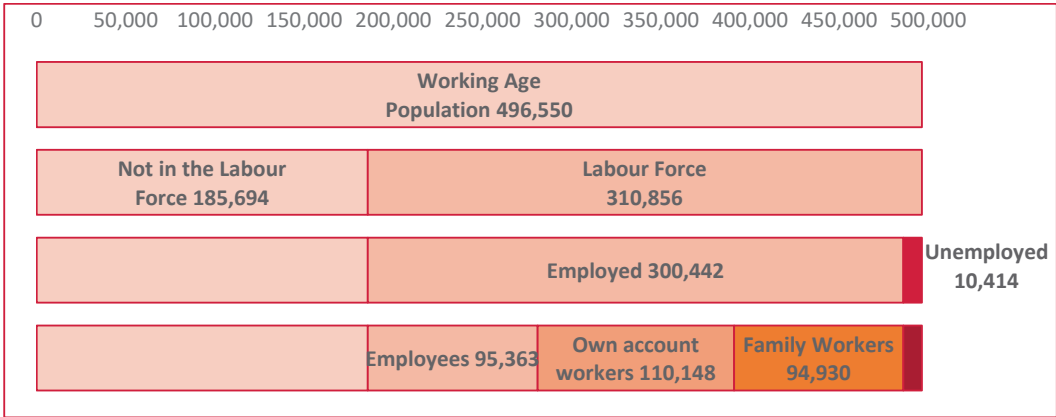
The labour force population can be characterized into two separate groups – employed and unemployed persons - based on their engagement in the labour market. The employed persons (300,442) can be further categorized into three groups based on their nature of employment - own account workers¹, family workers² and employees³. There are about 37 percent of the employed persons as own account workers, owing largely to their engagement in the agricultural-farming activities in rural areas, followed by 32 percent as paid employees and 31 percent as family workers. As per the 2018 LFS Report, the number of unemployed persons is estimated at around 10,414 persons bringing the national unemployment rate at 3.4 percent.

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

²**Family Workers:** Family workers (Agriculture) and Family workers (Non-agriculture)

³**Employees:** Regular paid, casual paid and contract paid employees

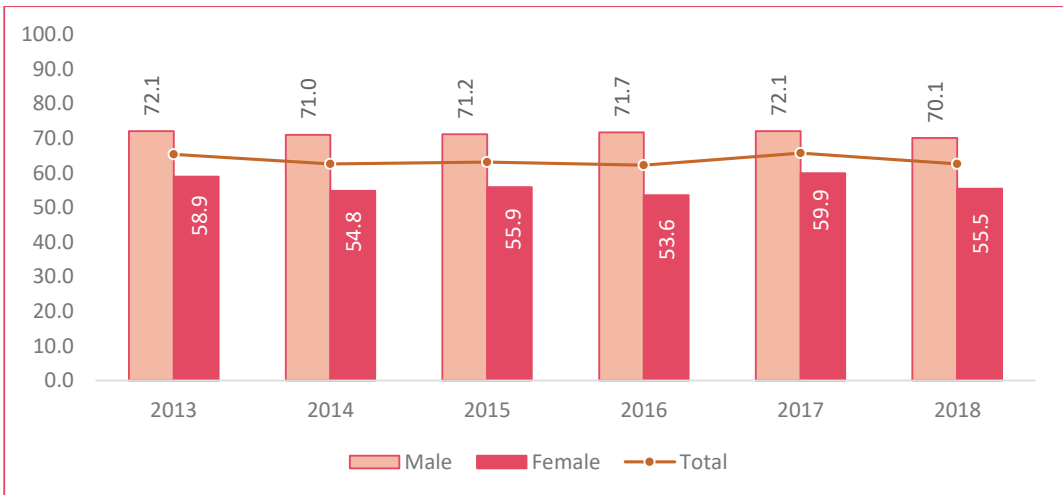
Figure 1.1: Composition of Labour Force, 2018



Source: LFS Report 2018, NSB

Over the last six years, the overall labour force participation rates (LFPR) have been fairly consistent without any extreme changes. The same can be said for male LFPR as it has remained more or less the same over the years. However, female LFPR has shown fluctuations over the years, indicating a declining trend, as seen in Figure 1.2 below. This has further widened the gap between male and female participation rates. Comparatively, the difference between male and female participation rates have increased from 13 percentage points to about 15 percentage points difference suggesting that less number of women are actively participating in the labour market.

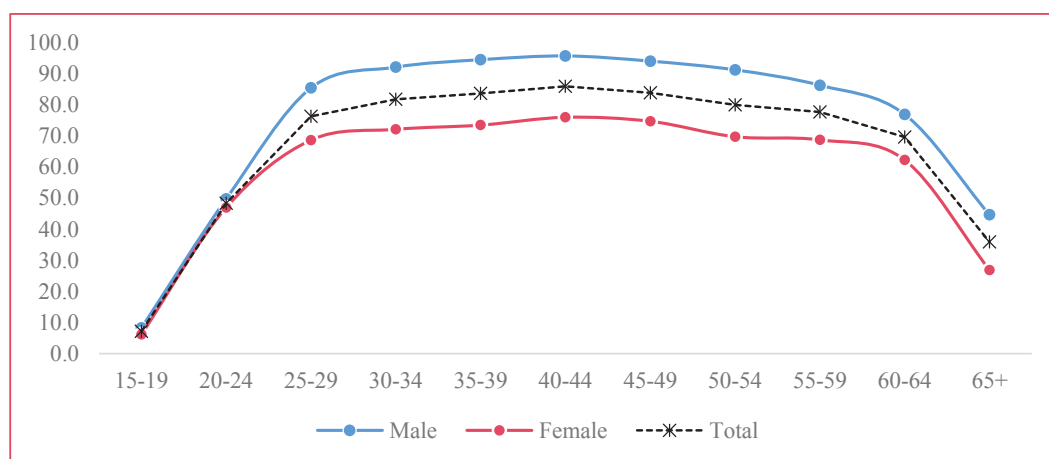
Figure 1.2: Labour Force Participation Rate (LFPR) by gender (2013-2018)



Source: LFS Reports 2013-2017, MoLHR; LFS Report 2018, NSB

Looking at the participation rates of the labour force by their age group distribution, Figure 1.3 below shows the national labour force is fairly young with higher participation rates between age-groups 30-34 and 45-49 and peaking at age groups 40-44. The pattern, however, tends to be different for male and female labour force. Both male and female observe similar increase in participation rates between age groups 15-19 and 20-24, but the gap starts to widen after age groups 25-29 which suggests more female exiting the labour market than male after this age group.

Figure 1.3: Labour Force Participation Rates by age group and gender, 2018



Source: LFS Report 2018, NSB

Employment

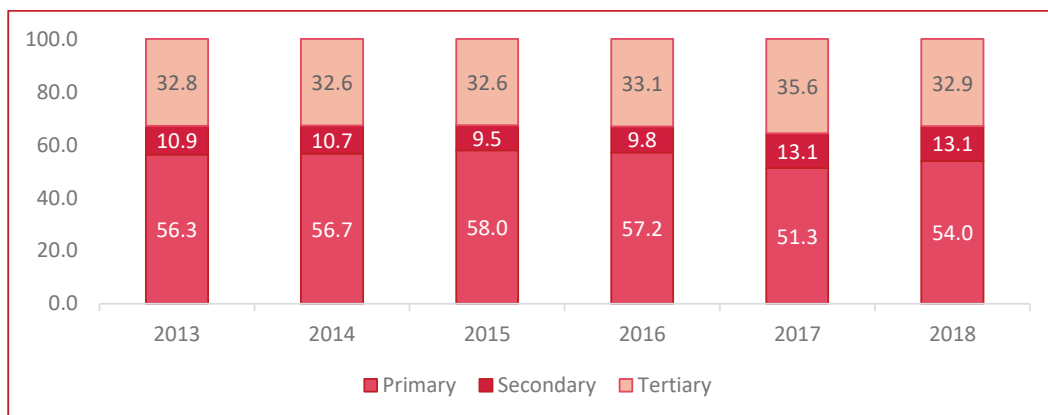
The structure of employment in the labour market can be categorized into three sectors – primary⁴ sector, secondary⁵ sector, and tertiary⁶ sector. Figure 1.4 shows the percentage distribution of employed persons across the three sectors. While the employment structure has been gradually changing, moving from primary to tertiary sector, the agriculture sector continues to be the largest sector of employment in Bhutan's labour market. As of 2018, agriculture sector constitutes 54 percent of the total employed persons, followed by tertiary sector with around 33 percent and secondary sector with 13 percent of the employed persons.

⁴Primary Sector : Agriculture and forestry

⁵Secondary Sector: Mining and Quarrying, Manufacturing, Electricity and gas supply, Water supply, sewage, waste management and construction

⁶Tertiary 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

Figure 1.4: Percentage distribution of employed persons by sector (2013-2018)



Source: LFS Reports 2013-2017, MoLHR; LFS Report 2018, NSB

When we look at the share of employed persons by their nature of employment, majority of the employed persons are working as family workers in the agriculture farming activities. This category is then followed by regular paid employees with 26 percent and own-account workers in agriculture-farming with 25 percent.

Table 1.1: Percentage share of employed persons by their nature of employment, 2018

Category	% share
Regular paid employee	26.4
Casual paid employee	3.7
Contract/Piece paid worker	1.6
Own-account worker(Non-agriculture)	11.8
Own-account worker(Agriculture)	24.9
Family worker(Non-agriculture)	2.7
Family worker(Agriculture)	28.9
Total	100.0

Source: LFS Report 2018, NSB

Table 1.2 shows the percentage share of working men and women in the formal⁷ and informal⁸ sectors by qualification since 2013. It is clear from the table that the Bhutanese labour market is largely composed of informal sector as three quarters of the overall employed persons are engaged as casual, contract or own-account/family workers between

⁷**Formal Sector** includes employed persons working as regular paid workers

⁸**Informal Sector** includes employed persons working as family workers, own account workers, contract/piece paid workers, casual paid and employers

2013 and 2018. The percentage distribution of working persons with Bachelor's degree and above is less than 5 percent across the years with slight increase in the last two years. Although women's share of Bachelor's degree and above is lower than men's share, the percentage share of working men and women with Bachelor's degree and above is showing an increasing trend.

In the formal sector, the men's share of Bachelor's degree and above has increased to 14.4 percent in 2018 from 11.8 percent in 2013. Although women's share of Bachelor's degree and above in formal sector demonstrate increasing trend over the years, it is still very less compared to men's share.

The percentage distribution of working persons in the informal sector, in general, has shown a declining trend. As of 2018, the share of employed persons in the informal sector stand at 73.6 percent. The share of employed men and women with Bachelor's degree and above in the informal sector is very low across the years. This suggests that not only are opportunities for persons with Bachelor's degree and above education limited in this sector, but that people with higher qualification prefer to be in formal sector than in the informal sector.

Table 1.2: Percentage distribution of employed persons in formal and informal sectors with Bachelor's degree & above by gender (2013-2018)

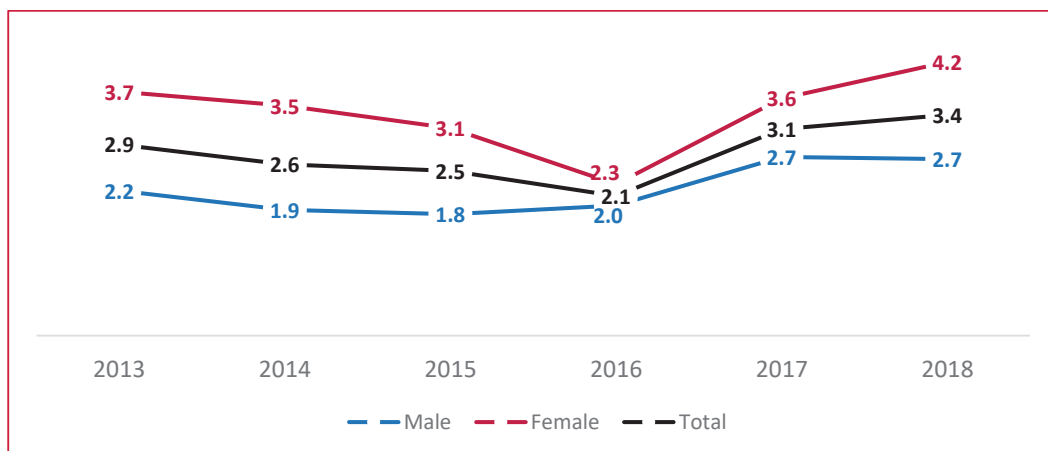
	2013	2014	2015	2016	2017	2018
Employed persons	100	100	100	100	100	100
Men's share of Bachelors degree & above	3.6	4.0	3.8	3.8	4.8	5.0
Women's share of Bachelors degree & above	1.4	1.8	1.9	1.6	2.5	2.3
Formal Sector	25.7	24.3	23.0	24.0	28.4	26.4
Men's share of Bachelors degree & above	11.8	13.2	13.0	12.1	13.0	14.4
Women's share of Bachelors degree & above	4.7	6.1	7.4	5.7	7.3	7.5
Informal Sector	74.3	75.7	77.0	76.0	71.6	73.6
Men's share of Bachelors degree & above	0.8	1.1	1.0	1.2	1.5	1.6
Women's share of Bachelors degree & above	0.2	0.4	0.3	0.2	0.6	0.4

Source: LFS Reports 2013-2017, MoLHR; LFS Report 2018, NSB

Unemployment

Looking at unemployment rates over the years, they have averaged between 3-4 percent. In general, male unemployment rates have been comparatively lower than female unemployment rates. While the gap between male and female unemployment appeared to be narrowing between 2013 and 2016, as seen in Figure 1.5 below, it has again widened over the past two years along with an increase in the national unemployment rate. As of 2018, the national unemployment rate stands at 3.4 percent with male unemployment reported at 2.7 percent and female unemployment reported at 4.2 percent.

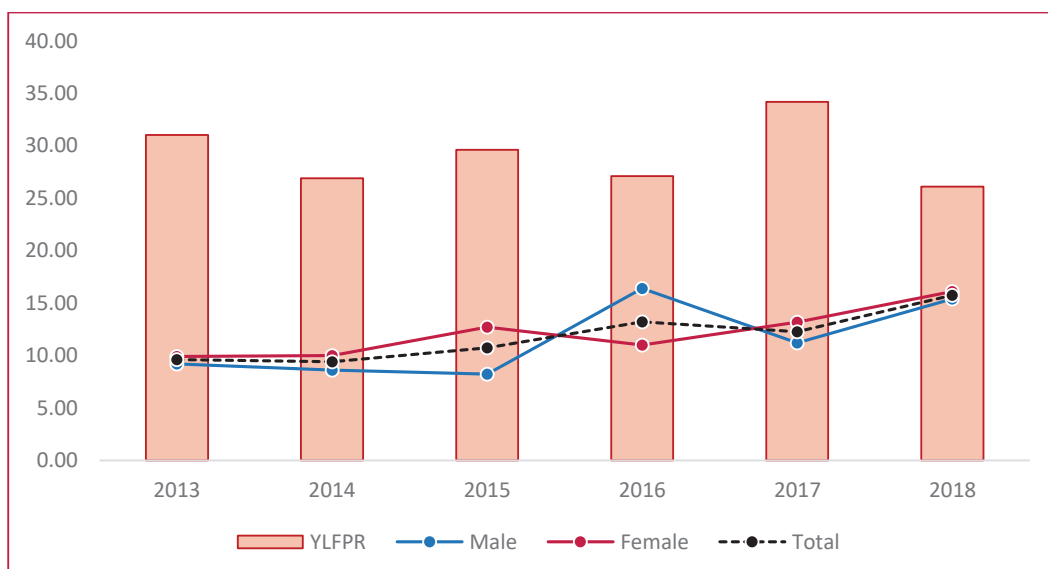
Figure 1.5: Unemployment rate by gender over the years (2013 – 2018)



Source: LFS Reports 2013-2017, MoLHR; LFS Report 2018, NSB

While the national unemployment rate has remained relatively low, youth unemployment rates have been increasing over the years. As compared to 9.6 percent in 2013, it stands at 15.7 percent as of 2018. Figure 1.6 shows the youth unemployment rates by gender from 2013 to 2018. It can be seen that both male and female youth unemployment rates have increased from 9.2 percent and 9.9 percent in 2013 to 15.4 percent and 16.1 percent in 2018 respectively.

Figure 1.6: Youth unemployment rate by gender (2013-2018)



Source: LFS Reports 2013-2017, MoLHR; LFS Report 2018, NSB

CHAPTER 2: LABOUR MARKET INSTITUTION

As per the Labour and Employment Act 2007, various aspects of labor protection, social security and safety measures are put into place. The government has rectified and improved the regulations on working environment and conditions of workers in both private and corporate sectors.

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

Table 2.1 shows the number of establishments visited for inspections by the labour officers. During the last three fiscal years, a total of 6,836 inspections were carried out in various establishments under different categories – namely Routine inspection, Follow-up inspection, and Special Inspection. Out of 6,836 inspections in the last three fiscal years, routine inspection was the most common type of inspection that was carried out, and Phuentsholing region had the highest number of establishments inspected and followed by Thimphu.

Table 2.1: Number of establishments visited for inspection by region (2015-2018)

Region	Routine Inspection			Follow-up Inspection			Special Inspection		
	2015-16	2016-17	2017-18	2015-16	2016-17	2017-18	2015-16	2016-17	2017-18
Thimphu	249	170	538	61	65	33	7	209	49
Phuentsholing	1,046	610	668	157	22	10	0	3	10
Gelephu	260	332	326	80	9	0	0	0	55
Samdrup Jongkhar	311	305	329	81	36	78	1	1	5
Trashigang	115	258	140	31	37	13	0	1	2
Lobesa (PHPA)	23	80	0	1	0	NA	11	8	0
Total	2,004	1,755	2,001	411	169	134	19	222	121

Source: Annual Report July 2017 – June 2018, DoL, MoLHR

Table 2.2 shows the number of complaints across the regions in the last three fiscal years along with their status – resolved, pending and withdrawn. It can be seen that not only did Thimphu region have the highest number of inspections, it also recorded the maximum number of complaints. This could be due to the presence of large number of establishments

in the region. Samdrup Jongkhar and Gelephu region received the least number of complaints for three consecutive fiscal years.

Table 2.2: Status of complaints by region (2015-2018)

Region	Complaints			Resolved			Pending			Withdrawn		
	2015-16	2016-17	2017-18	2015-16	2016-17	2017-18	2015-16	2016-17	2017-18	2015-16	2016-17	2017-18
Thimphu	121	150	431	121	150	124	0	0	235	0	0	72
Phuentsholing	33	30	23	31	30	18	4	0	5	0	0	0
Gelephu	7	6	13	7	6	7	0	0	4	0	0	2
Samdrup Jongkhar	3	6	13	3	6	10	0	0	3	0	0	0
Tashigang	14	18	17	14	16	13	0	0	4	0	0	0
Total	178	210	497	176	208	172	4	0	251	0	0	74

Source: Annual Report July 2017 – June 2018, DoL, MoLHR

Table 2.3 shows the number of complaints received by region. The Ministry received a total of 188 complaints between July 2017 to June 2018. Thimphu region received the highest number of complaints followed by Phuentsholing region. Samdrup Jongkhar received 9 complaints which was the least among the regions. Among the nature of complaints, the non-payment of wages was the major issue.

Table 2.3: Number of complaints received by nature of complaint and region, 2018

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

Source: Annual Report July 2017 – June 2018, DoL, MoLHR

Table 2.4 illustrates the number of employees who met with various kinds of work site accidents (both fatal and injury) by sector from 2015 to 2018 at their work place by sector. In 2017-18 alone, a total of 90 employees encountered work site accidents (both fatal and injury) as compared to only 60 in 2016-17. The work site accidents are more prevalent in manufacturing and production, and construction sectors.

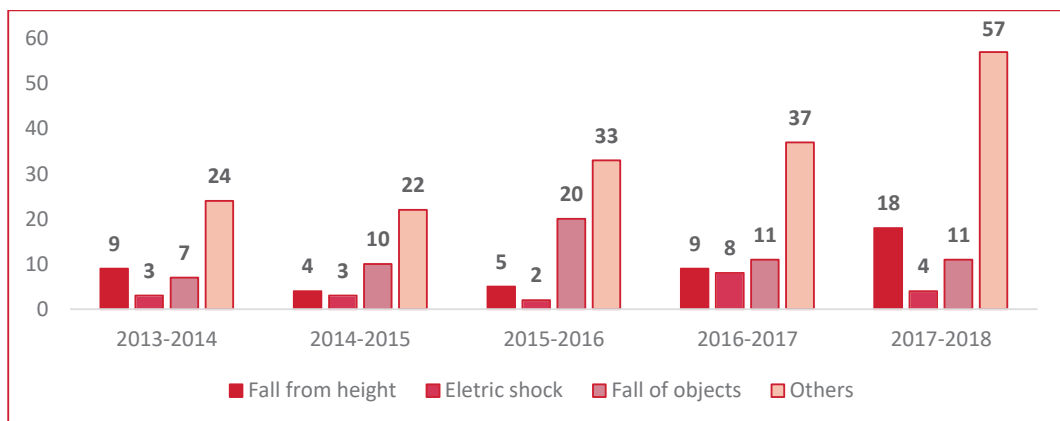
Table 2.4: Number of employees who met with accidents by sector and types of accidents (2015-2018)

Sector	Fatal			Injury		
	2015-16	2016-17	2017-18	2015-16	2016-17	2017-18
Constructions	10	4	27	5	1	20
Hydropower	16	17	0	4	14	4
Manufacturing and Production	1	1	3	25	19	33
Mining and Quarry	1	1	0	0	2	0
Trading and services	1	1	2	0	0	0
Hotels & Restaurants	0	0	1	0	0	0
Total	29	24	33	34	36	57

Source: Annual Report July 2017 – June 2018, DoL, MoLHR

Figure 2.1 shows the summary statistics of employed persons who met with accidents by major causes in the last five fiscal years. The highest causes of accidents were other reasons which included accidents from vehicle, bridge collapse. The second highest accident is caused due to the falling object which also included falling of boulders, loose soil and falling trees.

Figure 2.1: Number of employees who met with accidents by cause of accidents (2013-2018)



Source: Annual Report July 2017 – June 2018, DoL, MoLHR

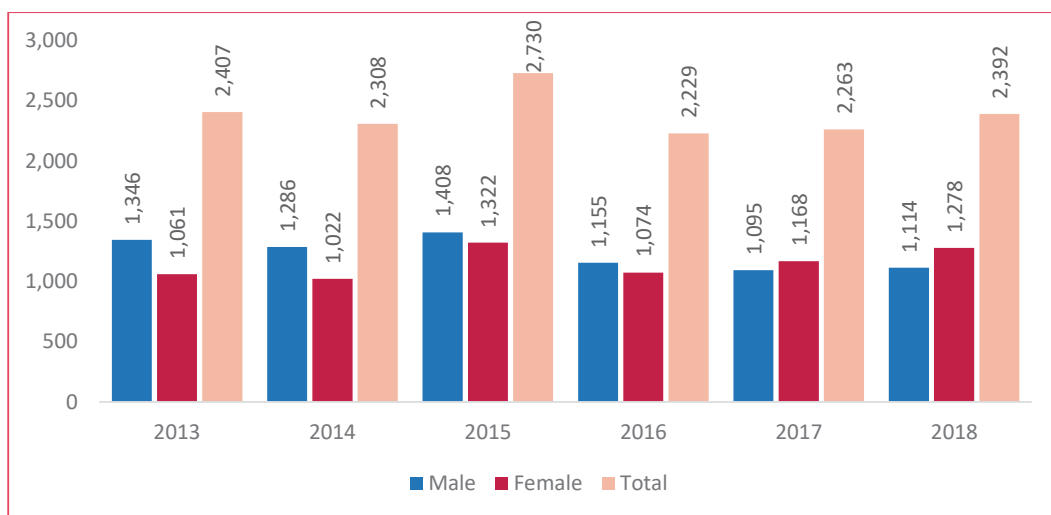
CHAPTER 3: LABOUR SUPPLY

National Graduates Orientation Program

The National Graduate Orientation Program (NGOP)⁹ 2018 saw 2,392 University graduates in attendance of which 53 percent were male graduates and the remaining 47 percent were female. As seen in Figure 3.1, the number of female university graduate has been increasing and has even surpassed male attendees in the program since 2017 which is indicative of the growing number of female labour force supply with tertiary education.

General graduates, more specifically in the field of business studies and general arts subjects, are among the largest composition of courses attended. For NGOP 2018, there were 1,840 general graduates - 807 male and 1,033 female graduates - with more than half of them having a degree in business studies. In comparison, there were only 552 technical graduates who attended the program of which 56 percent were male graduates and the remaining 44 percent female.

Figure 3.1: Number of graduates attending NGOP over the years



Source: LMIRD, DEHR, MoLHR

Around 77 percent of the University graduates who attended the program had completed their tertiary education from institutes within Bhutan, followed by those who completed their tertiary education in India.

⁹The 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 not to attend the program.

Table 3.1: Number of graduates for NGOP 2018 by country of study

Sl. No.	Country of Study	Male	Female	Total
1	Bhutan	851	994	1,845
2	India	246	241	487
3	Thailand	12	14	26
4	Bangladesh	0	13	13
5	Australia	3	3	6
6	Malaysia	1	5	6
7	United States	1	5	6
8	China	0	1	1
9	Nepal	0	1	1
10	Singapore	0	1	1
Total		1,114	1,278	2,392

Source: LMIRD, DEHR, MoLHR

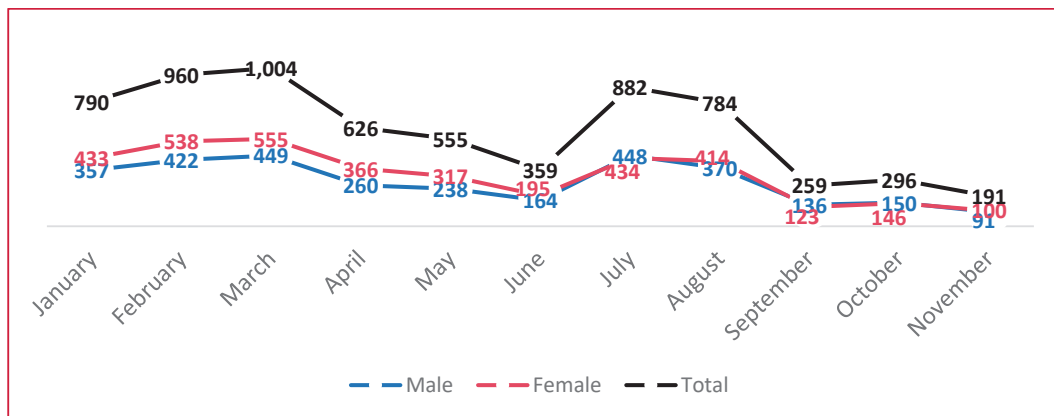
Job Seekers

A closer look into the job seekers who registered with the Ministry's online Job Portal System¹⁰ in 2018, there were 6,896 job seekers which constituted of 46 percent male and 54 percent female job seekers. Figure 3.2 shows that registration of job seekers into the Job Portal System peaked during the months of March and July as these are the months when Higher Secondary Education and Tertiary Education results are released.

Majority of the registered jobseekers are those who have completed Certificate level training (3,121) followed by those with middle secondary education (1,457). Technical graduates comprised of 20 percent with 1,388 registered jobseekers as seen in Figure 3.3.

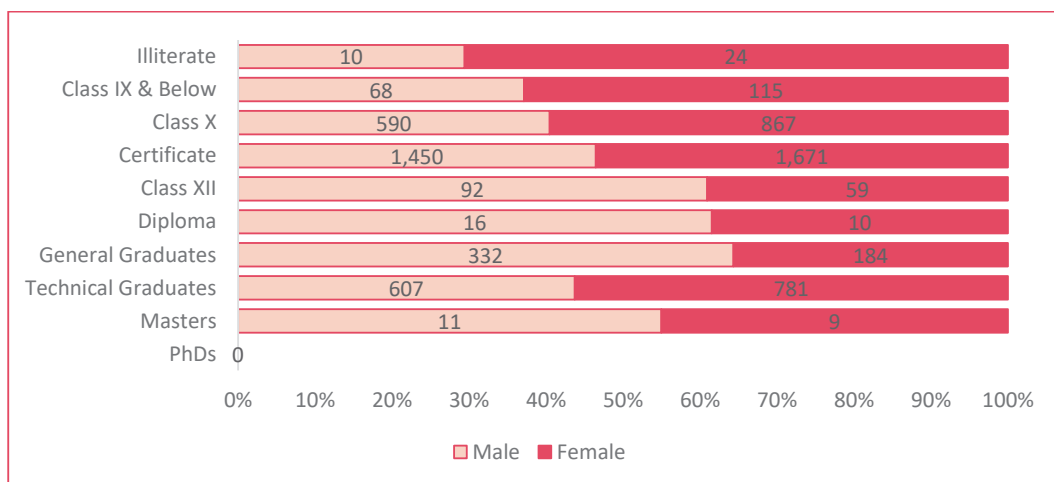
¹⁰ The Job Portal is the Central Employment Repository of Bhutan that serves as a platform to connect job-seekers and potential employers across Bhutan.

Figure 3.2: Number of jobseekers registered in the online Job Portal System by months, 2018



Source: ESD, DEHR, MoLHR

Figure 3.3: Number of job seekers registered by educational attainment and gender



Source: ESD, DEHR, MoLHR

Tertiary and Technical Education Statistics

Although unemployment is higher among those with higher education, majority of the vacancies in the past one year has been for those with lower education or for skilled labour which presents a disconnect within the labour market. It then becomes crucial that Bhutanese students planning to pursue higher/tertiary education or training are well informed to make their decisions that would ease transitioning into the labour market and ensure higher employability upon completion of their studies.

As of 2018, there were about 11,247 students pursuing tertiary education in Bhutan, with the Royal University of Bhutan (RUB) alone constituting around 93 percent of the total

undergraduate students. Of the total enrollment, the number of male undergraduate students are slightly higher than the number of female undergraduate students as shown in the Table 3.3 below.

Table 3.2: Number of undergraduates within Bhutan by institutes and gender, 2018

Sl.No.	Name of College	Male	Female	Total
Royal University of Bhutan				
1	College of Natural Resources	347	320	667
2	College of Science and Technology	788	272	1,060
3	Gaeddu College of Business Studies	788	638	1,426
4	College of Language and Culture Studies	647	615	1,262
5	Jigme Namgyel Engineering College	599	290	889
6	Paro College of Education	444	525	969
7	Samtse College of Education	549	610	1,159
8	Sherubtse College	838	800	1,638
9	Royal Thimphu College (<i>affiliated</i>)	553	635	1,188
10	Gyalpoizhing College of Information Technology	39	40	79
11	Norbuling Rigter College (<i>affiliated</i>)	39	52	91
12	Yonphula Centenary College	21	11	32
Khesar Gyalpo University of Medical Sciences				
13	Faculty of Nursing & Public Health	201	228	429
14	Faculty of Postgraduate Medicine	21	9	30
15	Faculty of Traditional Medicine	54	35	89
16	Reldri Academy of Health Sciences (<i>affiliated</i>)	17	35	52
Autonomous Institutes				
19	Royal Institute of Management	94	68	162
18	Jigme Singye Wangchuck school of law	12	13	25
Total		6,051	5,196	11,247

Source: Annual Education Statistics 2018, MoE

In addition to the growing number of undergraduate students within Bhutan, there are also several undergraduate students who are pursuing their tertiary education outside Bhutan. As of 2018, there were 5,420 undergraduate students outside Bhutan, a majority of them (75 percent) studying in India followed by Australia and Thailand with 12 percent and 5 percent respectively.

Table 3.3: Number of undergraduate students outside Bhutan by country of study and gender, 2018

Sl.No.	Country	Male	Female	Total
1	India	2,355	1,688	4,043
2	Australia	342	296	638
3	Thailand	128	139	267
4	Sri Lanka	91	92	183
5	Bangladesh	46	86	132
6	Malaysia	41	31	72
8	USA	25	25	50
9	Cuba	10	2	12
10	Canada	2	6	8
11	Singapore	2	3	5
12	United Kingdom	3	1	4
13	South Korea	1	1	2
14	Switzerland	1	1	2
15	Maldives	1	0	1
16	Austria	0	1	1
Total		3,048	2,372	5,420

Source: Annual Education Statistics 2018, MoE

Although there are a very large number of undergraduate students pursuing their tertiary education both inside and outside Bhutan, the number of trainees in the Technical Training Institutes (TTIs) is comparatively low. As of 2018, there were 827 trainees in TTIs under MoLHR of which about 68 percent were male and 32 percent female (Table 3.5). In the Institute of Zorig Chusums (IZCs) under MoLHR, there were 403 trainees – 69 percent male and 31 percent female (Table 3.6). In both cases, not only are the female enrolments are much lower.

Table 3.4: Number of trainees currently enrolled in Technical Training Institutes (TTIs) by trade and gender, 2018

Institute	Trade	Male	Female	Total
TTI Chumey	Carpentry NC-II	12	6	18
	Masonry NC-II	18	12	30
	Plumbing NC-II	6	8	14
	Welding NC-II	0	0	0
	Carpentry NC-III	11	6	17
	Masonry NC-III	8	12	20
	Plumbing NC-III	3	9	12
	Sub-total	58	53	111

Institute	Trade	Male	Female	Total
TTI Khuruthang	NC-II Electrical 2nd Year	22	22	44
	NC-II Electrical 1st Year	14	10	24
	Electrical NC-III	10	7	17
	NC-II Mechanical Welder 2nd Year	0	0	0
	NC-II Mechanical Fitter 2nd Year	18	5	23
	NC-II Mechanical Welder 1st Year	9	11	20
	NC-II Mechanical Welder 1st Year	15	5	20
	NC-III Mechanical Fitter	0	0	0
	Mechanical Welder	2	5	7
	Sub-total	90	65	155
TTI Rangjung	Automobile	21	0	21
	Electrical NC 3	13	2	15
	Electrical NC 2	49	22	71
	Computer Hardware and Networking	7	7	14
	Furniture Making	8	3	11
	Furniture Mnaking (Fast track)	7	1	8
	Cable TV	0	0	0
		Sub-Total	105	35
TTI Samthang	Automobile	59	22	81
	Auto Electrician	20	5	25
	Heavy Vehicle Driving	21	0	21
	Heavy Earth Mover Operator	12	0	12
	Automachanic NC II	10	6	16
	MAC & RAC	0	0	0
		Sub-total	122	33
TTI Thimphu	Auto Mechanic II	24	2	26
	Automachanic NC-III	14	0	14
	Auto Painting	3	4	7
	Panel Beating	14	0	14
	Refrigerator and Air Conditioning	0	0	0
		Sub-total	55	6
JWPTI Dekiling	Carpentry	18	14	33
	Masonry	37	15	52
	Plumbing	12	10	22
	Mechanical Fitter	11	8	19
	Mechanical Welder	12	10	22
	Furniture Making (Fast track)	12	3	15
	Trainsimission and Distribution	14	8	22
	Hydro-power mechanical	14	6	20
	Sub-total	130	74	205
	Total	560	266	827

Source: TISD, DTE, MoLHR

Table 3.5: Number of trainees currently enrolled in Institute of Zorig Chusum by trade and gender, 2018

Institute	Trade	Male	Female	Total
Institute for Zorig Chusum - Thimphu	Lhadi (Painting)	45	1	46
	Jimzo (Sculpture)	14	1	15
	Patra (Wood Curving)	20	0	20
	Tshemzo (Tailoring)	8	7	15
	Tshemdrup (Embroidery)	4	17	21
	Trezo (Gold and Silver Smith)	11	1	12
	Thagzo	0	0	0
	Lhadi (Painting)NC-III	36	2	38
	Jimzo (Sculpture) NC-III	12	0	12
	Patra (Wood Carving)NC-III	9	0	9
	Tshemzo (Tailoring)NC-III	3	11	14
	Tshemdrup (Embrioder)NC III	2	18	20
	Trezo (Gold and Silver Smith)NC III	0	0	0
	Sub-total	164	58	222
College of Zorig Chusum - Yangtse	Patra (Wood Carving) NC-II	35	0	35
	Lhadri (Painting)NC-II	37	5	42
	Jimzo (Sculpture) NC-II and ND	25	1	26
	Troezo (Gold & Silver Smith) NC-III	12	3	15
	Themzo (Tailoring) NC-II and III	0	46	46
	Tshemdrup (Embroidery) NC-II	0	12	12
	Shagzo/Saezo (Wood Turning) NC-II	5	0	5
Sub-total	114	67	181	
Total	278	125	403	

Source: TISD, DTE, MoLHR¹¹

Foreign Workers

As of May 2019, there were 48,028 foreign workers within the country, which constituted of 98 percent male and only 2 percent female foreign workers. Table 3.7 shows the number of foreign workers across 20 Dzongkhags. It can be seen that around 35 percent of the foreign workers were in Thimphu Dzongkhag. This was followed by Wangdue Dzongkhag with 16 percent, and Trongsa and Paro Dzongkhag with 10 percent of the total foreign workers each – all Dzongkhags that have high variations in their economic activity that include hydro and non-hydro construction activities.

¹¹TTI graduation takes place in June and NIZC graduation in December

A majority of the foreign workers were engaged in occupation groups that are considered to be labour intensive. As seen in Table 3.8, 87 percent of the foreign workers are classified as craft and related trade workers.

Table 3.6: Number of foreign workers by Dzongkhag and gender, 2019

Sl.No.	Dzongkhag	Male	Female	Total
1	Bumthang	427	3	430
2	Chhukha	2,756	359	3,115
3	Dagana	542	0	542
4	Gasa	245	0	245
5	Haa	792	36	828
6	Lhuentse	116	0	116
7	Mongar	518	46	564
8	Paro	4,620	243	4,863
9	Pema Gatshel	350	0	350
10	Punakha	1,090	7	1,097
11	Samdrup Jongkhar	1,422	30	1,452
12	Samtse	828	4	832
13	Sarpang	2,806	2	2,808
14	Thimphu	16,457	182	16,639
15	Trashigang	707	199	906
16	Trashiyangtse	239	4	243
17	Trongsa	4,867	10	4,877
18	Tsirang	357	1	358
19	Wangdue Phodrang	7,814	12	7,826
20	Zhemgang	251	1	252
Total		47,204	1,139	48,343

Source: TISD, DoL, MoLHR (as of May 2019)

Table 3.7: Number of foreign workers by major occupation and gender, 2019

Major Occupation	Male	Female	Total
Clerical support workers	80	36	116
Craft and related trade workers	41,539	389	41,928
Elementary Occupation	2,370	548	2,918
Managers (Professionals)	210	18	228
Plant and machine operators and assemblers	1,540	2	1,542
Professionals	873	114	987
Service and sales workers	149	13	162
Skilled Agricultural, Forestry and Fishery	48	0	48
Technicians and Associate Professionals	395	19	414
Total	47,204	1,139	48,343

Source: TISD, DoL, MoLHR (as of May 2019)

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 Human Resources of the Ministry from advertisements in various media outlets, as well as from administrative records maintained by relevant agencies.

Vacancies

In 2018, a total of 4,714 vacancies were compiled by the Ministry for five major sectors, majority of which constituted the private sector, 52 percent, followed by government/autonomous agencies and corporate sectors with about 31 percent and 15 percent respectively. The vacancies from NGOs made up a negligible share to overall vacancies announced in 2018.

Table 4.1 presents the number of vacancies compiled in 2018 by education qualification across the five major sectors. There were around 18 percent of the vacancies for those with higher secondary education (Class 12) followed by 16 percent with no education. In addition, 15 percent of the vacancies announced required those with less than middle secondary education (Class 9 and below), and 14 percent for those who were general university graduates, while vacancies for technical university graduates amounted to only about 4 percent. This overview of the vacancy breakdown by education qualification, where a majority of the vacancies are for lower education groups, is in contrast to the rising number of unemployed among higher secondary and tertiary education levels.

Table 4.1: Number of vacancies by qualification and sector, 2018

Qualification	Government/ Autonomous	Corporate	Private	NGOs	Total
PhD	0	0	0	0	0
Master's Degree	0	5	49	1	55
General Graduate	124	185	336	31	676
Technical Graduate	24	36	105	10	175
Diploma	158	13	45	1	217
Certificate	119	35	504	2	660
Class 12	242	206	372	22	842
Class 10	221	94	298	7	620
Class 9 & Below	155	70	474	11	710
Illiterate	401	77	269	11	758
Others	0	1	0	0	1
Total	1,444	722	2,452	96	4,714

Source: ESD, DEHR, MoLHR

Table 4.2 below shows the number of monthly vacancies across the five major sectors in 2018. It can be seen that the more vacancies were announced during the months of March and August, which corresponds to the higher number of jobseekers registering in the Job Portal System within the same months.

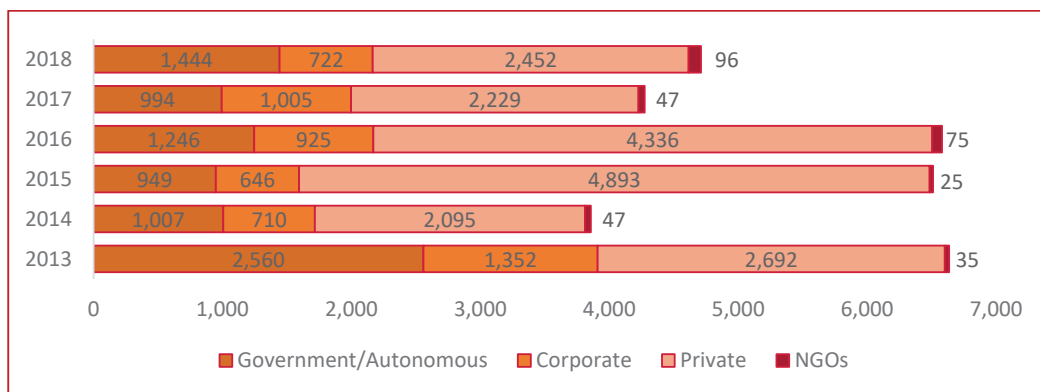
Table 4.2: Number of vacancies (in months) by sectors, 2018

Months	Government/ Autonomous	Corporate	Private	NGOs	Total
January	96	47	492	4	639
February	174	73	149	6	402
March	299	116	446	8	869
April	42	25	166	21	254
May	60	90	189	25	364
June	48	26	172	17	263
July	67	36	178	0	281
August	275	73	219	2	569
September	133	2	112	1	248
October	130	132	170	3	435
November	64	95	105	8	272
December	56	7	54	1	118
Total	1,444	722	2,452	96	4,714

Source: ESD, DEHR, MoLHR

Looking at the trend in vacancies across the five sectors, as presented in Figure 4.1, Private sector has constantly shown to display the highest absorption capacity of manpower in the labour market followed by the government/autonomous agencies. Corporate sector made up third highest in manpower requirement while vacancies from NGOs have been consistently negligible.

Figure 4.1: Number of vacancies by sectors – 2013-2018



Source: ESD, DEHR, MoLHR

Referrals

Job referrals carried out by 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 4,714 vacancies in 2018, there were only 1,432 referrals made, and all referrals were made for private sectors as shown in the Table 4.3.

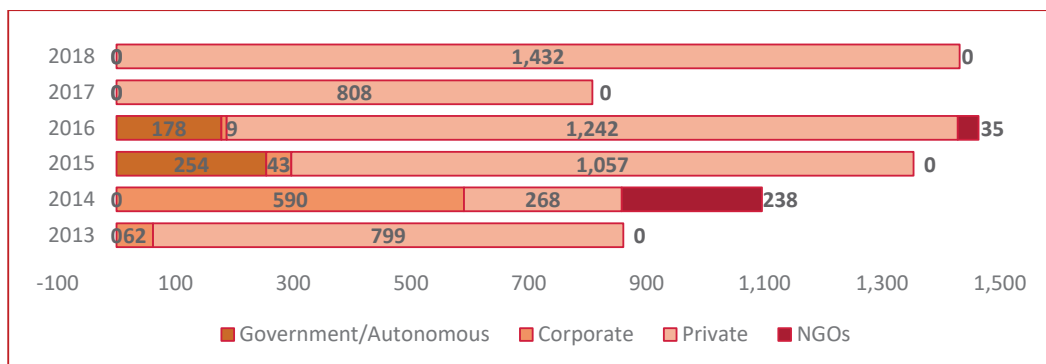
It can also be seen from Figure 4.2 below that referrals have slightly decreased in 2018 in comparison to the last five years. This is largely because there were no referrals made for government/autonomous agencies, corporate sectors, and NGOs.

Table 4.3: Number of referrals (in months) by sectors, 2018

Months	Government/ Autonomous	Corporate	Private	NGOs	Total
January	0	0	0	0	0
February	0	0	75	0	75
March	0	0	195	0	195
April	0	0	239	0	239
May	0	0	133	0	133
June	0	0	20	0	20
July	0	0	379	0	379
August	0	0	50	0	50
September	0	0	50	0	50
October	0	0	57	0	57
November	0	0	95	0	95
December	0	0	139	0	139
Total	0	0	1,432	0	1,432

Source: ESD, DEHR, MoLHR

Figure 4.2: Number of referrals by sectors, 2013-2018



Source: ESD, DEHR, MoLHR

Placements

As in the previous years, there were more placements made compared to vacancies. This mainly happens since few companies or firms do not announce their vacancies through the Job Portal System or mainstream media, whereas almost all jobseekers are registered with the Job Portal System. So when the jobseekers' status are tracked by the Employment Officers, they are found to be employed thereby reflecting higher placements as compared to the vacancies announced.

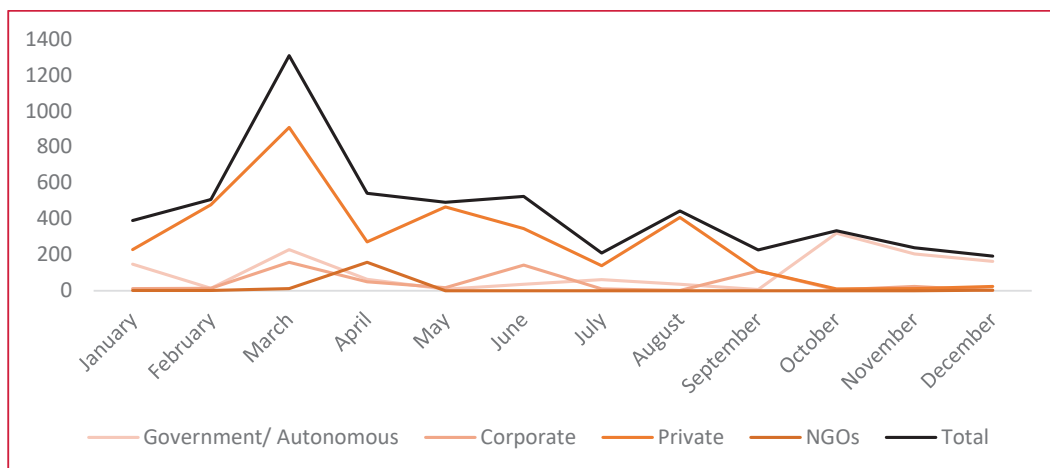
Overall, 5,404 placements were made against 4,714 vacancies announced. The highest placements were made in the month of March with 24.19 percent and December recorded the lowest with only 129 placements contributing to only 3.55 percent of the overall placements made as shown in the Table 4.4 and Figure 4.3.

Table 4.4: Number of placements (in months) by sectors, 2018

Months	Government/ Autonomous	Corporate	Private	NGOs	Total
January	147	12	229	2	390
February	14	14	478	1	507
March	228	158	909	12	1,307
April	63	50	272	157	542
May	8	17	466	0	491
June	35	143	346	0	524
July	62	9	139	0	210
August	35	2	407	0	444
September	7	109	110	0	226
October	320	4	9	0	333
November	204	23	11	0	238
December	163	2	24	3	192
Total	1,286	543	3400	175	5,404

Source: ESD, DEHR, MoLHR

Figure 4.3: Number of placements (in months), 2018



Source: ESD, DEHR, MoLHR

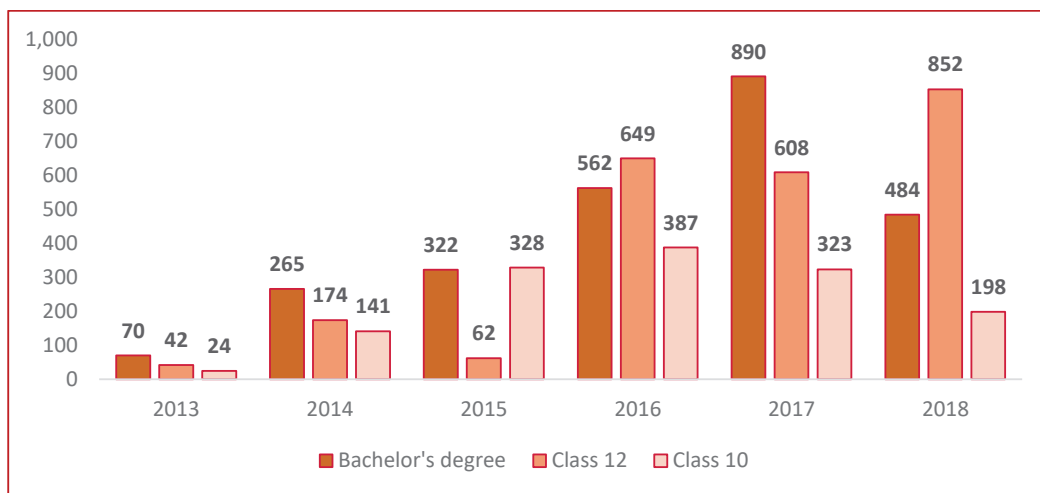
Employment Facilitation Programs

In the context of changing labour market scenario and changing efforts to facilitate employment for the growing number of job seekers, several employment facilitation programs were initiated by the Ministry within the *Guaranteed Employment Program*¹² including (1) Direct Employment Scheme, (2) Overseas Employment Program, and (3) Skills Development Program in order to address the employability issues directly and through skills development both within and outside the country.

Between 2013 and 2018, 6,384 job seekers have been placed overseas, with over three-quarters of the placements in the last three years alone. Figure 4.4 shows the number of overseas placements in the last five years by education qualification. It can be seen that overseas employment have been limited to those who had completed tertiary, higher secondary and middle secondary education. In 2018 alone, 56 percent of the overseas placements were for those with higher secondary education followed by 32 percent with tertiary education and the remaining 12 percent with middle secondary education.

¹² For the Fiscal Year 2018-19, there were no new engagements in Direct Employment Scheme as the program was being restructured. Therefore, the report only contains information on Overseas Employment by registered private Agents and the Ministry during the fiscal year.

Figure 4.4: Number of Overseas placements (2013-2018)



Source: ESD, DEHR, MoLHR

Labour Market Tightness

In recent years, the number of job seekers has increased sharply corresponding to increased job vacancies, as seen in Table 4.5, but the effort of the job seekers to look for jobs is still low as compared to the job vacancies that are available. In 2018, there were 6,896 registered job seekers against 4,714 compiled vacancies.

Over the years, the number of job vacancies collected has fluctuated despite little variations in number of jobseekers registering in the Job Portal System. However, for the last two years, the number of placements carried out against number of vacancies were high narrowing the gap between number of registered jobseekers and total vacancies documented by Employment Service Division. Despite higher numbers of reported job vacancies and placements, it is also important to note that job referrals have been consistently low even though referrals are easy, time and cost effective method of recruitment.

Table 4.5: Number of registered job seekers, Vacancy, Referral and Placement (2013-2018)

Year	Jobseekers registered	Vacancies	Referred	Placed
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
2017	8,033	4,336	808	5,920
2018	6,896	4,714	1,432	5,404

Source: ESD, DEHR, MoLHR

Labour market tightness¹³, which is the ratio of job vacancies to the referral flows, for Bhutan has been increasing from 7.9 in 2013 to 3.3 in 2018, as seen in Figure 4.4, 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 ratio¹⁴, 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 0.7 in 2018 indicating the reduction in number of vacancies in relation 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 in 2013 to 1.1 in 2018 due to proportionate increase in number of placement made.

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

¹³The number of referral flows is given by:

$$E=kU,$$

where E = number of referral flows

U = number of registered job seekers

Therefore, k implies an average number of referral per job seekers. If $k \geq 1$, a job seeker applies for more than one job vacancy on an average.

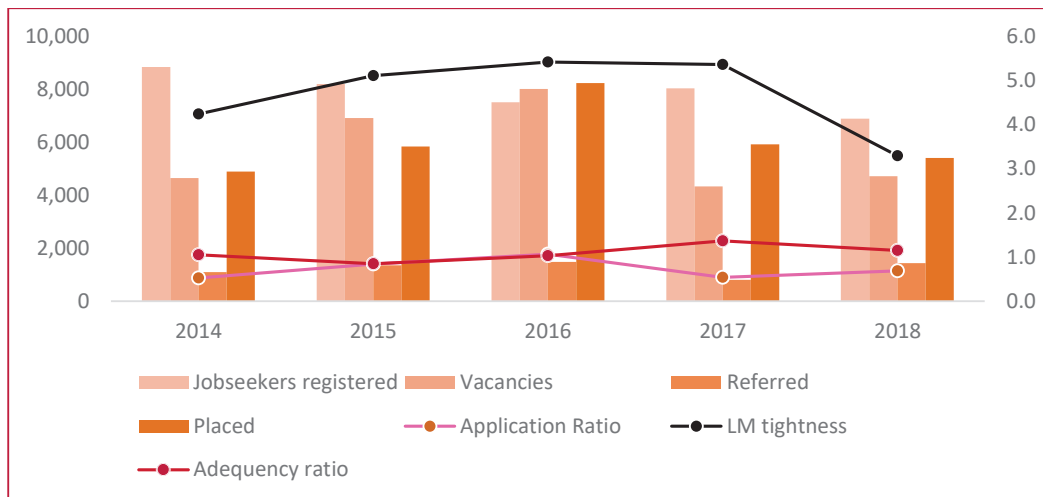
Dividing the number of job vacancies (V) by the referral flow (E) equation gives:

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

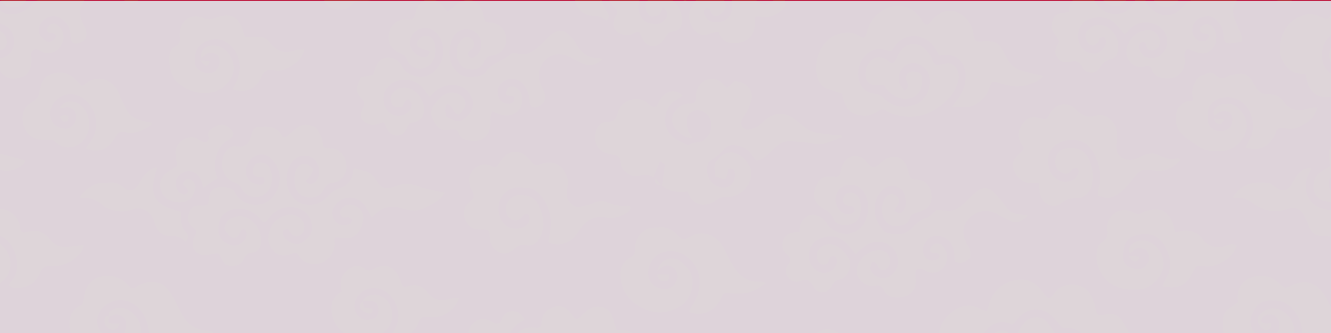
Where (V/E) = labour market tightness.

¹⁴The symbol θ in the above equation indicates application ratio, where ($\theta=V/U$)

Figure 4.5: Trends for labour market tightness, application ratio and adequacy ratio (2013-2018)



Source: ESD, DEHR, MoLHR



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