

2024

**LABOUR FORCE SURVEY
QUARTERLY REPORT**

THIRD QUARTER

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This report stands as a testament to the collective effort and collaboration of all parties involved, and we express our sincere appreciation to each and every contributor.



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Chapter 1

INTRODUCTION

The Labour Force Survey plays an important role in generating the key indicators of the labour market in the country. Information derived from the LFS would not only help in monitoring and evaluating the economic situation of the country, but it would also help in the formulation of policies and plans that are related to employment creation, poverty reduction, and related programmes.

The third quarterly Labour Force Survey for 2024 was conducted in the month of August and it aims to provide estimates of labor force-related indicators at both the national and *dzongkhag/thromde* levels. However, due to the small sample size, indicators for the youth population (ages

15-24) cannot be estimated at the domain level. The statistics are based on the labour force framework and standards set by the International Labour Organization (ILO), ensuring international comparability.

This report is organized into three sections: Economically Active and Inactive Population; Employment; and Unemployment. Each section provides valuable insights into the dynamics of the labor market, which can inform effective policy interventions. For the third quarter, the sample size was 3,027 households, with 2,989 households participating in the survey. This translates to the survey response rate of 98.7% in its entirety

1.1 KEY HIGHLIGHTS

Key Indicator	Bhutan	Numbers			
		Sex		Area	
		Male	Female	Urban	Rural
Working Age Population	600,412	314,586	285,826	221,725	378,687
Labour Force Population	391,113	238,065	153,047	131,008	260,104
Inactive Population	209,299	76,521	132,779	90,717	118,582
Employed Population	379,023	232,463	146,560	124,385	254,637
Unemployed Population	12,090	5,603	6,488	6,623	5,467
Youth Unemployed Population	6,885	2,645	4,240	3,635	3,250
Percent					
Labour Force Participation Rate	65.1	75.7	53.5	59.1	68.7
Inactivity Rate	34.9	24.3	46.5	40.9	31.3
Employment Rate	96.9	97.6	95.8	94.9	97.9
Unemployment Rate	3.1	2.4	4.2	5.1	2.1
Youth Unemployment Rate	16.5	11.9	21.8	20.1	13.8

Key Indicator (Percent)	Q1	Q2	Q3
Labour Force Participation Rate			
Sex			
Male	72.8	72.5	75.7
Female	54.1	50.0	53.5
Area			
Urban	58.8	56.7	59.1
Rural	67.0	65.0	68.7
Total	63.9	61.8	65.1
Inactivity Rate			
Sex			
Male	27.2	27.5	24.3
Female	45.9	50.0	46.5
Area			
Urban	41.2	43.3	40.9
Rural	33.0	35.0	31.3
Total	36.1	38.2	34.9
Employment Rate			
Sex			
Male	97.3	96.9	97.6
Female	95.5	95.5	95.8
Area			
Urban	93.8	94.3	94.9
Rural	98.1	97.5	97.9
Total	96.5	96.3	96.9
Unemployment Rate			
Sex			
Male	4.0	3.1	2.4
Female	4.3	4.5	4.2
Area			
Urban	6.6	5.7	5.1
Rural	2.8	2.5	2.1
Total	4.1	3.7	3.1
Youth Unemployment Rate			
Sex			
Male	25.7	18.9	11.9
Female	19.7	19.6	21.8
Area			
Urban	31.5	21.7	20.1
Rural	17.9	16.7	13.8
Total	22.9	19.2	16.5

Key Indicator (Numbers)	Q1	Q2	Q3
Labour Force			
Sex			
Male	229,024	226,821	238,065
Female	154,736	142,100	153,047
Area			
Urban	131,737	130,710	131,008
Rural	252,023	238,211	260,104
Total	383,760	368,921	391,113
Inactive Population			
Sex			
Male	85,562	85,831	76,521
Female	131,090	142,174	132,779
Area			
Urban	92,262	99,655	90,717
Rural	124,390	128,350	118,582
Total	216,652	228,005	209,299
Employed Population			
Sex			
Male	219,922	219,765	232,463
Female	148,126	135,650	146,560
Area			
Urban	123,091	123,225	124,385
Rural	244,957	232,191	254,637
Total	368,048	355,416	379,022
Unemployed Population			
Sex			
Male	9,102	7,056	5,603
Female	6,610	6,449	6,488
Area			
Urban	8,646	7,485	6,623
Rural	7,066	6,020	5,467
Total	15,712	13,505	12,090
Youth Unemployed Population			
Sex			
Male	5,382	4,187	2,645
Female	3,549	3,716	4,240
Area			
Urban	4,538	4,470	3,635
Rural	4,394	3,433	3,250
Total	8,932	7,903	6,885

Sector	Q1			Q2			Q3		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Agriculture	34.16	52.00	41.34	34.67	51.77	41.19	37.15	55.06	44.08
Industry	20.98	11.12	17.01	19.46	10.50	16.04	19.38	9.34	15.50
Service	44.87	36.88	41.65	45.87	37.73	42.77	43.47	35.59	40.42
All Sectors	100.0	100.0	100.0	100.0	100.0	100	100.0	100.0	100.0

Chapter 2

LABOUR FORCE AND INACTIVE POPULATION

As per the ILO labour force framework (Figure 2.1), all persons 15 years and above are considered as the working-age population. The working age population is divided into two major groups: economically active and economically inactive. The economically active population which is also referred as the 'labour force', is

further composed of employed and unemployed persons.

2.1 Working age population

Table 2.1 presents the total working age population for the third quarter of the year by sex and area. Of the total working age population

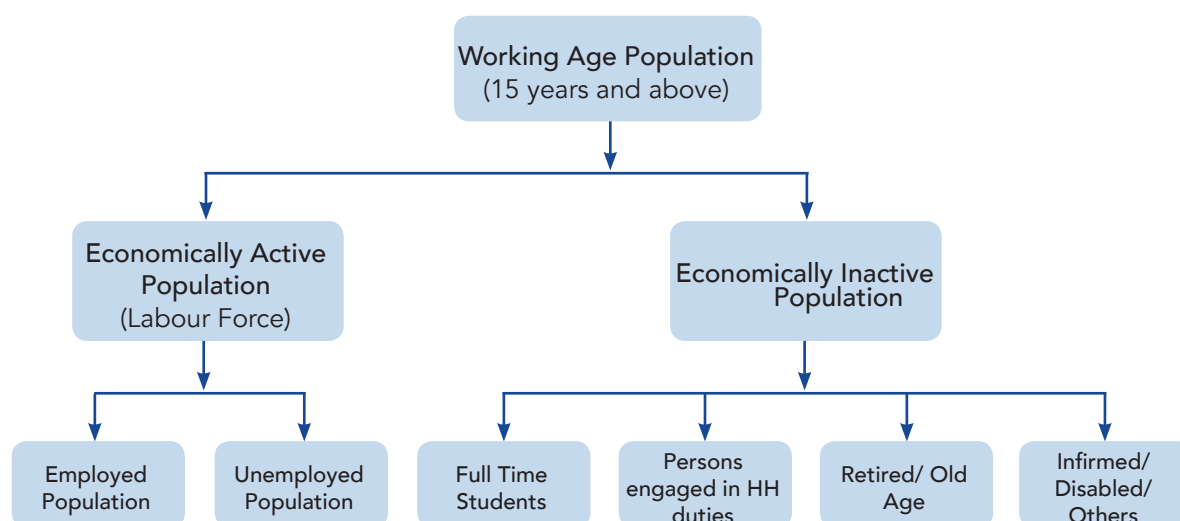


Figure 2.1 The basic building blocks of the labour force

Table 2.1 Working-Age Population By Area And Sex, Third Quarter-2024

Sex	Urban		Rural		Both Areas	
	Number	Percent	Number	Percent	Number	Percent
Male	115,575	52.1	199,011	52.6	314,586	52.4
Female	106,150	47.9	179,676	47.4	285,826	47.6
Both Sex	221,725	100.0	378,687	100.0	600,412	100.0

Table 2.2 Distribution of Economically Active Persons by Sex and Area, Third Quarter-2024

Sex	Urban		Rural		Both Areas	
	Number	Percent	Number	Percent	Number	Percent
Male	84,180	64.3	153,885	59.2	238,065	60.9
Female	46,828	35.7	106,220	40.8	153,047	39.1
Both Sex	131,008	100.0	260,104	100.0	391,113	100.0

Table 2.3 Distribution of Economically Inactive Population by Sex and Area, Third Quarter-2024

Sex	Urban		Rural		Both Areas	
	Number	Percent	Number	Percent	Number	Percent
Male	31,395	34.6	45,126	38.1	76,521	36.6
Female	59,322	65.4	73,457	61.9	132,779	63.4
Both Sex	90,717	100.0	118,582	100.0	209,299	100.0

in the third quarter 2024, 52.4% are males and 47.6% are females, indicating more females than males in the working age population. Majority of them are residing in rural (63.1%) than in urban (36.9%) areas.

Labour Force (Economically Active) Population: All the persons aged 15 years and above who are either employed or unemployed during the reference period.

Economically Inactive Population: All persons who neither worked nor were seeking/available for work during the reference period are termed as the economically inactive population. It includes all those persons who are not a part of labour force or fall outside the labour force.

Table 2.2 presents the distribution of economically active persons by sex and area. A total of 391,113 persons aged 15 years and older were economically active, out of which 60.9%

are males and 39.1% are females. It is more concentrated in rural areas (66.5%) compared to urban areas (33.5%).

Among the inactive population (209,299), 36.6% are males and 63.4% are females. More than half of the inactive population are residing in rural areas, while 43.3% are in urban areas (Table 2.3).

2.2 Labour Force Participation Rate (LFPR)

The labour force participation rate (LFPR in the diagram below) provides information about the size of the supply of labour currently available for work compared to the whole working-age population.

The overall LFPR for the third quarter stands at 65.1%. It is higher among the males (75.7%) compared to the females (53.5%). By area, the LFPR is higher in the rural areas (68.7%) than in urban areas (59.1%).

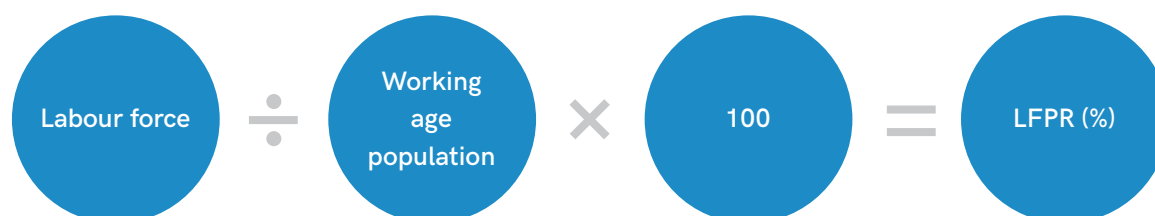


Table 2.4 Labour Force Participation Rate by Sex and Dzongkhag/Thromdes, Third Quarter 2024

Dzongkhag/Thromde	Labour Force Population	Sex (%)		
		Male	Female	Both Sex
Bumthang	8,513	67.4	53.9	60.8
Chhukha	18,015	71.7	37.1	54.2
Phuntsholing Thromde	13,578	79.8	41.7	62.9
Dagana	13,018	69.1	62.7	66.1
Gasa	2,396	75.7	65.8	71.1
Haa	8,166	79.3	72.7	76.4
Lhuentse	6,795	71.6	65.7	68.8
Monggar	17,296	80.6	51.9	65.5
Paro	25,989	71.5	54.0	62.9
Pema Gatshel	11,267	69.6	54.0	61.9
Punakha	18,729	78.5	73.9	76.4
Samdrup Jongkhar	11,516	72.0	35.9	54.8
Samdrup Jongkhar Thromde	3,272	78.8	39.6	61.4
Samtse	33,585	80.8	57.7	69.2
Sarpang	22,280	75.7	64.0	70.2
Gelephu Thromde	5,946	74.3	67.4	70.9
Thimphu	15,407	86.3	48.7	72.0
Thimphu Thromde	61,848	73.2	39.7	56.2
Trashigang	20,812	69.8	61.5	65.8
Trashigang Yangtse	7,307	73.4	50.2	61.9
Trongsa	14,645	80.2	70.3	76.6
Tsirang	15,605	84.5	80.8	82.7
Wangdue Phodrang	26,902	79.4	60.9	72.2
Zhemgang	8,229	71.5	60.7	66.3
Bhutan	391,113	75.7	53.5	65.1

Table 2.4 presents the labor force participation rate (LFPR) by *dzongkhag/thromde* for the third quarter, 2024. Among the *dzongkhags*, Tsirang (82.7%) Dzongkhag has the highest LFPR, while Chhukha (54.2%) dzongkhag has the lowest. The LFPR for males is higher than that of females in all *dzongkhags*, with Thimphu (86.3%) dzongkhag having the highest. Among the females, the highest LFPR is observed in Tsirang

(80.8%) dzongkhag for the current quarter.

By thromde, Gelephu (70.9%) has the highest labor force participation rate while, Thimphu (56.2%) Thromde has the lowest.

The figure 2.2 presents the labor force participation rates (LFPR) and economically inactivity rates across different age groups. It is

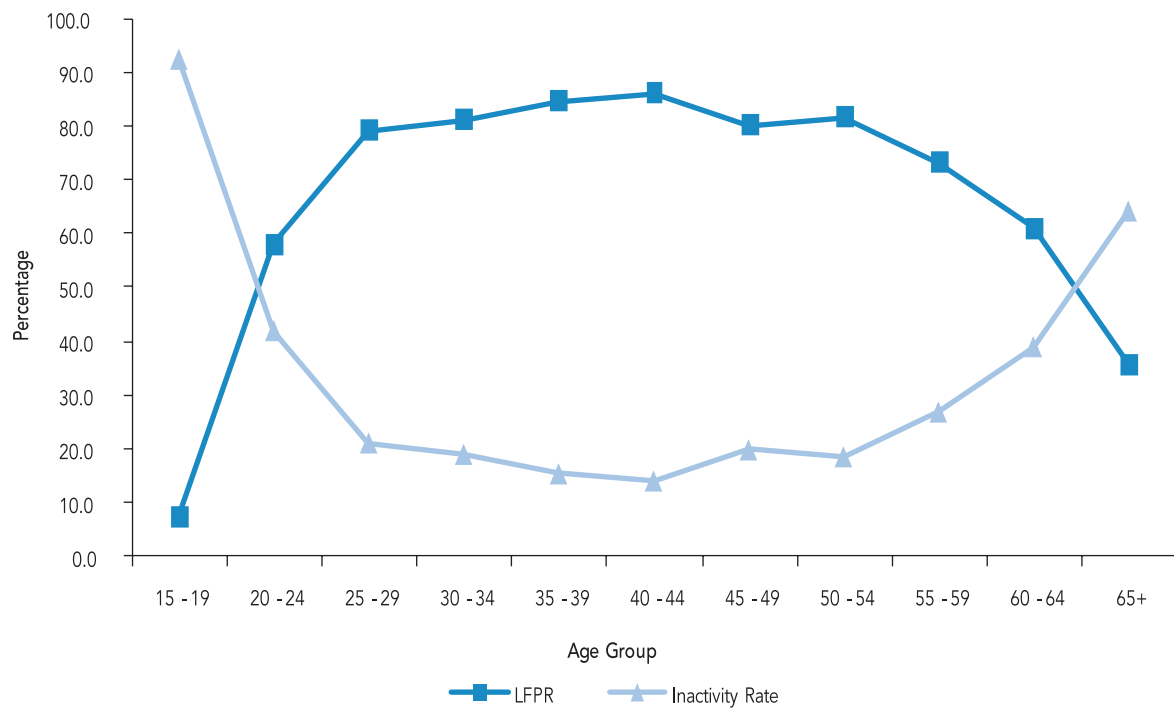


Figure 2.2 Labour Force Participation Rate and Economically Inactivity Rate by Age group, Third Quarter-2024

observed that the lowest (7.4%) LFPR is found among the youngest age group (15-19 years) where the highest inactivity rate (92.6%) is observed.

As individuals enter the workforce, the labour force participation rate increases sharply reaching 58.0% for those aged 20-24 and peaking at 86.0% for the ages 40-44 years. The inactivity rate during the prime working age (30-54) is relatively low, ranging from a low of 4.0% to 19.8%.

Beyond the age of 55 years, the LFPR declines gradually, and plummets to 35.7% for those 65 and older, while inactivity rises, reaching the high of 64.3% for same age group. Overall, the total LFPR and inactivity rate stands at 65.1%, and 34.9% respectively reflecting the typical pattern of labor force engagement peaking in midlife and declining toward retirement age.

$$\text{Labour force} \div \text{Working age population} \times 100 = \text{LFPR (\%)}$$



Chapter 3

EMPLOYMENT

All those household members who are 15 years and above and are engaged in any activity to produce goods or provide services for pay, profit or family gain during the reference period. It comprises employed persons "at work" and "not at work". Employed persons "not at work" are those persons who still maintained a job attachment during their absences, including those such as sick leave due to their illness or injury and periods of maternity or paternity leave during the reference period.

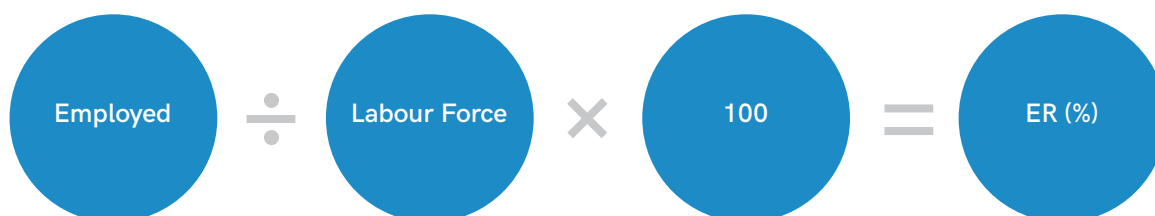
The term "for pay or profit" refers to work done as part of a transaction in exchange for remuneration in cash or in kind. The remuneration may be paid directly to the person performing the work or indirectly to a household or family member.

Employment Rate: The proportion of the employed population to the total labour force.

The overall employment rate in Bhutan for the third quarter 2024 is 96.90% (CI: 96.20, 97.49). It is

Three criteria define employment (including self-employment)

- 1. Age:** To be in the age range chosen to define the active population, usually 15 and older.
- 2. Duration of the activity:** All persons who have worked at least one hour during a specified brief period (in general, one week) including all those who have a job, but are on leave for various reasons.
- 3. Nature of the activity:** Must be an activity of production of goods and services according to the national accounting system. (*International Conference of Labour Statisticians, 1982*)



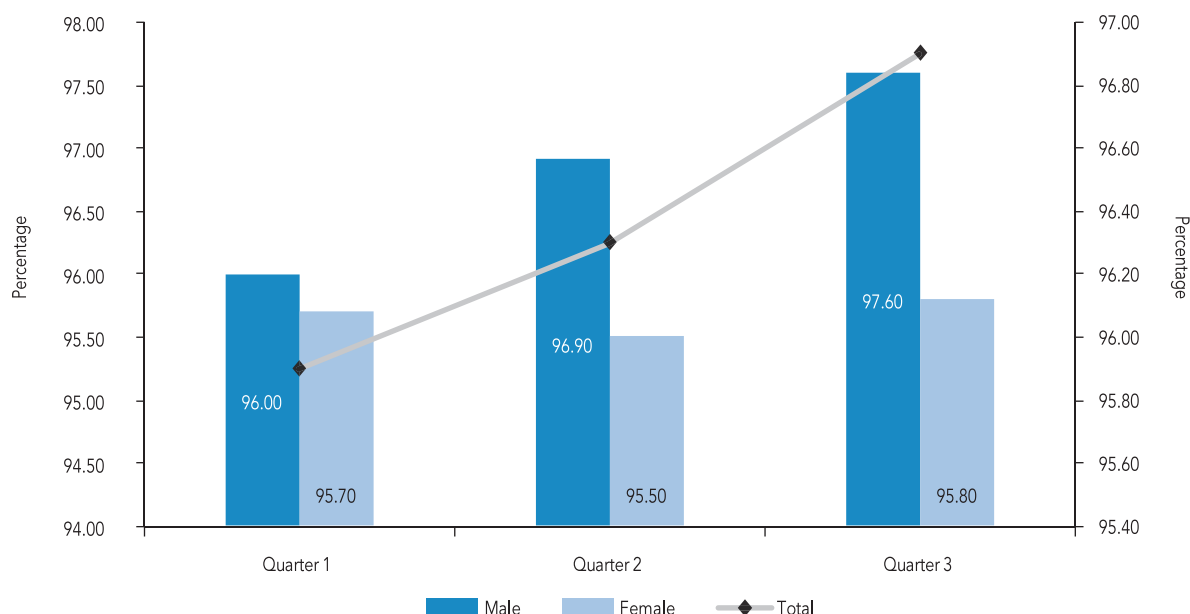


Figure 3.1 Employment Rate by Sex (Quarter 1 to Quarter 3) 2024

higher among the males (97.6%) than their female (95.80%) counterparts. Compared to the previous quarter, the rate has increased by 0.56 percentage points. However, since the confidence intervals (CI: 95.39, 97.10) for the employment rates of the two quarters overlap, the differences between the two quarters are not statistically significant.

Further, it is observed that the employment rate is higher in rural areas (96%) than in urban areas (94%). Among the *dzongkhags*, Samtse has the highest employment rate (99.8%), followed by Punakha (98.9%), while Trashigang and Zhemgang has 98.8% each. On the contrary, the lowest employment rate is observed in Samdrup Jongkhar (94.4%), followed by Thimphu (95.8%) *dzongkhags*. There is a significant disparity in employment rates between rural and urban areas, as well as across *dzongkhags*.

Among the *thromdes*, Gelephu (94.5%) has the highest employment rate, while Phuentshogling (89.7%) *Thromde* has the lowest. This indicates a noticeable variation in employment levels between the *thromdes* (Table 3.1).

The distribution of employed persons across different age groups has maintained the pattern that was observed in the previous quarters. For the productive age group (15-64 years), the employment rate is estimated at 96.7%, with 97.5% for males at and 95.5% for females (Table 3.2).

In contrast, the youth population (15-24 years) has the lowest employment rate at 83.5%. The males (88.1%) have a significantly higher rate than that of the females (78.2%).

However, it is observed that the employment rate for both males and females aged 65 years and above is 100%. This suggests that all persons in this age group who are available for work are employed during the survey reference period.

In terms of the proportion employed persons by sector, the agriculture (44.08%) sector has the highest share, while the industry (15.5%) has the lowest. Notably, there has been slight increase in the share of employed persons in the agriculture sector in the third quarter compared to the previous quarter (Table 3.3).

Table 3.1 Proportion of Employed Persons by Dzongkhags/Thromdes and Sex, Third Quarter-2024

Dzongkhags/Thromde	Total	Sex (%)		
		Male	Female	Total
Samtse	33,509	100	99.5	99.8
Punakha	18,521	98.9	98.9	98.9
Trashigang	20,560	100	97.3	98.8
Zhemgang	8,127	97.8	100	98.8
Monggar	17,026	97.8	99.4	98.4
Trashi Yangtse	7,190	100	96.0	98.4
Paro	25,554	97.8	99.1	98.3
Pema Gatshel	11,055	98.7	97.4	98.1
Dagana	12,737	98.2	97.4	97.8
Lhuentse	6,636	98.5	96.7	97.7
Sarpang	21,728	98.3	96.5	97.5
Tsirang	15,216	97.3	97.8	97.5
Trongsa	14,272	100	92.4	97.4
Bumthang	8,255	100	93.0	97.0
Haa	7,907	95.6	98.5	96.8
Wangdue Phodrang	26,039	96.9	96.6	96.8
Chhukha	17,416	98.5	93.2	96.7
Gasa	2,297	95.6	96.4	95.9
Thimphu	14,754	95.9	95.4	95.8
Gelegphu Thromde	5,649	95.2	94.8	95
Thimphu Thromde	58,459	96.6	90.8	94.5
Samdrup Jongkhar	10,872	95.3	92.4	94.4
Samdrup Jongkhar Thromde	3,062	96.3	86.7	93.6
Phuentshogling Thromde	12,182	92.9	82.2	89.7
Total	379,022	97.6	95.8	96.9

Throughout all three quarters of the survey, it is observed that a higher proportion of females are engaged in the agriculture sector, while a larger proportion of males are employed in the service sector. This pattern highlights the gender-specific trends in employment across different sectors (Table 3.3).

Table 3.2 Proportion of Employed Persons by Age Group and Sex, Third Quarter-2024

Age Group	Total	Sex (%)		
		Male	Female	Total
15-64	359,792	97.5	95.5	96.7
18-64	358,513	97.5	95.6	96.8
15-19	4,838	94.3	85.3	91.2
20-24	29,922	87.0	77.4	82.3
25-29	53,128	95.7	94.8	95.3
30-34	62,356	97.9	96.5	97.4
35-39	57,551	99.6	98.9	99.3
40-44	50,812	99.5	100	99.7
45-49	33,712	99.1	100	99.5
50-54	31,406	99.3	100	99.6
55-59	19,998	100	99.3	99.7
60-64	16,069	99.8	100	99.8
65 and above	19,231	100	100	100
Total	379,022	97.6	95.8	96.9

In the third quarterly survey, it is observed that slightly more than one-third of employed persons are classified as paid employees. Among the employed persons in urban areas, majority of them are paid employees, while in the rural areas about one-fourth of them are in the same category.

Approximately 36% of employed persons are classified as "Own account workers," and 24% are "family worker" employed either in agriculture or non-agriculture. Among the male employed persons, 47% are working as "wage employees", while 25% of employed females are in the same category. On the contrary, a proportion of employed females (31.6%) who works as unpaid family workers in the agriculture sector is higher compared to the employed males (16.9%) (Table 3.4).

Table 3.3 Proportion of Employed Persons by Sector, Sex and Area, Third Quarter-2024

Sector	Quarter 3				Quarter 2				Quarter 1			
	Total	Area (%)			Total	Area (%)			Total	Area (%)		
		Urban	Rural	Total		Urban	Rural	Total		Urban	Rural	Total
Agriculture	167,056	3.15	64.07	44.08	146,403	4.37	60.73	41.19	152,151	4.22	59.99	41.34
Industry	58,752	20.12	13.25	15.50	57,015	20.67	13.58	16.04	62,603	21.18	14.92	17.01
Service	153,215	76.73	22.69	40.42	151,998	74.95	25.68	42.77	153,294	74.61	25.09	41.65
Total	379,023	100	100	100	355,416	100	100	100	368,048	100	100	100

Sector	Quarter 3				Quarter 2				Quarter 1			
	Total	Sex (%)			Total	Sex (%)			Total	Sex (%)		
		Male	Female	Total		Male	Female	Total		Male	Female	Total
Agriculture	167,056	37.15	55.06	44.08	146,403	34.67	51.77	41.19	152,151	34.16	52.00	41.34
Industry	58,752	19.38	9.34	15.50	57,015	19.46	10.50	16.04	62,603	20.98	11.12	17.01
Service	153,215	43.47	35.59	40.42	151,998	45.87	37.73	42.77	153,294	44.87	36.88	41.65
Total	379,023	100	100	100	355,416	100	100	100	368,048	100	100	100

Note: The percentage distribution for the industry and service sectors for Quarter 1 and Quarter 2 has been updated based on industrial classification

Table 3.4 Distribution of Employed Persons by Nature of Employment, Sex and Area, Third Quarter-2024

Nature of Employment	Total		Area (%)		Sex (%)	
	Numbers	Percent	Urban	Rural	Male	Female
Regular paid employee	125,022	32.99	60.55	19.52	38.44	24.33
Casual paid employee	20,989	5.54	6.37	5.13	8.3	1.15
Own-account worker(Non-agriculture)	59,898	15.8	26.34	10.65	15.34	16.54
Own-account worker(Agriculture)	78,138	20.62	1.14	30.13	19.2	22.86
Family worker(Non-agriculture)	8,490	2.24	3.93	1.41	1.49	3.42
Family worker(Agriculture)	85,818	22.64	1.52	32.96	16.98	31.63
Employer	667	0.18	0.14	0.19	0.24	0.07
Total	379,022	100	100	100	100	100

Of the total of 379,022 employed persons, the majority (43.6%) are classified as skilled agricultural, forestry, and fishery workers. While approximately 11% are employed as managers, and about 8% work as craft and related trade workers.

Table 3.5 presents the percentage distribution of employed persons by major occupation, area, and sex. It is observed that the distribution of employed persons across different occupations varies significantly between males and females. This disparity highlights the distinct occupational

roles that each sex plays within the labor market.

As presented in Table 3.6, about one-third of employed persons do not possess any formal education. Approximately 14% have completed higher secondary education, while 13% have middle secondary education and 13.6% have primary education. Additionally, 9.4% of employed persons reported having a bachelor's degree or higher.

In Table 3.7, it is observed that approximately

Table 3.5 Percentage Distribution of Employed Persons by Major Occupation and Sex, Third Quarter 2024

Major Occupation Group	Total		Area (%)		Sex (%)	
	Number	Percent	Urban	Rural	Male	Female
Managers	40,036	10.56	19.86	6.02	9.27	12.61
Professionals	30,262	7.98	14.45	4.83	8.77	6.74
Technicians and Associate Professionals	22,124	5.84	9.87	3.87	6.92	4.12
Clerical Support Workers	9,369	2.47	5.59	0.95	1.45	4.09
Personal Services Workers	30,127	7.95	14.32	4.83	8.26	7.46
Skilled Agricultural, Forestry and Fishery Workers	165,055	43.55	2.66	63.52	36.56	54.63
Craft and Related Trades Workers	31,619	8.34	12.38	6.37	9.78	6.06
Plant and Machine Operators and Assemblers	27,353	7.22	11.53	5.11	11.5	0.43
Elementary Occupations	20,259	5.34	7.41	4.34	6.31	3.81
Armed Forces	2,819	0.74	1.93	0.16	1.19	0.04
Total	379,022	100	100	100	100	100

Table 3.6 Proportions of Employed Persons by Level of Education, Area and Sex, Third Quarter-2024

Level of education	Total		Area (%)		Sex (%)	
	Numbers	Percent	Urban	Rural	Male	Female
None	133,539	35.23	16.09	44.58	29.68	44.04
Primary	51,683	13.64	11.02	14.91	17.13	8.09
Lower Secondary	23,316	6.15	7.03	5.72	6.91	4.94
Middle Secondary	50,001	13.19	19.34	10.19	13.66	12.45
Higher Secondary	51,825	13.67	22.93	9.15	13.13	14.54
Certificate/Diploma	8,721	2.30	3.22	1.85	2.56	1.90
Bachelor's Degree	27,950	7.37	14.44	3.92	8.36	5.81
Master's Degree and Above	7,569	2.00	4.27	0.89	2.62	1.01
Monastic Education	7,975	2.10	0.86	2.71	3.40	0.06
Non-Formal Education	16,442	4.34	0.80	6.07	2.56	7.16
Total	379,023	100	100	100	100	100

44% of employed persons in the third quarter are engaged in agricultural farming, while 31% are working in private businesses. About 14% are employed in government agencies, and 6%

work for public or government companies. This distribution illustrates the sectors in which the employed persons are actively engaged.

Figure 3.2 presents the mean hours worked

Table 3.7 Percentage Distribution Employed persons by Type of Enterprise and Sex, Third Quarter-2024

Organization	Total		Area (%)		Sex (%)	
	Numbers	Percent	Urban	Rural	Male	Female
Government agency	52,089	13.74	21.26	10.07	15.05	11.67
Armed forces (RBP, RBG & RBA)	6,258	1.65	4.44	0.29	2.44	0.4
Agriculture farming	164,853	43.49	2.76	63.39	36.36	54.81
Public/Government Company	22,466	5.93	10.31	3.79	7.67	3.16
Private Limited Company	13,232	3.49	7.58	1.49	4.41	2.04
Private Business	117,618	31.03	52.51	20.54	33.37	27.32
Household(s) as a domestic worker	703	0.19	0.44	0.06	0.11	0.3
Non-governmental organizations/CSO	1,802	0.48	0.71	0.36	0.58	0.3
Total	379,022	100	100	100	100	100

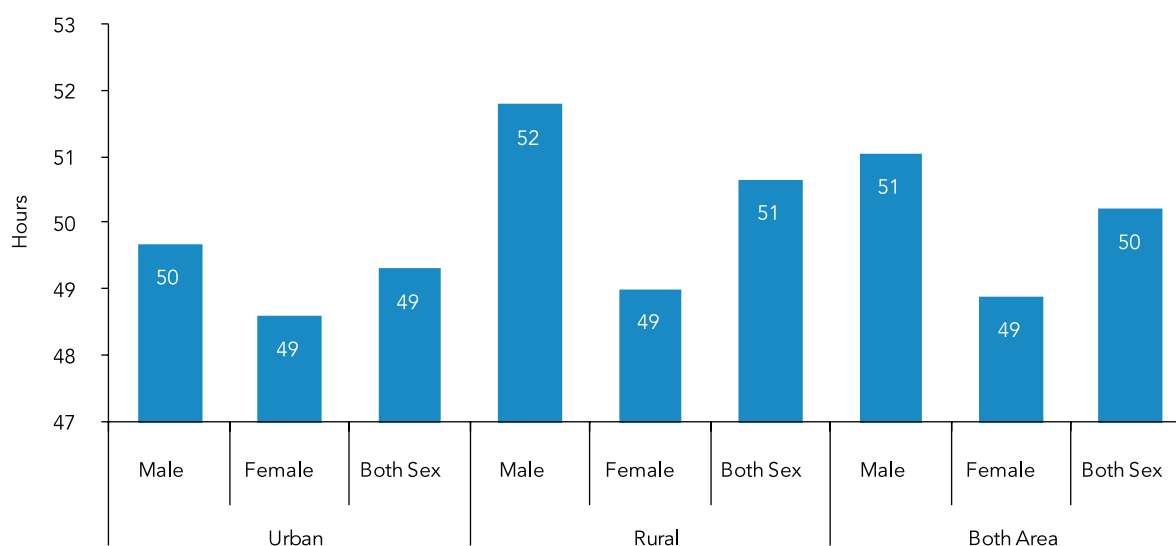


Figure 3.2 Mean Hours Worked in a Week by Area and Sex, Third Quarter-2024

per week by employed persons in their primary and secondary jobs, categorized by area and sex. The overall mean is estimated at 50 hours per week. It is observed that male employed persons work more hours, averaging 51 hours, compared to female employed persons, who work for 49 hours on an average. Additionally, when comparing by area of residence, those in rural areas work more hours on average (51 hours) than their urban counterparts (49 hours).

The monthly income data for employed persons is collected from those classified as paid employees, own account workers, and employers. The mean monthly income for this group is estimated at Nu. 25,820. It is noted that the mean monthly income is higher among the male employed persons compared to their female counterparts. A similar disparity in income is also observed between males and females across different areas of residence, (Table 3.8).

Table 3.8 Mean and Median Monthly Income of Employed Persons by Area and Sex, Third Quarter Bhutan 2024

Statistics	Urban			Rural			Both Areas		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Mean	34,473	28,429	32,492	24,058	15,557	21,196	28,355	20,744	25,820
Median	26,000	25,000	25,000	20,000	10,000	15,000	21,000	15,000	20,000

Table 3.9 Employment-to-Population Ratio by Area and Sex, Third Quarter-2024

Area	Employed Person			Working Age Population			Employment to Population Ratio (%)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Urban	81,427	42,958	124,385	115,575	106,150	221,725	70.5	40.5	56.1
Rural	151,035	103,602	254,637	199,011	179,676	378,687	75.9	57.7	67.2
Bhutan	232,463	146,560	379,023	314,586	285,826	600,412	73.9	51.3	63.1

3.1 The Employment-to-Population Ratio

The employment-to-population ratio (shown as EPR in this diagram) is a basic yardstick for understanding the overall demand for labour in an economy. It provides information on the ability of an economy to generate employment.

Employment-to-population ratio represents the percentage of employed persons relative to the working age population.

When the employment-to-population ratio rises over time, it typically indicates an increasing demand for workers within the economy. Conversely, a low percentage suggests that a significant portion of the working-age population is either unemployed or not participating in the labor force.

The overall employment-to-population ratio in the third quarter stands at 63.1%. It is 73.9% for males and 51.3% for females. By area, the employment-to-population ratio is 56.1% in urban areas and 67.2% in rural areas.

Chapter 4

UNEMPLOYMENT

The three criteria used to define unemployment

Without work: A person of working age who did not work at all during the reference period (not even for one hour), nor was temporarily absent from work.

Seeking work: The person is actively seeking for work in past four weeks.

Currently available for work: The person is available for employment in the next two weeks.



Youth Unemployment: Those unemployed persons aged 15-24 years.

Unemployment-to-Population Ratio: The proportion of unemployed persons relative to the total working-age population.

Unemployment Rate: The proportion of unemployed persons in the labor force, also known as the economically active population.

Youth Unemployment Rate: The percentage of unemployed persons in the age group 15-24 years relative to the labor force (also known as the economically active population) in the same age group

4.1 Unemployment Rate

The unemployment rate (UR in this diagram) reflects the ability of an economy to generate employment for those persons who want to work but are not doing so, even though they are available for employment and actively seeking work. It is an important indicator of labour market performance, and a key measure of labour underutilization.

For the third quarter, 2024, the overall unemployment rate is estimated at 3.1% (CI:

2.51, 3.80). It is higher among females (4.2%) than their male (2.4%) counterparts. Compared to the previous quarter, the unemployment rate has decreased by 0.6 percentage-points from 3.7% (CI: 2.9, 4.6) to 3.1%. However, since the confidence intervals for the unemployment rates overlap, the difference between the two is not statistically significant. The unemployment rate is higher in urban (5.1%) than in rural (2.1%) areas.

Table 4.1 Unemployment Rate by Sex and Dzongkhag/Thromde, Third Quarter-2024

Dzongkhag/Thromde	Total	Unemployment Rate		
		Male	Female	Both sex
Bumthang	257	0.0	7.0	3.0
Chhukha	599	1.5	6.8	3.3
Phuntshogling Thromde	1,396	7.1	17.8	10.3
Dagana	280	1.8	2.6	2.2
Gasa	98	4.4	3.7	4.1
Haa	259	4.4	1.6	3.2
Lhuentse	159	1.5	3.4	2.3
Monggar	270	2.2	0.6	1.6
Paro	435	2.2	0.9	1.7
Pema Gatshel	212	1.3	2.6	1.9
Punakha	207	1.1	1.1	1.1
Samdrup Jongkhar	644	4.7	7.6	5.6
Samdrup Jongkhar Thromde	211	3.7	13.3	6.4
Samtse	76	0.0	0.5	0.2
Sarpang	552	1.7	3.5	2.5
Gelephu Thromde	297	4.8	5.2	5.0
Thimphu	653	4.1	4.6	4.2
Thimphu Thromde	3,389	3.4	9.2	5.5
Trashigang	253	0.0	2.7	1.2
Trash Yangtse	117	0.0	4.0	1.6
Trongsa	374	0.0	7.6	2.6
Tsirang	389	2.7	2.3	2.5
Wangdue Phodrang	862	3.1	3.4	3.2
Zhemgang	102	2.2	0.0	1.2
Total	12,090	2.4	4.2	3.1

Of the total 12,090 unemployed persons in the third quarter, 46.3% are males and 53.7% are females. Samdrup Jongkhar dzongkhag has the highest unemployment rate at 5.6%, while Samtse dzongkhag (0.2%) has the lowest. Among the four thromdes, Phuntshogling (10.3%) has the highest unemployment rate, while Gelephu (5.0%) observed the least.

Table 4.2 presents the unemployment rate by level of educational attainment. Overall, persons with a higher secondary school education have the highest unemployment rate (9.8%), while those without any formal education have the

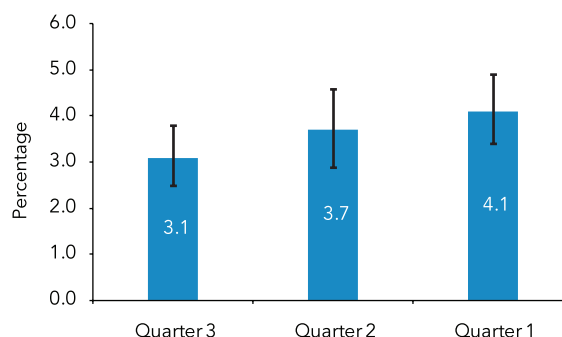


Figure 4.1 Unemployment Rate for Quarter 1 to Quarter 3, 2024

Table 4.2 Unemployment Rate by Level of Education and Sex, Third Quarter-2024

Level of education	Total	Sex (%)		Both Sex
		Male	Female	
None	721	0.6	0.4	0.5
Primary	346	0.3	1.8	0.7
Lower Secondary	540	1.2	4.5	2.3
Middle Secondary	1,778	2.2	5.4	3.4
Higher Secondary	5,648	8.5	11.6	9.8
Certificate/Diploma	471	1.9	11.3	5.1
Bachelor's Degree	2,246	4.7	13.2	7.4
Masters Degree	170	0.0	10.3	2.2
Monastic Education	170	2.1	0.0	2.1
Total	12,090	2.4	4.2	3.1

lowest (0.5%). When compared by sex, females with a bachelor's degree have the highest unemployment rate (13.2%), while, among males, the rate is highest for those with a higher secondary school education (8.5%).

The unemployment-to-population ratio differs from the unemployment rate as it accounts for the total working age population rather than those only in the labour force. The ratio helps to provide the unemployment situation from another angle and provides an answer to the question "What proportion of the working age population are unemployed?"

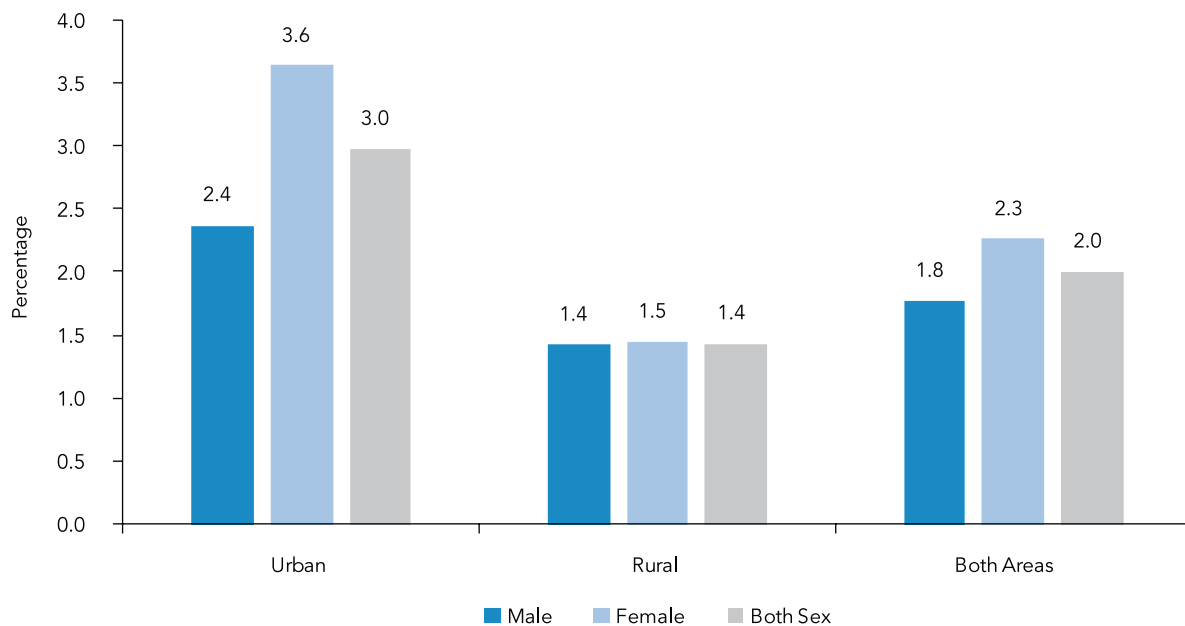


Figure 4.2 Unemployment-to-Population Ratio by Sex and Area, Third Quarter-2024

Of the total (600,412) working-age population, 12,090 persons are unemployed, resulting in an unemployment-to-population ratio of 2.0% (Figure 4.2). The ratio is higher for females (2.3%), compared to males (1.8%). In urban areas, the ratio is 3.0%, more than twice that of rural (1.4%) areas.

Among the total unemployed population, 6,885 persons are youth, resulting in a youth unemployment rate of 16.5% (CI: 12.65, 21.32). This rate has dropped by 2.7 percentage-points from the previous quarter i.e.19.2% (CI: 14.4, 25.2). However, due to the overlap in confidence intervals between the two quarters, this difference is not statistically significant.

The youth unemployment rate is higher for females at 21.8% compared to 11.9% for males. Additionally, youth unemployment is primarily an urban issue, with a rate of 20.1% in urban areas versus 13.8% in rural areas.

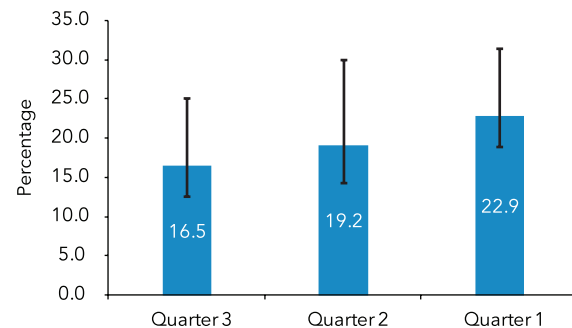


Figure 4.3 Youth Unemployment Rate from Quarter 1 to Quarter 3, 2024

Table 4.3 Youth Unemployment Rate by Sex and Area, Third Quarter-2024

Sex	Total	Urban	Rural	Both Areas
Male	2,645	12.9	11.2	11.9
Female	4,240	27.3	17.1	21.8
Both Sex	6,885	20.1	13.8	16.5

ANNEXURE

INDICATORS: DEFINITION, NUMERATORS AND DENOMINATOR

Sl No	Indicators	Definition	Numerator	Denominator
1	Working-age Population	Persons aged 15 years and above		
2	Economically Active Population (labour force)	Working-age population who were/ are employed or unemployed during the reference period of the survey are referred to as Economically active population or Labour Force.		
3	Economically Inactive Population (out of labour force)	Working-age population who are/were neither employed nor unemployed during the reference period		
4	Labour Force Participation Rate (LFPR)	LFPR is defined as proportion of economically active persons (labour force) to the working age population	Economically active/ labour force	Working-age population
5	Economically Inactivity Rate	It is defined as proportion of economically inactive persons (out of labour force) to the working-age population	Economically inactive population	Working-age population
6	Employment Rate	It is defined as proportion of employed persons to the economically active population	Employed persons	Economically active population
7	Employment-to- Population Ratio	It is defined as the proportion of employed persons to the working-age population	Employed persons	Working-age population
8	Unemployment Rate	Unemployment rate is defined as the proportion of unemployed persons to the economically active population	Unemployed persons	Economically active Population
9	Unemployment-to- Population Ratio	It is defined as the proportion of unemployed persons to the working-age population	Unemployed persons	Working-age population
10	Youth Unemployment Rate	Youth unemployment rate is defined as the percentage of unemployed persons in the age group 15-24 years to the economically active population in the same age group	Unemployed persons (aged 15-24 years)	Economically active youth population
11	Share of Youth Unemployment	It is expressed as percentage of youth unemployed persons to all unemployed persons	Youth Unemployed persons	Total Unemployed persons

