CHAPTER 4

**LABOUR AND EMPLOYMENT**

Information on the economic characteristics of working population is essential in stimulating investments where they are needed, identification of priority sectors and designing government programs and strategies in order to mobilize the country’s human resources towards economic development and prosperity. The economy of Bhutan is characterized by the predominance of people engaged in self-employment, particularly those working on their own land. There is also a good deal of small cottage industry often undertaken in the home. The number of person working for wages is relatively small.

Statistics on labour force and its characteristics are not only vital for planning for human resource development but also estimating and labour demand and supply projections. Basically, it measures the involvement of people in economic activities. Economic activities refer to the production of economic goods and services and include people who are self-employed (e.g. farmers operating their own land) as well as persons who work for wages (i.e. employees). Broadly, a statistical system for human resources should cover topics such as size and characteristics of the labour force, employment, wage rate and conditions of work.

The primary source of data on labour and employment is the Labour Force Survey, which is being conducted annually in Bhutan. This captures employment in formal and informal sectors since the survey respondents are households. Included in this chapter are employment status, by sex, area, major industry and by occupation groups from LFS Report, 2018. At the same time, it also includes statistics on employment maintained by Royal Civil Service Commission. Figure 4.1 presents the unemployment rate in Bhutan by sex over the last five years (2015-2019).