

Country Report: Bhutan

**Regional Course on Statistics on Informality: Informal Economy, Work and
Employment**

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Submitted by: Participants from Ministry of Labour and Human Resources

Bhutan

A. Status of labour force data and statistics.

1. Existing data collection activities and methodologies/or plans.

Labour Force Survey is conducted annually by the Department of Employment under the Ministry of Labour and Human Resources. The survey aims to provide a quantitative framework for the preparation of plans, programs and formulation of policies affecting the Bhutanese labour market. The data on the labour force in the country is collected through the labour force surveys.

(Note: the labour force survey 2014 was conducted using the Computer Assisted Personal Interview).

Methodology

Universe: The universe for the Labour Force Survey consists of all the urban and rural areas of Bhutan.

i. Sampling Frame: The sampling frame has been developed by the National Statistics Bureau (NSB). Each town in a District has been divided into numerous enumeration blocks. The block for the urban has been demarcated by NSB. Enumeration blocks for urban and Chiwogs (composed of villages) for rural have been considered as Primary Sampling Unit (PSUs). The households in both urban and rural were considered as Secondary Sampling Unit (SSUs).

ii. Stratification Plan: Each District is considered as primary stratum and the stratifying factors used were the geographical demarcation of the administrative boundaries. There were two sub-strata namely urban and rural.

iii. Sampling Design: A stratified two-stage sampling method has been adopted for the survey as follows.

- a. **Selection of primary sampling units (PSUs):** The Blocks and the Chiwogs have been taken as the PSUs in urban and rural respectively. In

- both the urban and rural areas the Blocks and Chiwogs were selected with the assignment of Probability Proportional to Size (PPS).
- b. ***Selection of secondary sampling units (SSUs):*** The households in the sampled Blocks and Chiwogs were considered as SSUs. A fixed number of sampled households have been selected from the selected PSUs by Circular Systematic Sampling (CSS) method after listing the households present in Blocks and Chiwogs exhaustively.

iv. Sample size and its allocation: With the resources at our disposal, the nature of population distribution and the variability of characteristics for which the estimates are to be made, a sample of 6,000 households have been found appropriate to provide reliable estimate of key indicators of the labour market. It is also based on the past experiences.

Survey Instruments

- Enumerator's manual
- Supervisor's manual
- Survey Questionnaire

In addition, following reference materials were prepared for the field enumerators and data coders:

- (i) An age conversion table from Bhutanese to English;*
- (ii) A table of International Standard Classification of Occupation (ISCO-88);*
- (iii) A table of International Standard Classification of Industry (ISCI) Revision-3;*
- (iv) Codes for field of training, field of course and name of the Institutes; and*
- (v) Household listing forms for Block listing form in urban areas and Chiwog listing form in rural areas.*

2. The table shows the time series of key labour force indicators in Bhutan as per the Labour Force Surveys (2010 – 2014).

Indicator	2010	2011	2012	2013	2014
Estimated Population	696,500	713,200	734,850	745,939	755,710
Population aged 15 and above	484,100	495,500	522,367	529,178	557,047
Total Labour force	331,900	334,200	336,391	345,786	348,742
Persons Employed	320,900	323,700	329,487	335,870	339,569
Labour force participation rate	68.6% ⁵	67.4%	64.4%	65.4%	62.6%
Male labour force participation rate	73.6%	72.3%	65.7%	72.1%	71.0%
Female labour force participation rate	63.9%	67.4%	63.2%	58.9%	54.8%
Unemployment Rate (%)	3.3%	3.1%	2.1%	2.9%	2.6%

B. Country policies on the informal economy and status

The informal economy in the country is regulated by the following:

Constitutional provisionsWelfare state

Article 2, Sec 16 of the Institution of Monarchy

.....in exercise of His Royal Prerogatives, may grant land kidu and other kidus...

Article 9, Sec 3, 12, 14, 16, 19, 21 & 22 of the Principles of State Policy

The State shall:

- Endeavour to create a civil society free of oppression, discrimination
- Endeavour to ensure the right to work, vocational guidance and training
- Endeavour to ensure the right to fair and reasonable remuneration for one's work.
- Endeavour to promote those conditions that are conducive to co-operation in community life and the integrity of the extended family structure.
- Provide free education to all children of school going age up to tenth standard
- Provide free access to basic public health services in both modern and traditional medicines.

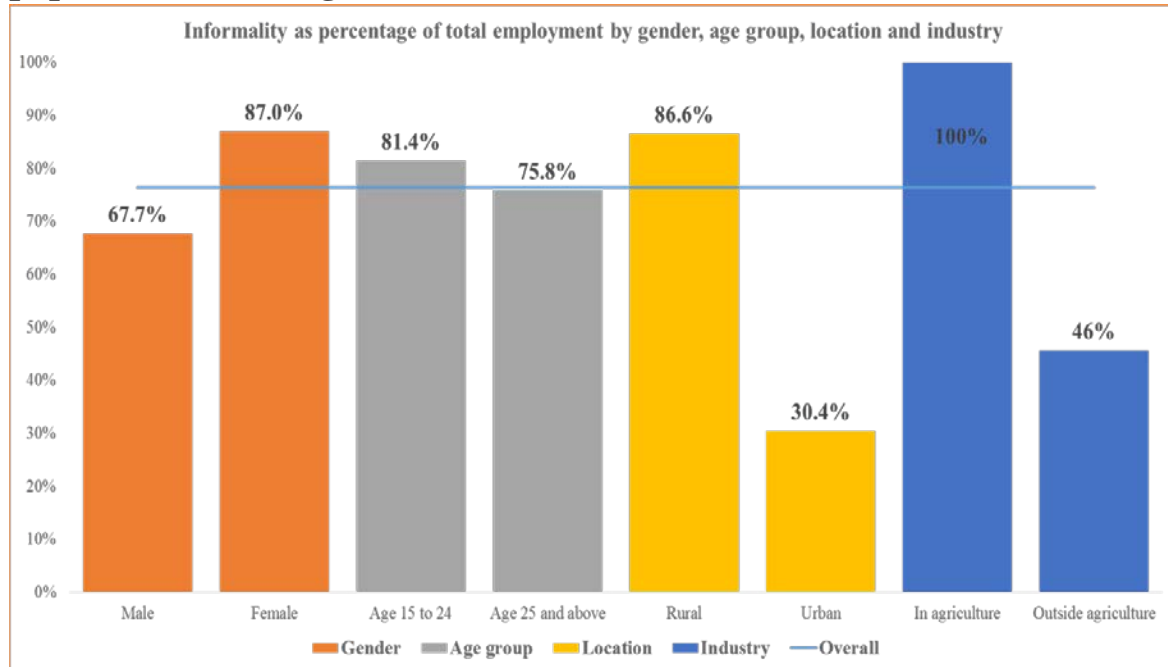
- Endeavour to provide security in the event of sickness and disability or lack of adequate means of livelihood for reasons beyond one's control.
- Labour and Employment Act 2007 promotes creation of employment opportunities including self-employment.
- National Minimum Wage Policy ensures national minimum wage for all the workers in the country.
- Credit Guarantee Scheme to facilitate employment in the informal sector.
- Cottage, Small and Medium Industry Policy 2012 provides enabling and conducive environment for the growth of CSMI in the country.
- National Employment Policy 2013 helps to achieve full, Productive, meaningful, gainful and decent employment by focusing on five dimensions namely employment creation, employability of labour force, aligning the employment market, improving working conditions and equal employment opportunities. towards
- Cooperative Act supports formation of cooperatives and farmer's groups.
- Business Opportunity and Info Centre: Revolving fund for non formal commercial activities – Max financial support of Nu. 100,000 @ 4% for 10 years
- Bhutan Association of Women Entrepreneurs - bring all Bhutanese businesswomen onto a common platform to nurture, facilitate, empower and promote women's knowledge and skills for business

C. Status of statistics on informal employment, employment in the informal sectors and contribution of the informal sector to the economy.

The statistics on the informal employment and employment in the informal are collected through the labour force surveys. For labour force survey 2014. The informal sector includes the agri-farming where the farmers practice subsistence farming and private business/enterprise who do not have any contract of employment signed. **76.4%** of the total employed persons (339,569) are employed in informal sector as per the labour force survey 2014.

The GDP contribution of the informal sector (Agriculture, Livestock & Forestry Share) to the economy was **16.2%** in 2013 as per the National Statistics Bureau.

The chart depicts the prevalence of informality among women and rural population and in agriculture sector in Bhutan in 2014.



Source: Labour Force survey 2014

Annexes to Body of Report

For more details you can visit our Ministry's website at.

www.molhr.gov.bt

The survey reports and other reports published by the Department of Employment can be access

http://www.molhr.gov.bt/molhr/?page_id=157

The Labour Force Survey 2013 report (questionnaire annexed at the end of the report) can be viewed through below link

<http://www.molhr.gov.bt/molhrsites/wp-content/uploads/2014/10/Labour-Force-Survey-Report-2013.pdf>