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## Unemployed Youth Perception Survey 2014 Report

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

ISBN 978-99936-59-07-5

# Results and Analysis of the Perception Survey: Unemployed Youth of Bhutan

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## ABSTRACT

This paper presents results and findings from a survey aimed at understanding perceptions among Bhutan's unemployed youth. It also provides analysis of the results and concludes with an eight point plan for boosting youth employment. Its contents are primarily based on the Unemployed Youth Perception Survey conducted in April 2014 by the Ministry of Labour and Human Resources, Royal Government of Bhutan. The analysis section draws upon additional research in presenting findings and in formulating recommendations.

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## Acknowledgements

The preparation of this report would not have been possible without the support and valuable contribution of a number of individuals and organisations.

Special recognition is given to the Royal Government of Bhutan particularly Ministry of Labour and Human Resources and UNDP Bhutan for developing the Youth Perception Survey Report.

The Royal Government of Bhutan and UNDP wish to express further appreciation to the individuals who worked in various ways to develop this timely report, and the background papers that informed its creation. Special credit goes to: H.E. Lyonpo Ngeema Sangay Tshempo, Minister for Ministry of Labour and Human Resources; Mr. Pema Wangda, Secretary of the Ministry of Labour and Human Resources; Mr. Jamyang Galey, Director of the Department of Employment (DOE) for his overall guidance. Mr. Tandin Dorji, DOE; Ms. Phuentsho Yuden, DoE; Ms. Dechen Dema, DoE; Mr. Gayduen Wangdi; Ms. Dechen Dema for questionnaire design, training, sample design, survey preparation, field operations and data processing.

With many thanks to UNDP's Bangkok Regional Hub for their technical expertise, especially Mr. Taimur Khilji, Policy Specialist, Jobs and Livelihoods for analysing the survey data, presenting the results and findings, and for drafting this report. His task was made much easier due in large part to Ms. Supharat Kaewkhonkaen's excellent research assistance.

Special thanks also to Scott Bohachyk, Junior Professional Consultant, UNDP and Adam Pitt for reviewing and editing the report.

Finally, gratitude is expressed for the leadership and vision provided by Ms. Christina Carlson, UN Resident Coordinator/UNDP Resident Representative; Ms. Hideko Hadzialic, former Deputy Resident Representative, UNDP and Mr. Jigme Dorji, Portfolio Manager, UNDP during the research, analysis, and reporting of key findings.

## 1. Executive Summary

In many respects Bhutan has made tremendous progress in transforming its economic, social, and political outlook. Its economy is one of the fastest growing in the world and is ranked fourth in the world in terms of the speed of growth by the IMF. Growing at an average of 8 percent since 2000, per capita GDP has more than tripled from US\$780 in 2000, to US\$2,460 in 2013.<sup>1</sup> Social progress has come in the form of improvements against almost all of the Millennium Development Goals, including those pertaining to the poverty, health, and education. The decline in poverty has been particularly impressive, dropping from 36.3 percent in 2000 to just 12 percent in 2012.<sup>2</sup> Meanwhile, the year 2008 marked a historic moment in Bhutan's political history as the nation embraced a system of constitutional democracy for the first time. All these major milestones have been achieved in the past fifteen years, in spite of geographical constraints, and are a testament to the commitment of the Bhutanese people and to the vision of its leaders.

As Bhutan's economy continues to grow, diversify, and modernise, new challenges and opportunities will inevitably arise along the way. Identifying and confronting these challenges before they pose a critical impediment to social and economic development will be as important as seizing the opportunities themselves. One challenge that has come to the fore is that of youth unemployment. This is not specific to Bhutan but is a global phenomenon that continues to affect millions of young people worldwide long after the recession shook world economies in 2008. In 2014, the International Labour Organisation estimated that over 73.6 million young people were unemployed.<sup>3</sup> Nonetheless, while youth unemployment is a common issue within developed and developing countries, the way the issue has manifested itself across the globe differs vastly from one context to the next.

This paper presents the results and findings of a survey aimed at more fully understanding the perceptions of unemployed youth in Bhutan. Conducted by the Royal Government of Bhutan's Ministry of Labour and Human Resources in April 2014, the survey also seeks to gain further insights into the nature of youth unemployment. In many respects it builds on existing literature, and in most cases confirms the findings of a number of research papers on the matter. However, it also reveals some emerging trends and probes several issues in greater depth.

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<sup>1</sup> World Development Indicators, 2013

<sup>2</sup> Ibid

<sup>3</sup> ILO, 2014

As an example, the demographics of the survey sample has implications for policy-makers, with 84 percent residing in urban areas. Equally important is the fact that most of those taking part were educated. About 50 percent held a Bachelor degree or higher and within this group most graduated with degrees in 'general' subjects including commerce, business administration, and business management. At an aggregated level, findings in urban social environments were validated by those of the Labour Force Survey in 2013 (LFS 2013). According to the LFS 2013, youth unemployment in urban areas stood at 22.8 percent in 2013, which is significantly higher than the national youth unemployment rate of 9.6 percent. With one in four youth unemployed in urban areas, results showed a clear need for a policy review and reform.

This paper can be read in two parts. The first part presents the results of the youth perception survey. Findings are structured by (i) demographics (i.e. the characteristics of unemployed youth, including location, level of educational attainment, financing of education, type and duration of training received, duration of unemployment or time spent seeking employment, etc.), and (ii) the perceptions and preference of the youth when it comes to their search for work (i.e. skills perceived to be important for securing employment, preferred sector of employment, expected remuneration, etc.). The second part analyses these results, taking into account relevant literature on youth and youth employment. This section ends with an eight point plan that complements and builds on the Royal Government of Bhutan's on-going development policies and initiatives. It is aligned with the 11<sup>th</sup> Five-Year Plan [2013-2018] and fits naturally under the broader chapeau of Gross National Happiness.

The eight point plan relies on a diverse and integrated approach to unemployment, and one that pays attention to several variables that contribute to its presence among youth. As the structure of Bhutan's economy changes from one that was predominantly agrarian to one that relies increasingly on industry and services, it is apparent that a new skill composition will be needed to drive growth.

The opportunities presented by Bhutan's rapid economic transition mean that synergies between sectors, the relationship between micro and macro-economic trends, and the interactions that take place between the supply and demand of labour, must be viewed as a system. Only by doing so can the right mix of tools, policies, and initiatives be identified and implemented to boost employment in a sustainable manner. It is in this spirit that the eight point plan was conceived.

In brief, the eight point plan includes establishing:

- 1. Greater collaboration/coordination between public and private entities to identify and develop the skills needed to drive growth and create jobs.**
- 2. Innovation and an entrepreneurial spirit that is integrated within education and training curricula and viewed as a mid to long-term strategy.**
- 3. Opportunities to tap into improvements in technology and communications that improve existing systems and approaches to connect employers with potential employees, as well as connecting the government with youth.**
- 4. An awareness that youth unemployment is largely an urban phenomenon, but that the solutions needed will require both urban and rural-based solutions.**
- 5. Standardised and accredited technical and vocational training that involves private sector and civil society organisations in curriculum development.**
- 6. A focus on growth sectors within the economy, identifying particular skills needed to ensure sustained growth. Also, to develop linkages between these sectors so that they are able to reinforce and sustain each other's growth.**
- 7. A focus on specific target groups within youth, especially those that are vulnerable, including females, and those with low skill-sets and education.**
- 8. Evidence and data capable of driving forward-thinking policy solutions.**

## 2. Introduction

In terms of economic and social development, Bhutan has already achieved several of the Millennium Development Goals and is on track to achieving most of its targets by the rapidly approaching deadline of 2015. The country has witnessed strong and sustained growth, averaging over 8 percent between 2008 and 2012. Poverty has been slashed from 36.3 percent in 2000 to 12 percent in 2012. According to the World Bank, GNI per capita has more than trebled since 2000, rising from US\$780 in 2000, to US\$2,460 in 2013. This is above the average GNI per capita of US\$1,474 recorded in South Asia in 2013, as well as that of Lower Middle Income Countries (US\$2,068). Net enrolment in primary schools is another area of progress, increasing to 91.5 percent from 84 percent in 2007 while also maintaining gender parity. Unlike most countries in the Asia- Pacific region, Bhutan's MDG health indicators also reflect steady progress. However, as in other countries development gaps remain and continue to pose significant threats to development gains.

One area where progress has been lagging is youth employment. While unemployment of 2.9 percent is low by international standards, there has been growing concern around youth employment and the issues they face in finding work among policymakers and the public. Unemployment among youth aged 15-24 has reached 9.6 percent, which is considerably higher than the national average, and has led to a renewed commitment to reduce youth unemployment to 2.5 percent by the end of the 11<sup>th</sup> Five-Year Plan [2013–2018]. Part of this commitment has seen the government commission employment studies. Moreover, it is fully committed to the MDG acceleration process [2012-2013], generating strategies and policies that aim to address youth unemployment. Yet, despite this, youth unemployment rose over 2 percent in a year, from 7.3 to 9.6 percent in 2013. Male and female youth unemployment stands at 9.2 and 9.9 percent respectively, and is far more pronounced in urban areas (22.8%), than in rural areas (4%).

Moreover, during the current 11<sup>th</sup> Five-Year Plan [2013-2018], labour force participation is projected to increase from 343,361 in 2013, to 370,160 in 2018. The total number of job seekers is estimated to grow from 90,000 in the 10<sup>th</sup> Five-Year Plan, to around 120,000 during the current plan. The ability to absorb additional labour productively and gainfully will be one of the biggest challenges facing Bhutan over the course of the next few years, and addressing this challenge will therefore require a more integrated and coordinated response. As such the findings of this youth survey are intended to feed into this process.



### 3. Methodology

At the outset it is worth pointing out some of the strengths and weaknesses of this survey, which in turn will help define the scope of what can and cannot reasonably be expected from it. For instance, the survey was conducted based on unemployed youth registered on the Ministry of Labour and Human Resources' job portal. Using those registered on this site as the main sample introduces two types of bias. The first relates to computer literacy, which is assumed among the sample and which could therefore exclude those not capable of using the portal or regularly updating employment statuses. This is supported by the fact that 98 percent of youth surveyed had attained Class X education or higher.

Given that the job portal is housed in the Ministry in Thimphu there is also an element of urban bias, since awareness of the portal's existence was found to be somewhat higher in the capital. Of the surveyed sample of 1,128 unemployed youth, 67.1 percent (757) were Thimphu residents, while the rural proportion of the survey was just 16 percent. This is in contradiction to the Labour Force Survey 2013, which indicates that 38 percent of all unemployed is in rural areas. Along a similar vein, the Labour Force Survey also puts the percentage of illiteracy among all unemployed at close to 11 percent, whereas this survey found only 0.4 percent illiteracy. Sixty percent of those participating in this survey pursued higher studies abroad, which again is not consistent with the Labour Force Survey 2013. A final thought should be given to the interviewer bias and the possibility that unemployed youth may be motivated to exaggerate their situation as being better or worse than it is.

Another issue that is not evident from the surveyed population is whether females in the sample are affected by child rearing, or whether they are returning to seek employment after having a child. It would be important to know such information, especially since females tend to marry and rear children during their youth. The implications for policy are important as it will determine the effectiveness of efforts to provide women with the most suitable employment. Women with children may prefer to take on part-time employment for example, though this is not evident from the survey results. Another point worth noting is that the significant majority (65.9%) of the survey are from relatively affluent backgrounds, with parents earning over 4000 Nu, and do not comprise the poorest of the poor.

On the other hand, the survey stands as a useful and informative tool for understanding preferences and perceptions among educated unemployed youth in

urban areas. A high response rate of 98.8 percent is also a positive indication of the willingness among youth to engage with the government in identifying a solution. Meanwhile, the results also reveal what unemployed youth consider to be productive and decent employment. This alone is helpful in determining whether the problem lies in the jobs on offer or expectations held by youth, especially as much of the literature on employment fails to adequately capture what comprises decent and productive employment. The survey sheds further light on the usefulness of existing forms of skills training in securing employment, with 28 percent of unemployed youth reporting having received over a year’s worth of training. This should alert policy makers to the training and its usefulness, and lead to improvements in training curricula. Equally important, is the gender differences that surface when it comes to areas of work and expected remuneration. While equality should be maintained, it indicates the need for gender specific policy measures since pro-employment measures often shy away from differentiating between genders.

## 4. Results and Findings

### a. Demographics

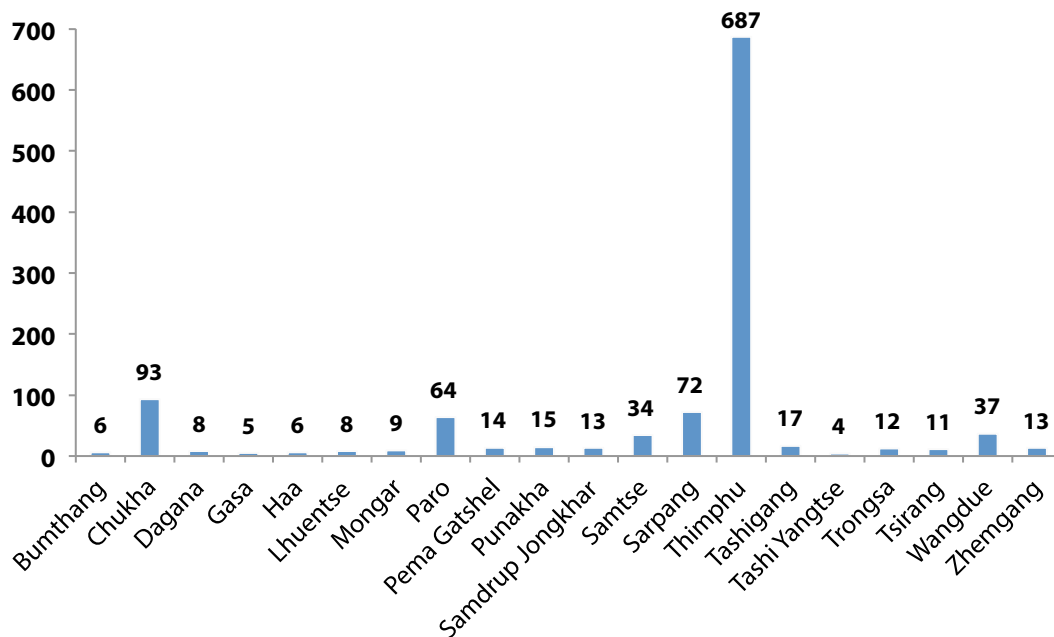
This survey was conducted among unemployed youth aged 17-29 years old. It was supervised by the Ministry of Labour and Human Resources and was conducted across all five regions and 20 Dzongkhags (Districts) in Bhutan from 3-17 April 2014. The sample was selected using a systematic and measured process, drawing on a list of youth registered as unemployed on the Ministry’s online job portal in March 2014. The proportional representation of each region was maintained in the survey sample, so that no district or region was over represented. That is, the surveyed population reflected same regional proportion as the job portal.

A sample of 1,142 was offered the chance to participate. With a completion rate of 98.8 percent, 1,128 responses were provided (see Table 1 and Figure 1).

**Table 1: Survey Sample by Region**

Region	Total in Job Portal website	Sample	Responses
Gelephu	896	179	179
Phuentsholing	648	130	127
Samdrupjongkhar	141	28	27
Thimphu	3834	767	757
Trashigang	189	38	38

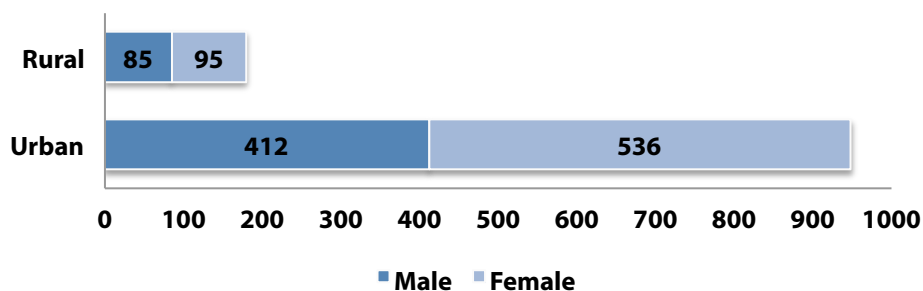
**Figure 1: Survey Sample by Dzongkhag**



Overall, the sample comprised 631 females (56%) and 497 males. In terms of age, the survey engaged 40 youth between the ages of 17-19 years old, 670 people between 20-24 years old, and 418 aged 25-29 years old. There were no youth in the surveyed sample that were below the age of 17.

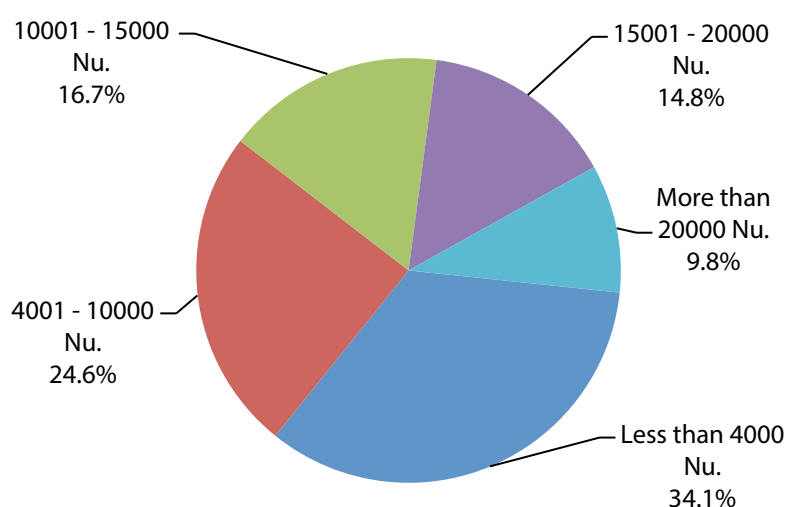
In terms of the geographical spread of participants, 84 percent of those who took part resided in urban areas, while the rest lived in rural areas (see Figure 2). For the majority of unemployed youth, taking up residence in urban areas was considered crucial by both genders even though more young urban women were unemployed than men in the sample surveyed. This translated into 536 females and 412 males in urban areas compared to 95 and 85, respectively in rural areas. Eighty-five percent of youth surveyed also reported living with relatives and only 4 percent said that they lived in their own rented apartment.

**Figure 2: Unemployed Youth by Location and Gender**



The parents of 34 percent of the sample had an average monthly income of around 4,000 Bhutanese Ngultrum (Nu.). This equates to just US\$ 64, while little more than 24 percent claimed to have earnings of 4,001-10,000 Nu. (US\$ 64-161). Parents whose income exceeded 20,000 Nu. (US\$ 320) were in the minority at 9.8 percent, and in close to 60 percent of cases where monthly income was less than 10,000 Nu., results indicated that most unemployed youth were from relatively modest financial backgrounds (see Figure 3).

**Figure 3: Average Monthly Income in Ngultrum by Percentage**



## Education

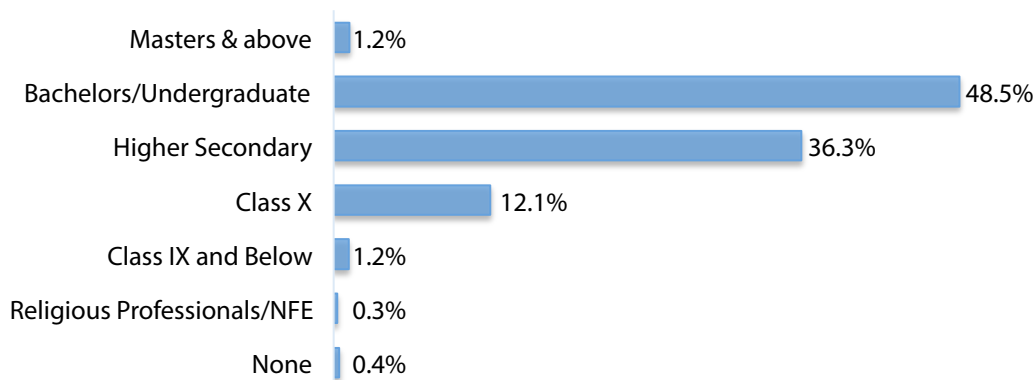
Among those surveyed only 1.2 percent had Masters degrees or higher, while 48.5 percent held undergraduate degrees. A little over 36 percent had completed secondary education, while those with Class X qualifications comprised 12.1 percent. Youth with only Class IX and below education represented 1.2 percent; and religious professionals, those with non-formal or no education accounted for less than 1 percent of the sample (see Figure 4). In terms of sectors, there was a fairly even spread between those at government (47%) and private (51.8%) schools, with the remaining 1.2 percent selecting 'other' learning types.<sup>4</sup>

As far as gender is concerned it was a similar story for Bhutan's women, with results indicating 61 percent of those completing higher secondary education were female. This is in contrast to those obtaining Bachelor degrees, where 52 percent were male.

<sup>4</sup> This includes home schooling or tutoring.

This finding indicates that a significant portion of females tend not to pursue further studies.

**Figure 4: Educational Attainment by Qualification**



Most youth that do continue to further studies tend to go abroad. Only 40 percent of those who obtained a Bachelor degree did so in Bhutan, and it may come as no surprise that the most popular destination was India (59.5%). Tamil Nadu and West Bengal ranked top among study destinations. Only 1.5 percent of those studying abroad obtained Bachelor degrees outside of India. Of two categories offered in the survey – technical and general – 78.1 percent of BA degree holders believed their qualification to be ‘general’ and 21.9 percent thought their education to be of a technical nature. When asked to name their courses, more than 80 course titles were listed. Over 60 percent held BCOM, BBA, BCA, or BBM degrees. IT and Environmental Studies were also popular courses of study.

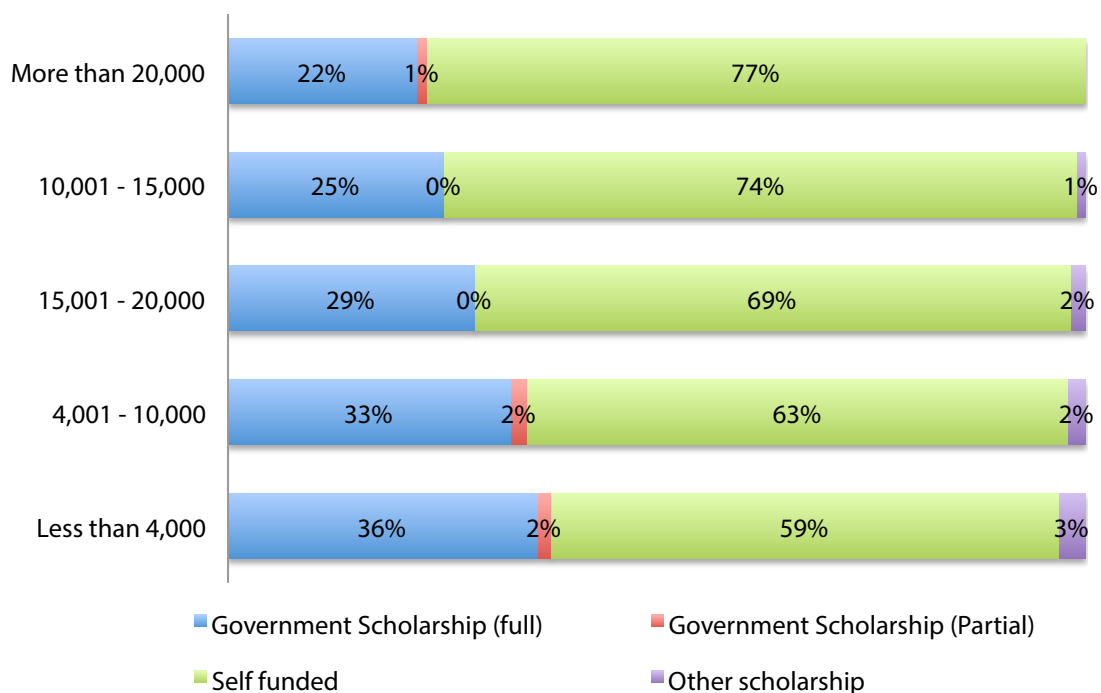
## Financing

In terms of financing education for Bachelor degrees and above, 67.9 percent were self-funded, around a third obtained full government scholarships and 1.6 percent secured a scholarship from other sources. Almost 1 percent received partial government funding.

However, when observed alongside parental financial backgrounds, a high proportion of self-funding students came from the lowest monthly income bracket. Over half were self-funded, while 36 percent were awarded full government scholarships. By the same token, 77 percent of students whose parents’ income was over 20,000 Nu. per month were self-funded. In this instance, only 22 percent were recipients of full government scholarships.

Such statistics may seem progressive, as a greater proportion of those with funding pay for their own education. Nonetheless, this relationship breaks down when comparing youth whose parents earned 10,000-15,000 Nu. and those with incomes of 15,000-20,000 Nu. While the former group are of a less affluent background, three in four students self-funded their Bachelor degrees, as oppose to 69 percent of the affluent second group. Also worth noting is the fact that 29 percent of the affluent group received full governments scholarships. Only 25 percent received such support in the latter group (see Figure 5).

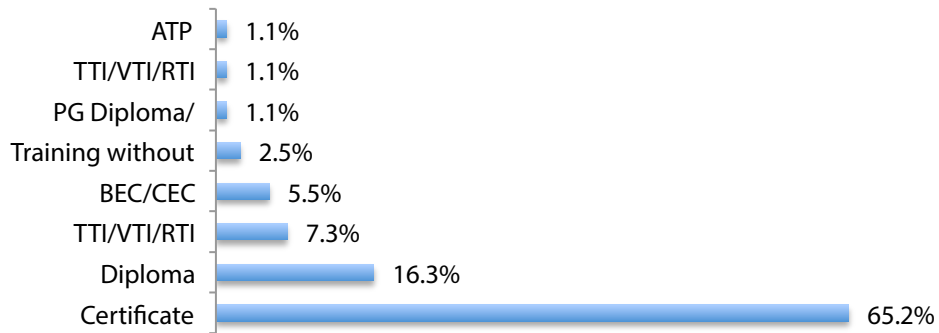
**Figure 5: Parental Earnings and Financing Resources (Bachelor Degree or Above)**



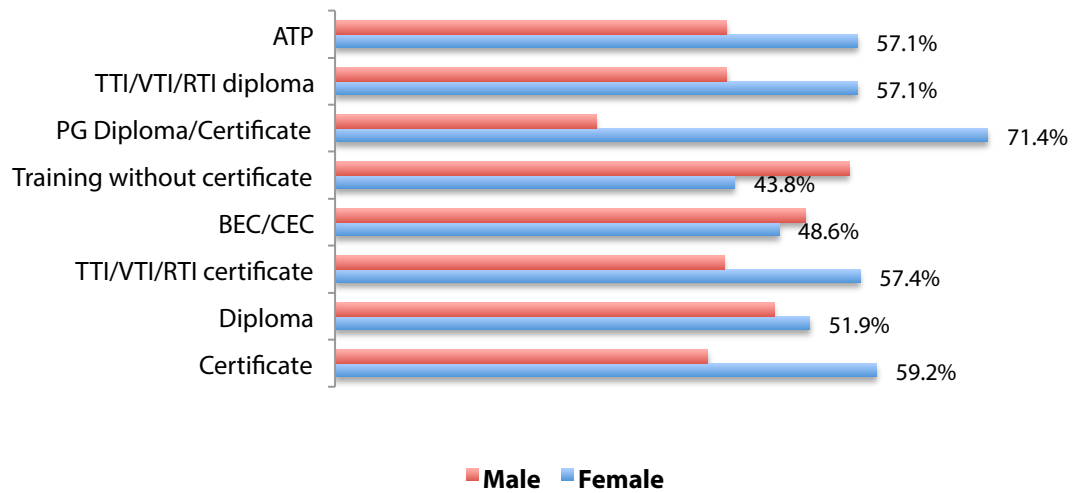
## Training

Over 43 percent of the surveyed population said they had not received any skills-based or vocational training, out of which 54 percent were women. Far from being under represented, of the other 56 percent that had received training, 57 percent were female. Regardless of gender, 81 percent of those undergoing training said they were given certificates or a diploma, and 7 percent a TTI/VTI/RTI certificate (see Figures 6 and 7).

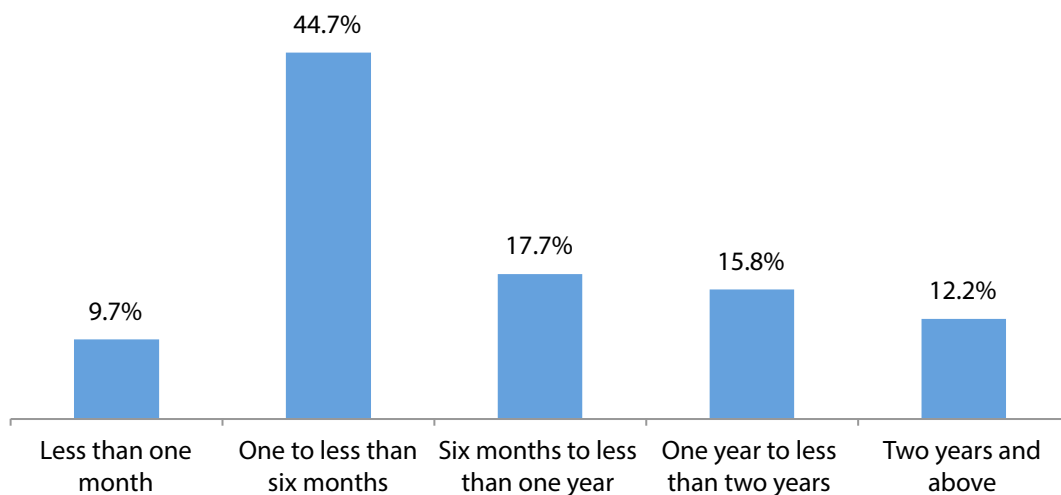
**Figure 6: Level of Training Received by Type**



**Figure 7: Level of Training by Gender**



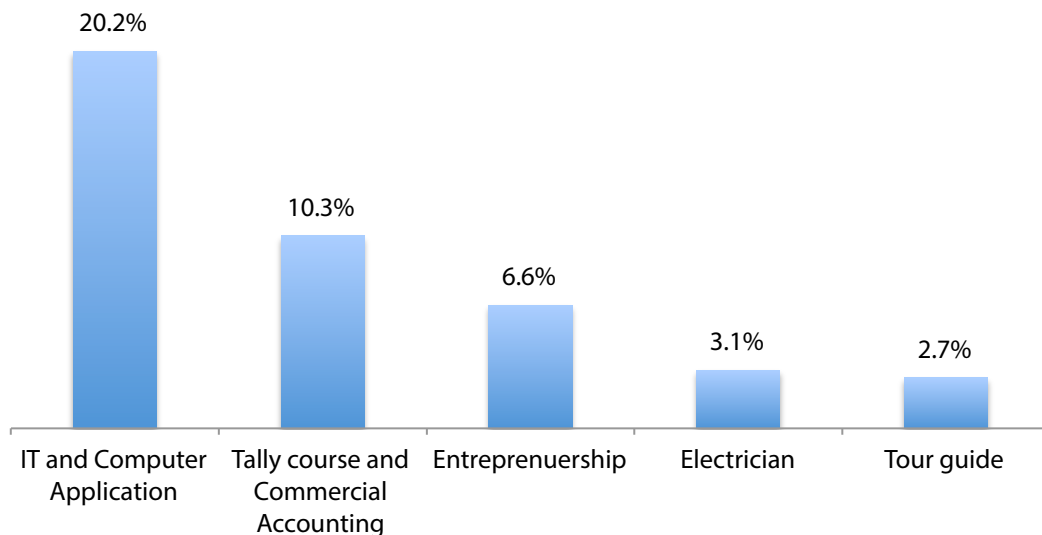
**Figure 8: Training by Duration**



In addition to the level of training, its duration is important in developing skills that result in employability. But, for 10 percent of those trained, learning lasted for under a month, increasing to 44 percent among those on one to six month courses. Eighteen percent were trained for six months to a year, while 15.8 percent received training for one to two years. 12.2 percent were privy to training that ran for more than two years (see Figure 8).

In keeping with degree choices, the most common training pursued by job seeking youth were in the fields of IT and computer applications, Tally accounting software and other commercial accounting skills, entrepreneurship, electrician, and tourism (see Figure 9).

**Figure 9: Training Pursued by Unemployed Youth by Frequency**

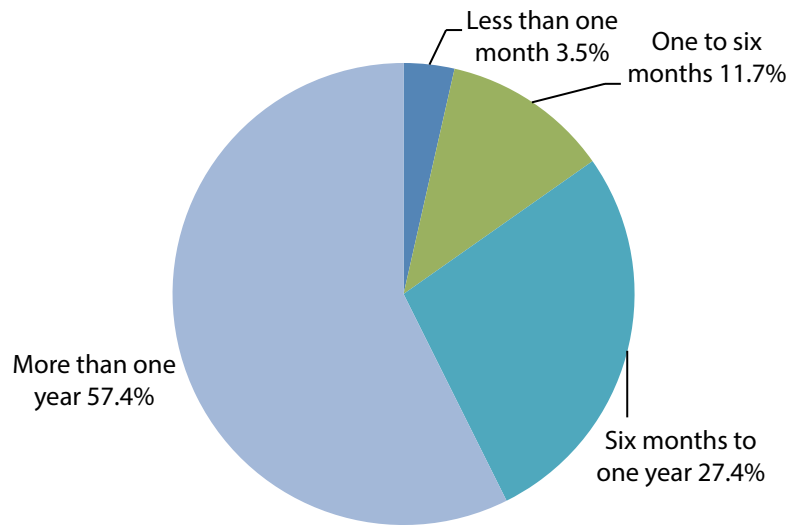


## Unemployment

When asked, the majority of job seekers (57%) said they had been seeking work for more than a year, while 27 percent were unemployed for between six months and a year. Those looking for work for one to six months comprised almost 12 percent of the sample, and those searching for less than a month accounted for only 3.5 percent (see Figure 11).

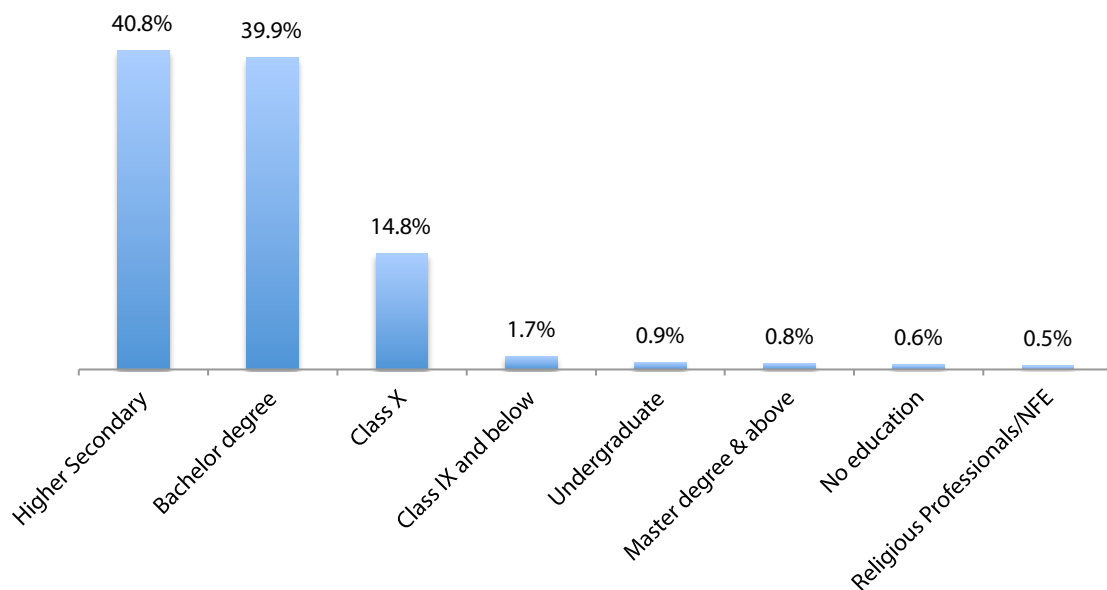


**Figure 11: Duration of Unemployment**



The long-term nature of unemployment among a significant portion of the sampled population was a particularly worrying trend. Additionally, almost 42 percent of those looking for work for more than a year either had an undergraduate or Masters degree (see Figure 12). A further 41 percent of youth seeking work for more than a year had completed higher secondary education.

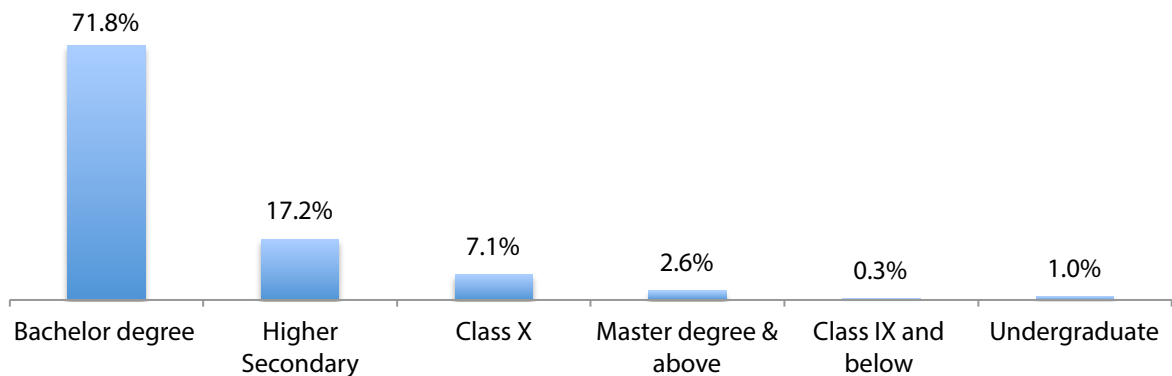
**Figure 12: Long-Term Jobseekers (More Than a Year) by Education Level**



Seventy-five percent of respondents seeking work for between six months and a year had completed at least an undergraduate or Bachelor degree, suggesting a

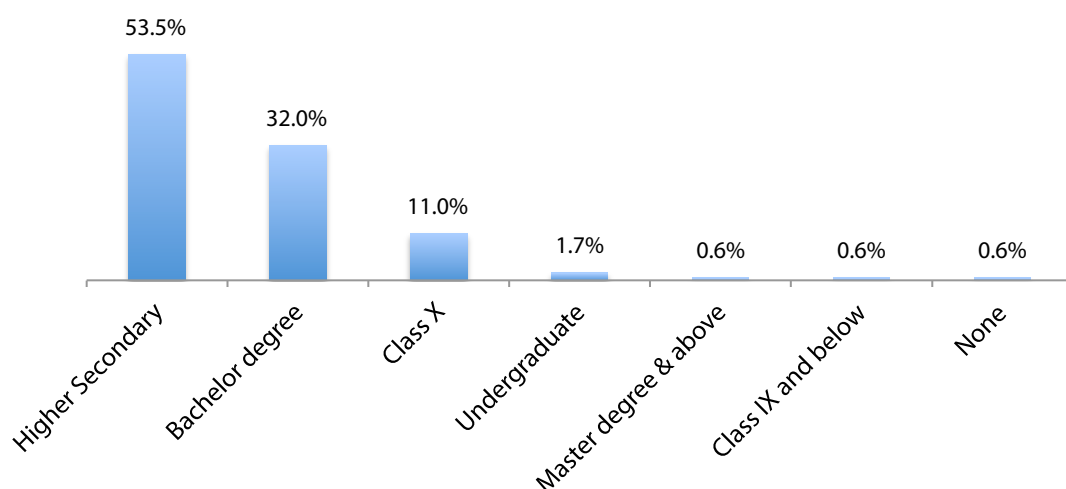
relatively low absorptive capacity for educated labour. It also suggests that educated youth face a time lag between completing education and securing a job. What is clear is that they do not immediately find employment. Seventeen percent of the respondents that had been seeking work for between six months and a year completed higher secondary education, while the rest (7.4%) were comprised of those with Class X education (see Figure 13).

**Figure 13: Mid-Term Jobseekers (Six Months to a Year) by Education Level**



A lesser but no less significant proportion of those looking for work for less than six months held tertiary education certificates. Some 34 percent had Bachelor or Masters degrees, while 54 percent had obtained higher secondary education. Those with Class X education accounted for 11 percent of this category of unemployed youth (see Figure 14).

**Figure 14: Short-Term Jobseekers (Less than Six Months) by Education Level**

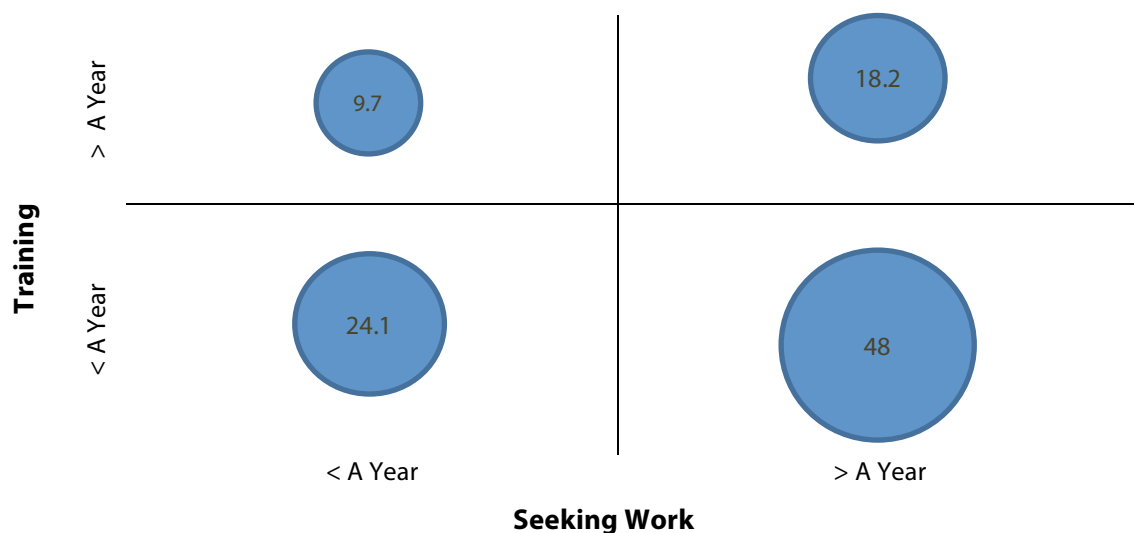


In summary the majority of those who have been seeking work for more than six months are educated youth and reside in urban areas. The type of skills being

picked up through higher education and training do not seem to translate into readily employable skills.

Looking at the relationship between skills training and unemployment, 48 percent of unemployed youth were those with less than a year of training. This is significant as it indicates that either the duration of training is insufficient, or that the type of training is not what employers are seeking. This again lends weight to the idea that the types of skills being picked up are not marketable. Furthermore, up to 18 percent of jobseekers had a year or more of training. It would therefore be wise to consider exactly what sort of training individuals are receiving and whether such training meets market requirements (see Figure 10).

**Figure 10: Duration of Training and Unemployment by Percentage**



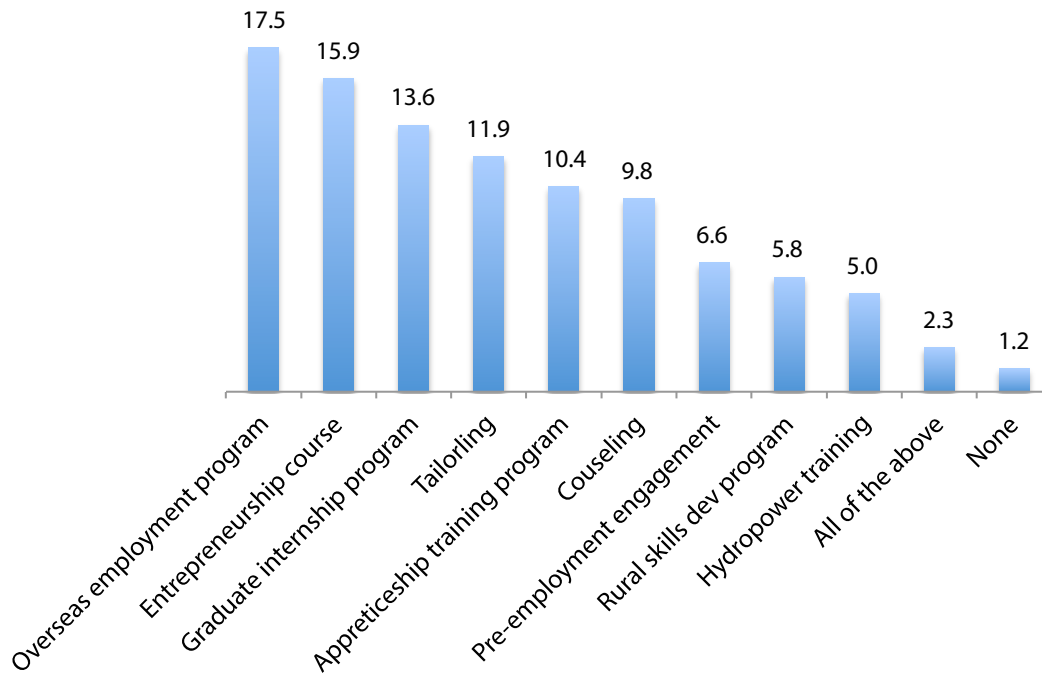
### The Jobseeker Process

Unemployed youth reported using three mediums with relative uniformity during their job search. Thirty-six percent listed registering on the online job portal system of the Ministry of Labour and Human Resources as their main means for seeking employment, while 34.6 percent said they used traditional TV/newspaper/internet searches. Networking through friends and relatives was used by 29.1 percent and just 0.2 percent listed 'other' methods.

In response to questions surrounding employment facilitation programmes offered by the Ministry of Labour and Human Resources, almost all youth reported being aware of at least one programme; only 1.2 percent had never heard of any initiatives. Just two percent were aware of all programmes and unsurprisingly given the apparent outward-looking study choices, the most popular programme was the

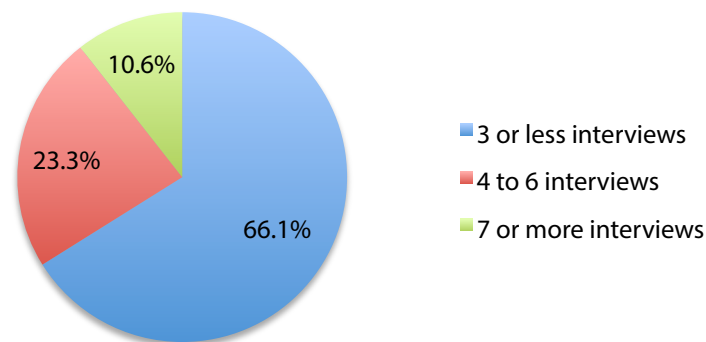
'overseas employment' programme. Over 17 percent of youth were aware of this, whereas only 5 percent were aware of the benefits on offer through the Ministry's 'hydropower training' programme (see Figure 15).

**Figure 15: Awareness of Employment Facilitation Programmes by Percentage**



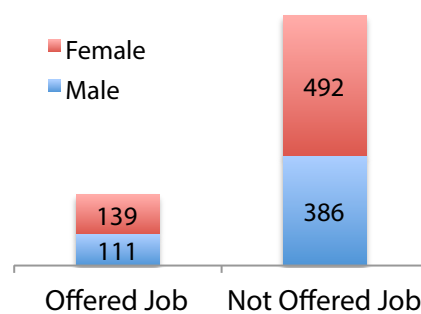
In terms of interviews, 68 percent of the sample said they had been interviewed for a job, out of which 55 percent were women. This is interesting given the number of women in tertiary education. Nevertheless, among those interviewed, 26.3 percent had interviewed for one job, 23.7 percent had interviewed for two jobs, 16.2 percent interviewed for three jobs, 11.5 percent interviewed for four jobs, and 8.5 percent said they had interviewed for at least five different jobs. In each case, female candidates exceeded males (see Figure 16).

**Figure 16: Unemployed Youth by Number of Interviews**



Among those interviewed, 32.7 percent were offered jobs, while the remaining 67.3 did not receive job offers<sup>5</sup>. Among those offered employment, 56 percent were female. The same percentage of women comprised those not offered jobs. Statistically, out of the total sample of 1,128 unemployed youth, 250 were offered jobs, and 878 were not. Among the 250 that were offered jobs, 139 were female, and among the 878 that were not offered jobs, 492 were female (see Figure 17).

**Figure 17: Job Offers Received by Gender**



## b. Perceptions and Preferences

Having established a narrative through which unemployed youth arrive at their various stages of unemployment, this section now turns its focus toward the survey responses and perceptions and preferences held by unemployed youth towards Bhutan’s labour market.

### Reasons for Not Accepting a Job

Among those fortunate to have received job offers, reasons for not accepting them could be divided into six categories: salary, parents’ objection, poor working conditions or work environment, location of workplace, mismatch with qualifications, and ‘other’ reasons.<sup>6</sup> The most common cited reason was ‘other’ (28%), while second and third were location of workplace and a mismatch with qualifications, with 8.8 and 6.8 percent respectively.

The top five ‘other’ reasons listed were that the job was seasonal and/or contract work (25.4%); poor working conditions or work environment (9.9%)<sup>7</sup>; the company

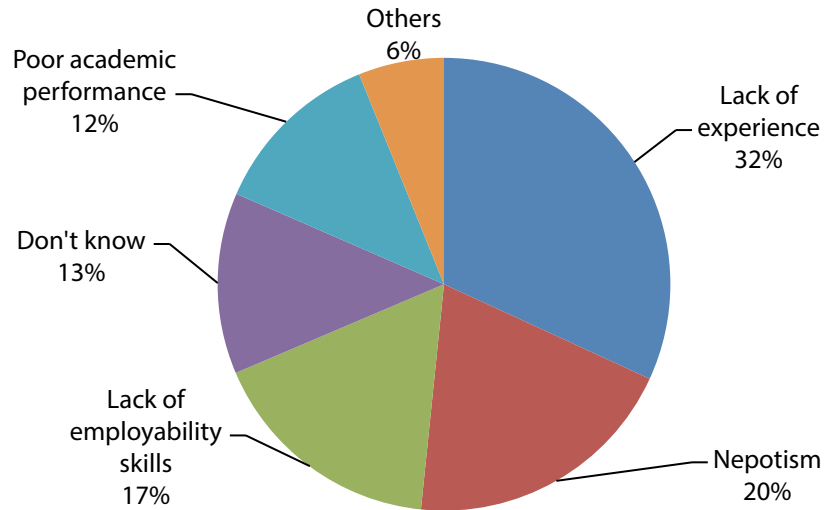
<sup>5</sup> Among those who were not interviewed for a job most either never applied or were not shortlisted for a job.

<sup>6</sup> These were the listed options in question 28 of the survey.

<sup>7</sup> This was input despite being a listed option, and should be added to the 3.6 percent that chose from the list.

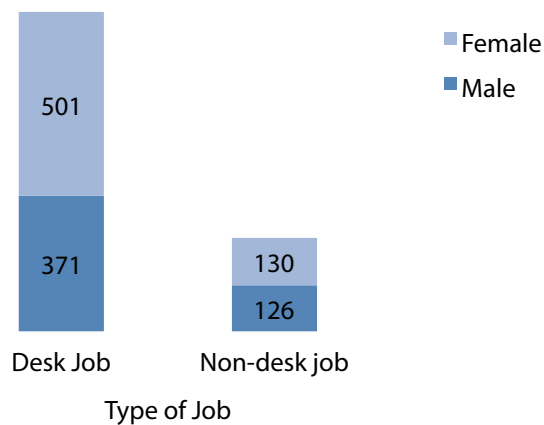
shut down; family health problem; and further studies. Similarly, reasons given for not being selected for a job interview fell into six categories where a perceived lack of experience (32%), nepotism (20%), lack of relevant skills (17%), 'don't know' (13%), academic performance (12%), and 'other' factors (6%) were seen as hindering interview success (see Figure 18).

**Figure 18: Perceived Reasons for Unsuccessful Interviews**



Further exploration into job preferences revealed that the overwhelming majority (77.3%) preferred a desk job over a non-desk job. Among those that preferred a desk job, more than half were females (see Figure 19). Reasons cited for not wanting to take up a non-desk job were poor working conditions (33.2%); low salary (32.7%); social stigma or low social status of the job (17.5%); parents' objection (9.4%); and 'other' reasons (7.1%).

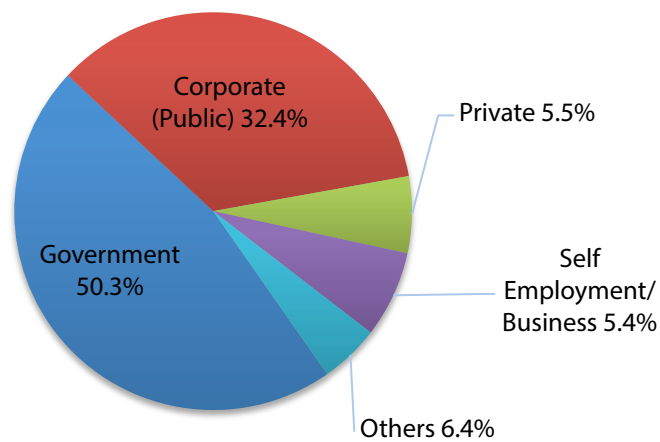
**Figure 19: Job Preference by Gender**



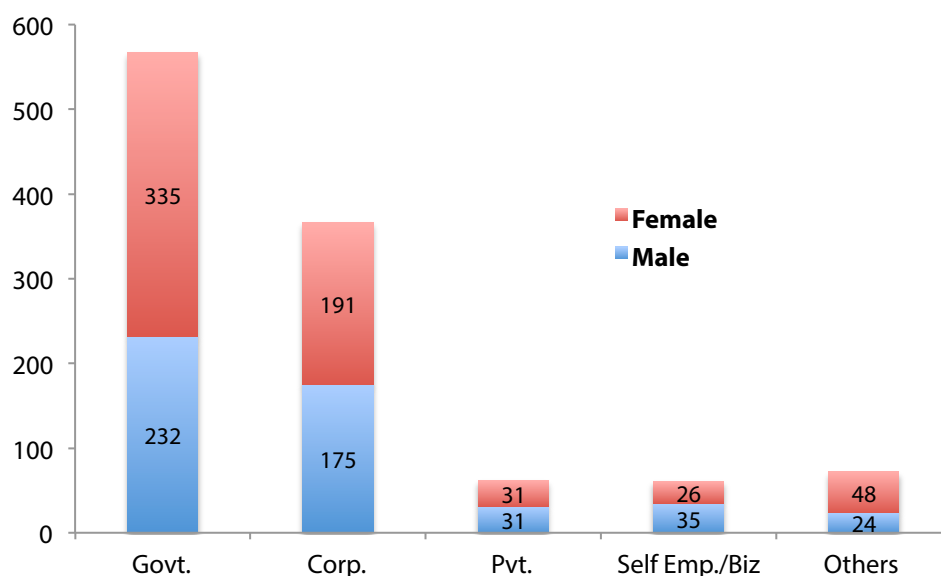
## Preferred Sector and Field

In terms of preferred employment sector, 50.3 percent said they preferred to work for the government, while 32.4 percent preferred public corporations. Those favouring private, self-employment, and other sectors comprised 5.5, 5.4, and 6.4 percent of unemployed youth, respectively (see Figure 20). When disaggregated by gender, more females preferred working in the government and corporate sectors, while males outnumbered women when it came to a preference for self-employment and starting a business (see Figure 21).

**Figure 20: Preferred Employment Sector by Percentage**

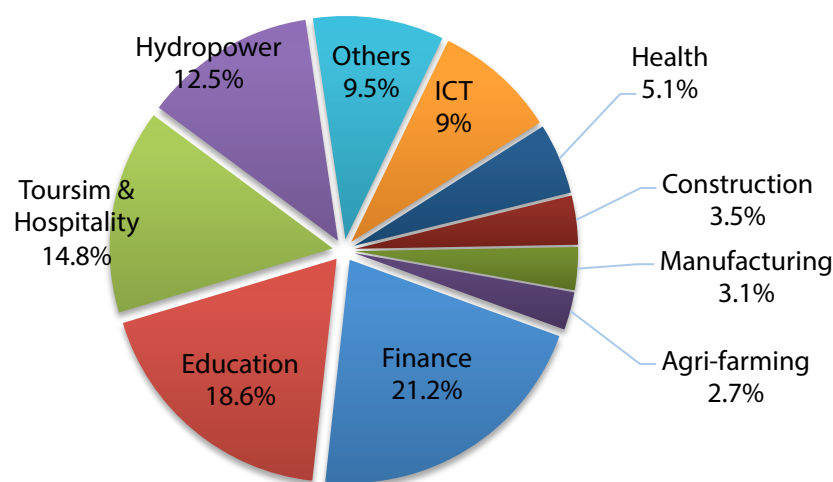


**Figure 21: Preferred Employment Sector by Gender**

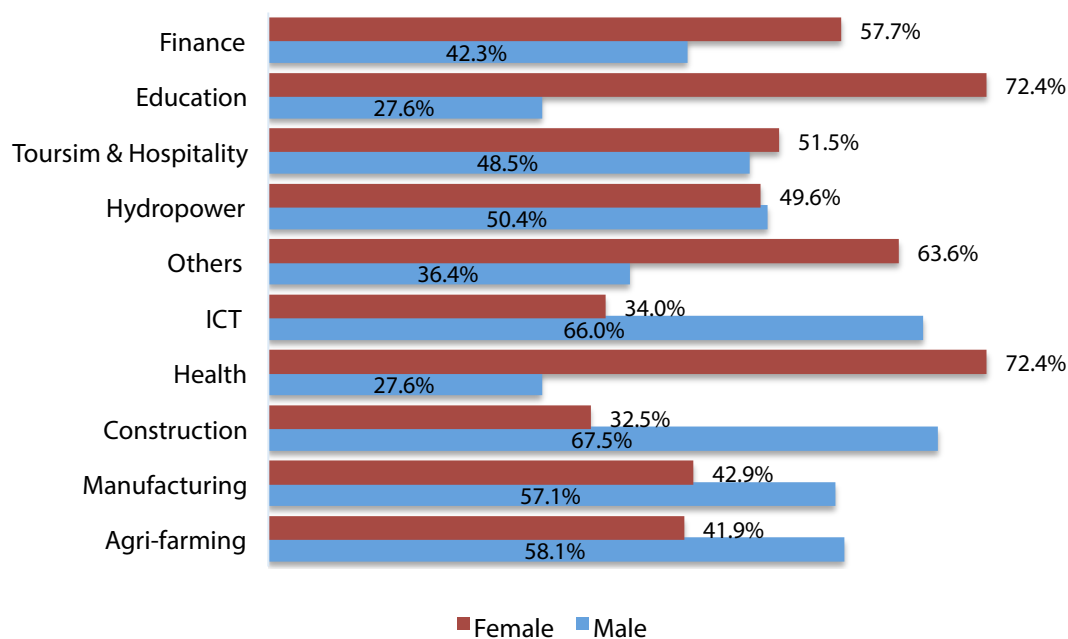


When given more specific options to choose from in terms of employment, most youth expressed a preference for finance, with 21.2 percent choosing this option. Over eighteen percent chose the education sector, while tourism and hospitality were the third popular options, with 14.8 percent of unemployed youth wanting to work in the latter industry. A further 12.5 percent of unemployed youth wanted to work in hydropower (see Figure 22).

**Figure 22: Preferred Field of Work by Percentage**



**Figure 23: Preferred Field of Work by Gender**



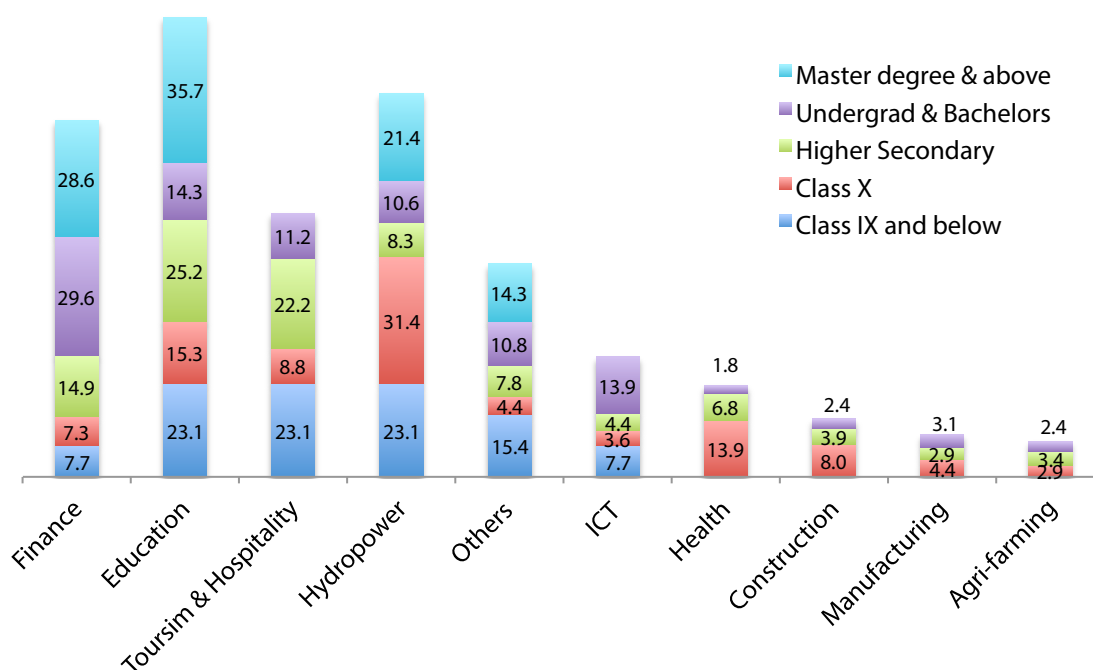


Despite general consensus between the genders, preferred areas of work differed quite significantly in some cases. Among those that chose education as their preferred area of work 72.4 percent were female, for example. Among those interested in health sectors, the same percentage were female, while male dominated fields were construction (67.5%), ICT (66%), agriculture and farming (58.1%), and manufacturing (57.1%) (see Figure 23).

Some interesting dynamics also emerged while observing preferred areas of work by level of education. For those with a Masters degree or higher, there was a clear preference for employment across three areas of work, namely, finance, education, and hydropower. A third of all undergraduate and Bachelor degree holders chose finance as their preferred area of work, with education and ICT close contenders. A quarter of higher secondary education graduates chose education as their preferred area of employment; tourism and hospitality and finance were also popular. Meanwhile, those with Class X education said they hoped to gain employment in the hydropower sector. This was followed by education and health. Finally, among youth with a Class IX education and below, 35.7 percent chose education, followed closely by finance (28.6%) and hydropower (21.4%) (see Figure 24).

When asked what specific profession they would chose, the three most popular responses were teacher (20%); accountant (11.2%); and tour guide (6.1 %). This was followed by 'any occupation' (4.3%) and IT Officer (4.3%) as professions of choice.

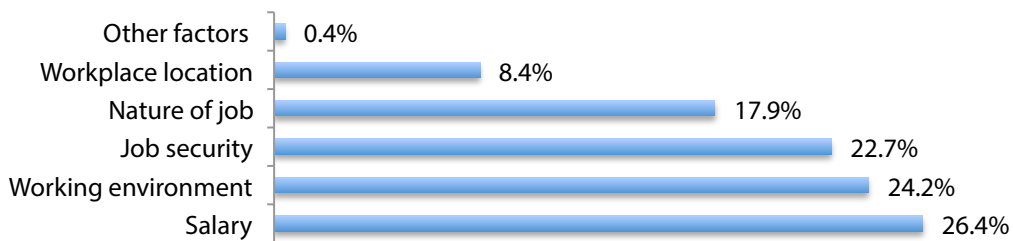
**Figure 24: Preferred Field of Work by Education Level By Percentage**



## Making Career Choices

A series of guiding factors that drive employment decisions were listed in the survey, and included salary, working environment, job nature, location of workplace, job security, and 'other' factors. The most popular of these factors among unemployed youth was salary, with 26.4 percent choosing it as the most decisive factor in terms of employment. Work environment was a close second with over 24 percent, while job security and job nature were chosen by 22.7 and 17.9 percent, respectively. More than 8 percent chose workplace location as a guiding factor, while only 0.4 percent chose 'other' factors (see Figure 25).

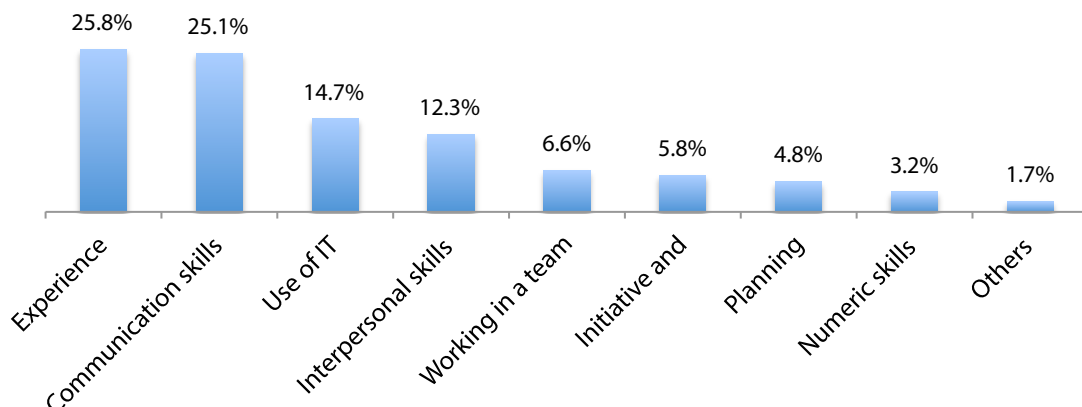
**Figure 25: Guiding Factors in Employment Decisions by Percentage**



## Required Skills

In terms of skills perceived as being important in securing decent employment, the most common response was actually experience, with 25.8 percent selecting this option. At the same time communication skills were perceived as being crucial in securing employment by 25.1 percent of the sample. The ability to use IT effectively; interpersonal skills, and working in a team were also perceived as being important skills to have for landing a job by 14.7, 12.3, and 6.6 percent of the surveyed population, respectively (see Figure 26).

**Figure 26: Perceived Skills Required for Securing Employment by Percentage**

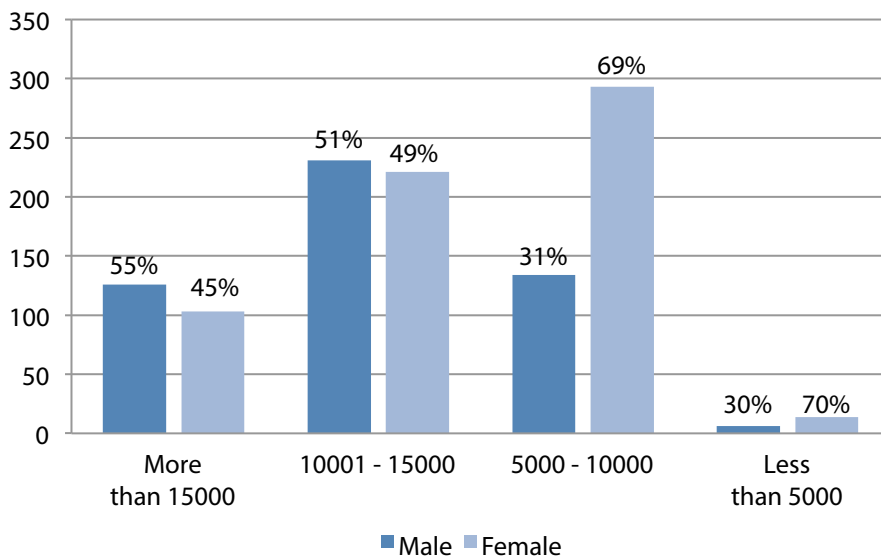


## Expected Remuneration

As salary emerged as the most common factor in making employment decisions, a useful follow up question on salary expectations revealed 40.1 percent as expecting remuneration between 10,001 and 15,000 Nu. per month. For a significant proportion (37.9%) required remuneration ranged from 5,000-10,000 Nu., with 20.3 percent expecting in excess of 15,000 Nu. per month. Only 1.8 percent sought remuneration less than 5,000 Nu, all of which is significant given earlier sentiments about parental incomes ranging from 4,000 Nu. (34%), 4,000-10,000 Nu. (24%), and more than 20,000 Nu. (9.8%). This suggests that youth have the same or higher expectations than that of their combined parental income.

Interestingly, there were also significant differences in terms of expected remuneration between genders, with males expecting higher remuneration than females. For instance, among those expecting remuneration in excess of 15,000 Nu., 55 percent were male, while those expecting between 5,000-10,000 Nu., 69 percent of respondents were female, and among those expecting less than 5,000 Nu., 70 percent were also female (see Figure 27).

**Figure 27: Differences in Expected Remuneration by Gender**

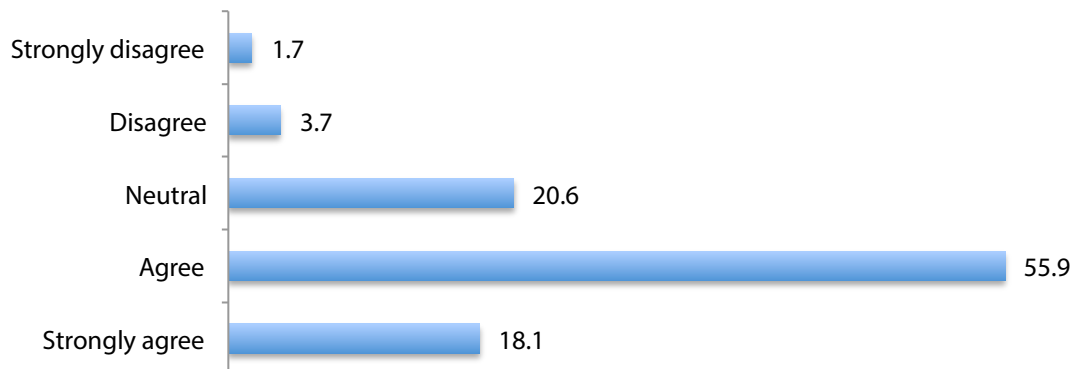


## Government Programmes

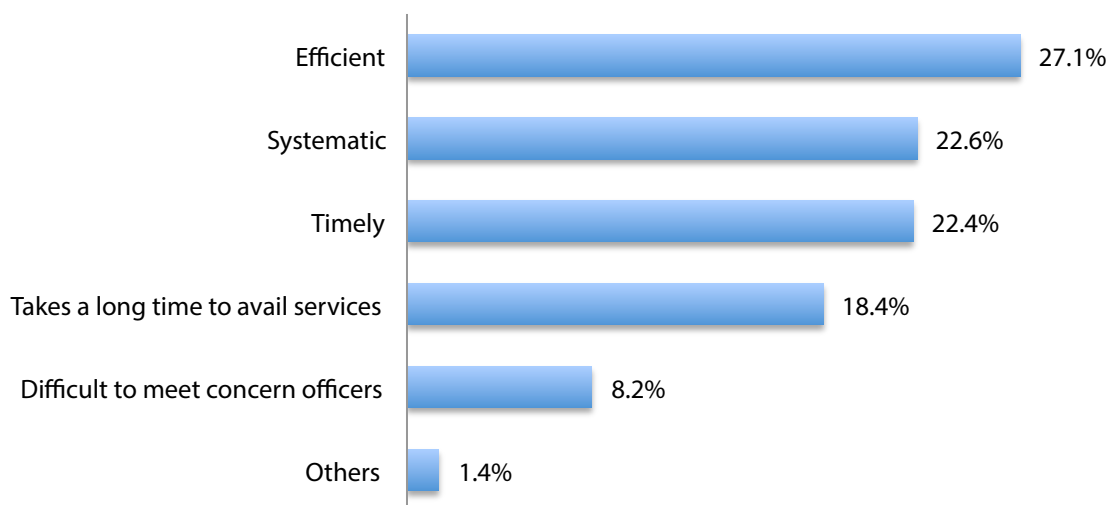
As previously observed, most unemployed youth were familiar with at least one of the employment programmes offered by the Ministry of Labour and Human Resources. On whether enough awareness had been created around these schemes,

18.1 percent strongly agreed, while the majority (55.9%) agreed. Twenty percent were of no opinion, while 3.7 percent disagreed, and only 1.7 percent said that they strongly disagreed (see Figure 28).

**Figure 28: Sufficiency of Ministerial Efforts to Promote Employment Schemes**



**Figure 29: Perception of the Ministry of Labour and Human Resources' Services**



The majority of unemployed youth also found government service providers friendly and helpful. More than 36 percent were neutral toward the attitude of officials, and 7.2 percent responded by stating they didn't know. Only 3.1 percent found service provider to be not friendly. Lastly, the services provided by the Ministry of Labour and Human Resources were ranked as being efficient by 27.1 percent, systematic by 22.6 percent, and timely by 22.4 percent of the sample. However, 18.4 percent said they felt it took too long for service delivery, with 8.2 percent citing difficulties in meeting with officers (see Figure 29).

## 5. Analysis

This section presents an analysis of the results and findings of the perception survey conducted among the unemployed youth aged 17-29 years old, with a specific focus on preferences and perceptions and how they can help identify areas for policy intervention.

More than 58 percent of the population of Bhutan are under the age of 30 while almost a third is aged 15-29. Usually such a youthful population has demographic dividends that are able to drive economic and social progress. Yet, high youth unemployment means the capabilities, capacities, and skills of Bhutan's youth are not yet being put to productive use and are therefore limited in their ability to have an influence on future development progress.

One of the major findings of this survey is that it is not the level of education per se that is sufficient for securing gainful employment, but also the type of education and skills picked up. That is to say, the mismatch between labour supply and demand is not simply a function of education level, but seems to point to a mix of attributes including work experience, duration of formal training, interpersonal and communication skills, ability to work in a team, and facilities with the use of information technology. The expectations of jobseekers are an equally important consideration. Youth want job security, labour friendly contracts and a good working environment. As such, solutions to address current supply issues will involve looking beyond education as a guarantor of employment, and adopting a policy mix that gives ample consideration to work experience, type of formal training, interpersonal and communication skills. These soft skills are often overlooked in formal education and vocational training curricula and will need to be integrated as part of the broader education and vocational training set up. At the same time, there is a clear need to make contracts more labour friendly as well as introduce a greater degree of job security.

Finally, it is worth pointing out that policies will need to be reassessed on a regular basis based upon needs of the economy. For instance, the skills composition needed to drive development progress in 2015 Bhutan is likely to differ from what would be needed in 2030 Bhutan. What emerges from the analysis is a flexible approach that views the employment challenge as a multi-dimensional and cross-sectoral issue; one that would require coordination not only within government, but across public and private entities.

## Education

As highlighted in the results, almost 50 percent of the survey held a Bachelor degree or higher. Ordinarily, and especially in a South Asia context, such a high level of educational attainment almost guarantees gainful employment. However, digging deeper, 78.1 percent of degree holders graduated with a 'general' degree as opposed to a 'technical' degree. The fact that a high proportion of general degree holders remain unemployed confirms the perceived belief among policymakers that the skills picked up through such courses fall short of the type of skills required by employers. Nevertheless, high unemployment among general degree holders may also be due to the sheer number of general degree graduates and their expectations.

More research will be needed to determine whether the lack of technical graduates is also due to a perception that such courses are harder, and where the demand for technical degree holders lies relative to those holding a general degree. This is especially relevant in light of the fact that the capacity of the Bhutanese economy to absorb skilled labour in large numbers remains weak. What is clear is that a better balance needs to be struck between the number general graduates and those with technical qualifications. Tilting the current imbalance is something that the Ministry of Education, Gross National Happiness Commission, and Ministry of Labour and Human Resources should consider working together on to find a solution.

## Training

Given that nearly 80 percent of those looking for work for more than a year comprised those with higher secondary and Bachelor degrees, there is a clear need to reconsider and align the skills needed in the current job market with training programmes. While there is a need for filling white-collar jobs with those possessing a certain level of education, the market signals clearly suggest that a mix of skills is needed that is not sufficiently being provided through the current education system. Therefore, in the medium to longer term, strengthening the educational vocational training curriculum should be an imperative. In addition investing in training aimed at alternative sectors of the economy (eco-tourism, IT, sustainable infrastructure, etc.) that are likely to generate professional level jobs is a macro-level policy decision that could hold the key to Bhutan's employment conundrum. In the short term, finding creative and innovative ways to engage educated youth remains a challenge, and will require ways to employ them to ensure a generation is not lost. Strong incentives, pulling educated youth toward such forms of employment

including volunteerism, especially in the short-term, could provide on-the-job experience and lead to paid employment.

Fifty-six percent of the surveyed population received some form of skills training with the vast majority receiving a certificate. Training was found to be spread over a range of areas with the most popular ones being basic computer applications, IT, entrepreneurship, commercial accounting, electrician, tour guide, and office management. According to the survey results,, the highest level of unemployment was in youth groups with the least amount of training, when measured by duration. However, there was also a sizable group of youth with a year of more of training who were still out of work, pointing to a deficiency in the skills trainings on offer. The level of consistency and standardisation across training institutes and centres is therefore worth exploring. Meanwhile, greater collaboration between public and private entities in designing the structure and curriculum of training courses may yet provide young job seekers with more relevant training that are more likely to be matched with their degree and labour markets.

The number of youth falling between the cracks after post-secondary education is another issue that needs to be tackled. The transition from school to work needs to be assessed critically and in a holistic manner. Is the education curriculum preparing youth for available jobs? Is the economy geared toward productively employing the skills that youth gain through schooling and any subsequent training? Are the current measures to bridge school-work transitions adequate? What role do guidance counsellors in schools and universities play in preparing the youth for the world of work? These are some basic questions that will need to be addressed.

## Preferences

The overwhelming majority of youth (77.3%) preferred desk jobs and associate poor working conditions, low salary, and low social status with non-desk jobs. Not surprisingly, around 83 percent would like to be employed in the government and public-corporate sector where a desk job goes hand-in-hand with job security and stability. With very few role models of entrepreneurial success and the lack of regulation around private enterprises, especially in terms of labour contracts, the experience of most youth has been mixed. Staff turnover at private companies is often much higher and working hours can vary significantly, for example.

A preference for job security, favourable working environment, adequate remuneration, and workplace location came out clearly in response to guiding factors in employment decisions. When probed further, most unemployed youth

chose finance, education, tourism and hospitality, and hydropower were preferred areas of work. Finance is perceived as very lucrative, while jobs in education are socially acceptable and offer a degree of stability and security. The tourism and hospitality industry is a fast growing and revenue generating sector of the economy and with the number of tourists growing steadily over the past 5 years, there is a strong push to ensure that the tourism and hospitality sector remains the bedrock of the Bhutanese economy.

Sectors such as tourism and hydropower continue to attract job seekers primarily due to the fact that they are growth sectors of the economy. The challenge is to create a diversity of jobs within these growth sectors that offer favourable working conditions, security, and stability. In contrast the construction sector is growing but does not draw the same level of interest among youth. Only 3.5 percent of youth chose 'construction' as their preferred field, and this partly explains the high number of foreign workers in the construction sector. One reason for the influx of foreign construction workers is the idea that such work is menial and of a low social status. The image of the construction worker or labourer is not one that inspires confidence among the Bhutanese youth. The working environment is also potentially dangerous. Lessons from countries such as the United States, Japan, and Korea can help transform this negative image. Construction work in these countries is well paid, and the construction worker is perceived as carrying out an important role in the economy. The construction sector in these countries also goes to great lengths to ensure the safe of its employees, with a focus on personal safety. As a first step toward overcoming the negative perceptions associated with the construction sector, there is a need for government, private, and other sectors to agree on basic enforceable principles around labour conditions, contracts, and laws. Advocacy around the critical role construction plays in building a 'better Bhutan' may also help transform current perceptions.

Like construction, agriculture was also not popular as an area of work, even though it accounts for over half of all employment in Bhutan. Just 2.7 percent of the surveyed youth chose it as preferred profession, and while this may indicate a desire for adopting modern urban lifestyle, it could have long-term implications for food production and imports. Agriculture is still a rural, subsistence-based practice in Bhutan and linkages with private enterprise and industry are yet to be fully explored. It is also a seasonal profession where working long hours for additional earnings is common, and growing this sector and changing perceptions will require adopting modern methods and building robust economic supply chains that link farms to urban markets.



Given that many youth were applying for their first job, a further suggestion to help them gain hands-on experience of industries and therefore make more informed decisions is to introduce apprenticeships, internships and volunteer activities. As in other countries, the first steps on a career path often start during secondary school and through college during their summer vacations. By the time they enter the workforce many have a couple of years of cumulative work experience through volunteer activities and internships. At the same time it is important that entry-level jobs emphasise skills, in addition to just work experience. Other important skills – communications, IT, and, interpersonal skills – should be encouraged during school and university. If these are indeed skills that are important for securing employment, they need to be integrated into school, college, and university curriculums.

## **Gender**

Gender differences were present in response to preferred areas of work and expected remuneration. Surprisingly, women outstripped men in terms of their interest in finance, education, and health professions. With men showing a preference for construction, ICT, agriculture, and manufacturing, such differences will need to be fed into policy measures in order to design more specific and targeted employment programmes.

Furthermore, the survey provided insights into the differences between men and women in terms of how they think about remuneration. This is useful from the perspective of the employer and can be used in gauging where to support the economy and for purposes of creating a gender balanced work force. In terms of expected remuneration, females tended to expect less salary than males, with the vast majority of female respondents expecting to earn between 5,000-10,000 Nu. Most males expected between 10,000 and 15,000 Nu. This is perhaps in line with culture and tradition, with males playing the role of bread-winner.

## **Macroeconomic Trends**

As mentioned earlier, boosting youth employment is not just an issue in Bhutan, but is a challenge affecting a significant number of countries. It is a complex challenge and given its prevalence on a global scale lends credence to the idea that it is a systemic and structural issue. In the context of Bhutan, boosting national youth employment requires a cross-sectoral approach, comprised of both short and long-term measures. A broad policy canvas is needed to truly address the employment issue; one that critically looks at macro-economic policy and the economic and social vision for the country in relation to more specific, micro level pro-

employment measures. Policies to boost youth employment have to be situated as part of a wider agenda of economic, industrial, and social growth, one in line with the development needs of the country as it moves from an agrarian economy to one that is manufacturing and services-based. This gradual shift needs to be reflected in the skills orientation of the labour force for which conscious and wide-ranging policy decisions will be needed. Thus conceived, Government departments, private sector, NGOs, community groups and development partners will have to come together to boost employment opportunities for Bhutanese youth.

Fluctuations in GDP, from a low of 4 percent to a high of 17.9 percent continue to affect employment growth and create a degree of uncertainty in the labour market. Such fluctuations are due to the fact that Bhutan's economy rests on a narrow base and growth is primarily driven by a few sectors. As noted by the World Bank macroeconomic cycles in Bhutan closely follow developments in the hydropower sector. What makes hydropower unique in Bhutan is the size of the projects relative to the economy. For instance four hydropower projects under construction represent a total investment of 200 percent of the 2012 GDP of the country spread over 7 years. Tourism revenues also account for about 20 percent of non-hydro exports, and arrivals and revenues grew at 15 percent year-on-year from 2008-2013.

In terms of the structural shift in the economy, primary sector contributions to GDP fell from 27.7 to just 18 percent between 2003-11, while secondary and tertiary sectors rose from 34.2 and 38.3 percent to 38.4 and 43.7 percent, respectively. Education and training institutions have been unable to keep pace and provide youth with the relevant skills to support the relatively rapid structural economic transformation that is currently underway.

Nonetheless, agriculture still accounts for 64.4 percent of employment among youth, with a 34:66 percent split in terms of the male to female ratio of workers in this field. Those employed in industry and services-related work accounted for 9.1 and 24 percent of employment, respectively. Moving forward, while the bulk of employment will continue to be in agriculture, a sector currently characterised by slow growth and underemployment, a significant proportion of youth will also need help finding industry and services jobs. That should not detract away from the drive to encourage more youth to engage in farming, and in this regard several positive trends have been observed. For a start, farmers are increasingly specialising in commercial production, which is increasing incomes. At the same time, improvements in rural infrastructure – one of the main objectives of the 10<sup>th</sup> Five-Year Plan [2008-2013] are clearly visible. There has been an eight-fold increase in farm roads during this period and 97 percent of all villages are now electrified. As

such, this has had a knock-on effect on the construction sector's ability to absorb jobseekers.

### **An Eight Point Plan**

Current impediments to boosting youth employment lie both on the supply, as well as the demand within the labour market. Furthermore, the issue cannot be divorced from broader macro-economic trends. Finding effective solutions that meet aspirations and economic needs will require an integrated approach, involving close public-private sector cooperation. Based on the findings of the perception survey of unemployed youth, the Labour Force Survey 2013, and other reports, eight critical areas of intervention are recommended. The following eight point plan, while neither a roadmap nor a panacea for youth unemployment, provides guidelines for boosting youth employment.

**1. Greater collaboration/coordination between public and private entities to identify and develop the skills needed to drive growth and create jobs.** While certain issues concerning youth employment are well defined and statistically evident, further research will be needed to better understand the factors and drivers of youth employment. For instance, the relationship between employers and skills required to drive growth need to be better articulated, identified, and aligned. Presently, there is not enough information to know what skills are required to drive current and expected growth. This would require close collaboration between the private sector and government entities such as the Gross National Happiness Commission, Ministry of Education, Ministry of Labour and Human Resources, Ministry of Agriculture and Forests, and the Ministry of Economic Affairs to clearly identify a list of skills requirements for fostering growth of the economy. These skills would need to be validated by various sectors, and followed by a clear plan to ensure that youth are productively engaged and employed. Educational and vocational training institutions will play key role in ensuring youth are adequately trained and skilled, and their curriculums and institutional structures will need to be flexible to adapt to changing needs in the economy. The example of South Korea should also be given consideration as an illustration of how an economic boom was driven by developing a skills-based economy linked with growth sectors (technology, electronics, shipbuilding, etc.). The turnaround from among the poorest countries in the world in the 1950s and 60s to one with a labour force that consistently ranks among the best in the world is tremendous achievement and lessons can certainly be drawn from its example (see Box 1).

### **BOX 1: The Korea Experience – Developing Skills Through Education Policies**

The Republic of Korea provides a good illustration of how deliberate planning on part of the government can transform the labour force to meet the demands of a rapidly modernizing economy. In 1961, the Republic of Korea was one of the poorest countries in Asia and yet, by the late 1990s, it had achieved a remarkable per capita income of over US\$10,000. Education played a central role in this transformation process. It is important to see how educational policies were combined with other economic and social plans to produce the desired social and economic development outcomes.

Four policies that underpinned the Korean experience are:

1. A strong human capital approach, which stressed the centrality of education and skills in all aspects of development;
2. A close relationship between planning targets for education with those for job creation;
3. The recognition of education as a key mechanism for the economic and social mobility of individuals; and,
4. The acknowledged role of education in creating a strong national identity, cementing a deep rooted and national determination to succeed, and legitimising the state.

**Institutional Development for Policy Coherence:** Emphasis on education and skill formation was underlined by how education was built into the planning activities of important government research and policy institutes (e.g. the Economic Planning Board, the Korean Development Institute and the Korean Institute for International Economic Policy). Several specialised institutes were set up in the area of education, training, and skills formation, (e.g. Korean Educational Development Institute), and in related areas of science and technology, (e.g. Korea Advanced Institute of Science and Technology). One of the key functions of such planning and coordination between organisations was to ensure that when new jobs were created there were sufficient numbers of workers with the right level and mix of skills, and that schools and universities did not produce large numbers of graduates in fields in which employment was limited. Thus, there was an attempt to match supply and demand, to ensure the optimal sequencing of economic development and skill formation, and to avoid a large pool of qualified but unemployed graduates.

**Appropriate Mix of Policy and Programme Interventions:** Toward this end, budgets, course sizes, and mixes of the schools and universities were monitored and controlled. Korea also expanded the range and intensity of vocational training, including a very large programme in agricultural training and extension. Adult literacy programmes rose sharply as well (by 1970 adult literacy reached 88 percent, compared with 22 percent in 1945). There was also an attempt to improve the quality of education. For example, in higher education, the new regime instituted staff salary increases, foreign study opportunities, research grants, and curriculum reforms (Jongchol, 2000).

**Forging a Link between Education and Development:** One of the slogans for the 1960s was “education for economic development”, and care was taken to keep the two closely synchronised (Adams and Gottlieb, 1993). Park Chung Hee, then President, took a particular personal interest in the planning process. He ensured that the private sector was closely involved, and this included some financial contribution to training needs.

**Investing in Education, with a Focus on Overcoming Gender Inequality:** In terms of total investment, the Republic of Korea quickly moved ahead of other developing countries in terms of both educational outlays as a percentage of GDP, and outlays per pupil. Between 1970 and 1985 real expenditures per student rose by 355 percent in the country, compared with 13 percent in Pakistan, for example. Funds were directed at the removal of the gender gap in enrolments. Universal primary education was achieved by 1965, and by 1985 secondary education had been extended to 88 percent of the population. The extension of education to females has had far-reaching and very positive effects for the development process, and this is one key area in which East Asia has been well ahead of other developing countries at similar stages of per capita income.

**2. Innovation and an entrepreneurial spirit that is integrated within education and training curricula and viewed as a mid to long-term strategy.** The recent focus on innovation and entrepreneurship are perceived as ‘add-ons’ and separate from the skills youth develop through regular education and training. Innovation and entrepreneurship need to be integrated and embedded with education curriculums and teaching methods. They must also be seen as useful values in shaping a modern economy, since current programmes and courses that aim to ‘teach’ innovation and entrepreneurship are unlikely to yield results without longer-term efforts to encourage critical thinking, foster exchange and testing of new ideas, and build self-confidence and self-reliance. Introducing incremental changes to the primary, secondary, and tertiary education levels would help in cultivating a behavioural shift towards innovation and entrepreneurship in the society.

**3. Opportunities to tap into improvements in technology and communications that improve existing systems and approaches to connect employers with potential employees, as well as connecting the government with youth.** There exists an opportunity for increasing investments in technology and communications so that Bhutan is better connected. This will not only help existing sectors such as tourism and those linked to agriculture, but will also bring youth closer to the government, which is a critical hurdle in developing and sustaining trust and social cohesion. Along with improvements in physical infrastructure, it is critical to ensure that youth are increasingly able to draw on technology and new forms of media and exchange. Moreover, investing in the expansion of the communications sector itself would also offer new employment prospects.

While the current portal at the Ministry of Labour and Human Resources already attempts to connect the unemployed to potential employers, this step in the right direction could be made much more effective and offer a better overall user experience. Comprehensive services offered through such a platform or app, including trainings, job fairs, interviews, challenge prizes, employment opportunities, volunteer activities, and internships, have the potential to help bring government closer to the youth via enhanced virtual connectivity. This will not only help the image of the government, but may also lay the foundations for greater engagement between potential employers and employees, and again between government and the public. Several developed countries, such as the UK and Germany are creating apps, portals, and e-platforms to bring essential services to the general public.

**4. An awareness that youth unemployment is largely an urban phenomenon, but that the solutions needed will require both urban and rural-based**

**solutions.** As was clear from the results of the survey, the majority of unemployed youth were found in urban areas. This is consistent with the results of the more comprehensive surveys. Although a critical driving factor for rural-urban migration are the perceived job opportunities in the capital, Thimphu, the diverse lifestyle on offer in cities is also responsible for drawing in youth. Rural life is generally quite limited and the livelihoods are usually directly or indirectly dependent on agriculture. By strengthening backward and forward linkages in the economy, improving rural infrastructure and overall connectivity, and developing suburban districts, the pull of cities is likely to be more evenly distributed across the country. China's experience with town and village enterprises in rural areas, and in developing small and medium sized cities that offer a diverse set of opportunities is a good example of managing urbanisation. While Bhutan's context is vastly different from China's, important lessons can be learned, appropriately adapted, and contextualised.

**5. Standardised and accredited technical and vocational training that involves private sector and civil society organisations in curriculum development.**

As the perception survey of unemployed youth revealed, many youth continue to seek jobs long after they have received significant training and some after they have received job offers they deem inadequate. This suggests skills training is perceived as being insufficient by employers and Technical and Vocational Education and Training institutions should be guided to offer high quality and relevant skills training. One way to ensure consistency and quality of courses is for Technical and Vocational Education and Training institutions to be able to receive accreditation and validation internationally. Thailand and Singapore both have relatively high quality institutions and it would be prudent to form partnerships and exchange programmes with training institutions in those countries. Also, it would be crucial to get employer's perspective, and in particular that of the private sector to ensure training offered is relevant to what is required in the job market. Therefore, the private sector as well as small and medium sized businesses should have a well-defined role in informing curricula and training. Technical and Vocational Education and Training institutions should eventually work towards forging partnerships with employers so that graduates are seamlessly placed in expanding companies, businesses and organisations.

**6. A focus on growth sectors within the economy, identifying particular skills needed to ensure sustained growth. Also, to develop linkages between these sectors so that they are able to reinforce and sustain each other's growth.**

This is a call for greater integration across key sectors driving the Bhutanese economy. Tourism, hydropower, construction, and agriculture are critical sectors that account

for most of the GDP in Bhutan. The agriculture sector is the biggest employer, and the development of micro, cottage, and medium enterprises should be incentivised, along with collaboration across relevant ministries. The government's initiative of agro-tourism stands as a good example of integrating two critical sectors and, construction is closely connected with hydropower. Changing the image of construction, grievances associated with the sector as a high risk, low paid job should be a central part of any plans. In most developed countries working in construction is a lucrative enterprise and often labour unions protect wages and benefits. Protective gear and equipment and adequate on-the-job training reduce risk and provide a safer working environment. The Bhutan construction sector should learn from their Japanese and Korean counterparts and begin to offer incentives to attract local labour. A good communications/public relations strategy would be needed to change the current perception and image of construction workers among youth circles.

The expansion of popular tourism sectors will necessitate construction and the need for greater energy, transportation, and food. Therefore, it is imperative that there be clear plans that are well coordinated and sequenced to ensure steady growth across sectors. The steady expansion across these sectors would naturally lead to greater demand for labour.

**7. A focus on specific target groups within youth, especially those that are vulnerable, including females, and those with low skill-sets and education.** At the micro level, it is important to develop specific approaches that target the most vulnerable groups. Often, the more financially secure, better educated, and those with better social capital are more likely to be employed – though this survey showed that is not always the case. Nevertheless, it will be important to focus on vulnerable youth, ensuring school completion and a smoother transition from school to work. In this respect, guidance counselling at the secondary and tertiary level should be introduced, and the role of Technical and Vocational Education and Training institutions enhanced. Creating opportunities for youth to gain valuable experience through volunteerism and internships will also be critical in bridging critical transitions for youth. Outreach and communications and the development of viable and sustainable strategies to engage youth will be critical in ensuring employment uptake – often missed due to a lack of information and not skills.

**8. Evidence and data capable of driving forward-thinking policy solutions.** The Royal Government of Bhutan has maintained a focus on gathering evidence and data to inform policy, but gaps still remain. As new methodologies and methods of data gathering and especially the concept of 'Big Data' become available, it would

be prudent for Bhutan to become an early adopter of innovations in research so that data can be used to inform the planning process. Many of the current solutions tend to be of problems and issues that have manifested themselves in the past, and there is a need to situate solutions that are future-oriented and aligned with the on-going planning processes of the country. A conscious effort needs to be made, using these techniques, to develop sustainable plans.

At the same time, gaps in research remain in terms of a comprehensive understanding of youth unemployment. While the Labour Force Survey 2013 is a useful tool in gathering important data for policy purposes, there is a need to collaborate among ministries to pool data. Some research areas that would benefit from collaboration include: staffing (gender, age, geographical location, etc.) and wage levels within key growth sectors (hydropower, construction, and tourism) and the skills required (analytical, engineering, computer programming, finance, etc.) to drive and sustain growth and prosperity in the economy.

## **6. Conclusion**

Bhutan has come a long way, and in many respects the issue of youth unemployment is one that Bhutan is addressing in a proactive manner. In many countries, in the region and beyond, the issue of youth unemployment is much more acute and far less prioritised.

Addressing the issue will require an integrated approach and one that is closely aligned and informed by macro trends, as well as perceptions held among Bhutanese youth. While specific short-term measures will be useful, policy makers will need to take the broader socio-economic context into account. As Bhutan takes steps towards modernising its economy, it will be important not to lose sight of the supportive and steering role that the government must assume in determining the future of the country. At the same time, a fine balance needs to be struck between the role of government and that of private enterprise, so as to cultivate innovation and foster entrepreneurship.

The eight point plan in this paper is not a solution, but provides broad guidelines that should complement existing initiatives and policies in boosting youth employment. One of its aims is to shift the agenda from youth seeking employment opportunities to creating opportunities that youth are capable of attaining. This is a subtle shift and an important one that relies on better understanding the concerns of the youth, empathising with them, and creating the space to engage them meaningfully. The fact that Bhutan has freed a large proportion of its population



from extreme poverty should provide encouragement that it will overcome youth unemployment problem over the course of the 11<sup>th</sup> Five-Year plan.

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