

**A STUDY ON YOUTH UNEMPLOYMENT AND ITS CONSEQUENCES  
IN BHUTAN**

**By**

**Wangmo, Deki**

**THESIS**

Submitted to:

KDI School of Public Policy and Management

in partial fulfillment of the requirements

for the degree of

**MASTER OF PUBLIC POLICY**

2012

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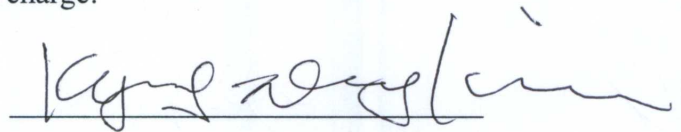
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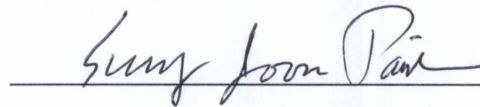
**MASTER OF PUBLIC POLICY**

Committee in charge:


Professor Kim, Kyong-Dong, Supervisor



Professor Paik, Sung-Joon



Professor Jeong, Insoo



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## **ABSTRACT**

### **A study on Youth Unemployment and its Consequences in Bhutan,**

**By**

**Wangmo, Deki**

From the beginning of the 20th century, unemployment was articulated as an alarming issue in the world. In particular, youth unemployment has gained its concern by wake of the 21st century.

There are varying ideas and thoughts about the effects and causes of unemployment in the world. The consequences of unemployment are not short lived; rather they create a sudden disorder in the society, prolonging a long term effect. The impact will be felt rather with a “ripple effect” with very negligible start at one point, eventually loading with an extensive impact to the society, then to the nation and the globe in the long run.

Theoretically unemployment is entirely a new issue in context of Bhutan. Bhutan started its socio –economic development after the 1960s and since then like any other developing nation, Bhutan started raising concern for the state of joblessness of the its people, particularly the young people in the country.

The issue of unemployment started gaining momentum in the country by 1990s when the country addressed its socio economic development and the concern over increasing growth rate of the population and the rising number of youth.

Increasing enrollments, Mismatch of Jobs & skills required, Rural-Urban Migration and Least preference of jobs in the private sector were some factors contributing to rising youth unemployment in the country. Consequently there are believed notions that unemployment lead to occurrence of social evils such as increasing number of alcohol & drug abuse, youth violence such as theft, vandalism and many more.

With this study it was evident that unemployment alone did not contribute to emergence of the social evils in Bhutan. There were many other contributing factors such as issues with family affairs, weak parental guidance, loss of sense of belonging and many other factors.

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## DEFINITIONS

**Youth:** A person aged between 15-24 years of age.

**Unemployed:** Unemployed are those people who did not have a job or business or were not employed. Unemployed is based on three categories which are to be followed simultaneously. They are; 'without work', 'available for work', and 'seeking work'.

**Unemployed Youth:** A person aged between 15-24 years of age who is 'without work', 'available for work', and 'seeking work'.

**Employed:** If a person has performed some paid work in cash or in kind, during the reference period for at least one hour or the person has a job or business formally attached but temporarily absent from the work and going to resume the work.

**Employer:** A person who employs at least one person in his/her enterprise directly or through another person whom he pays in cash or in kind.

**Migration:** The movement of people across a specific boundary for the purpose of establishing a new or semi permanent residence.

**Work:** According to ILO standards and United Nations 1993 System of National Accounts, work includes any kind of works or businesses including collecting water or firewood, cow herding, tailoring or making mates, etc. even for the households' own consumption.

### **Examples of activities which are counted as a work**

#### **Activities counted as work**

- Growing or gathering crops from the field, producing eggs, milk, food, cow herding, etc.
- Milling and other food processing activities, milling grains, making butter and cheese, brewing local wine, etc.
- Yarning and weaving clothes, making baskets and mats, peat making, tailoring, and making furniture, etc
- Construction of own house/buildings, major renovation of private roads and other private facilities.
- Fetching water, cutting or collecting firewood.
- Activities of a religious order and rituals.

#### **Activities not counted as work**

- Preparing and serving meals
- Unpaid family member (baby-sitting, training & instructing children, transporting household members/goods, repairing household durables, vehicles or other goods, etc.)

*Source: Labour Force Survey Report, MoLHR 2010*

## ACRONYMS

BNCA	Bhutan Narcotic Control Agency
CBS	Centre for Bhutan Studies
DoL	Department of Labour
DoE	Department of Employment
FYP	Five Year Plan
GNH	Gross National Happiness
GNHC	Gross National Happiness Commission
HRD	Human Resource Development
ILO	International Labour Organization
IZC	Institute for Zorig Chusum
LEA	Labour and Employment Act, 2007
LFPR	Labour Force Participation Rate
LFS	Labour Force Survey
MoLHR	Ministry of Labour and Human Resources
NSB	National Statistics Bureau
OECD	Organization of Economic Cooperation & Development
RBP	Royal Bhutan Police
RICBL	Royal Insurance Corporation of Bhutan Limited
SAARC	South Asian Association for Regional Cooperation
RCSC	Royal Civil Service Commission
RUB	Royal University of Bhutan
UNDP	United Nations Development Programme
TTI	Technical Training Institute



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# 1. INTRODUCTION

## 1.1 Research Problem:

Bhutan is a small landlocked country located, both economically and demographically, between two giants; China in the North and India in the South. In the past, Bhutan remained isolated with high mountains in the North and the thick impenetrable forest in the south and the people lived in seclusion until the 1960s, relying on agriculture and the forest for their survival.

Development in real context started from early 1960s when the third King of Bhutan, the late Majesty Jigme Dorji Wangchuk, opened its doors to the outside world - starting the first five year plan in 1961- 1966. The first and second five year plans were focused on social and infrastructure development. By the end of the first plan period (1965), there were 108 schools established with enrollment of 15000 students, 40 health dispensaries and three major hospitals were established in the country (GNHC. 2009). Since then, development has progressed steadily with each plans and establishment of schools and small health units has progressed further to cater education and medical facilities to the people in the country.

By the mid 1980s, there has been steady growth and development of the economy predominantly with hydro power, tourism and other medium and small industries. Lessons learnt from developed countries elsewhere shaped Bhutanese development plans to proceed cautiously. The development path of the country has been focused on social well being and happiness of the people, guided by the principles of Gross National Happiness.

Gross National Happiness is a development Philosophy articulated by His Majesty, King Jigme Singye Wangchuk, the 4<sup>th</sup> King of Bhutan since 1972 (Karma Ura, 2009). In order to measure the developmental indicators, the Gross National Happiness Index (GNH Index) was developed in November 2008, highlighting the need to balance spiritual, emotional and

material development as an effective means to achieve true happiness. Yet, in the process of development, like any other developing country, Bhutan has not been able to evade the tribulations of the process of transition in the period of globalization. One such probing issue that the country is facing currently is youth and their unemployment situation in the country.

Over the last decade, Bhutan has witnessed a rise in unemployment rate from 1.4% in 1998 to 4.0 % in 2009 as per the Labour Market Information Report, 2009 from Ministry of Labour and Human Resources. Amongst this, the young people between the ages of 15-24 years constitute 59% of the total unemployed population.

Theoretically, unemployment in context of Bhutan is entirely a new issue. Bhutan started its socio –economic development after the 1960s. The period before that the country was absolutely agrarian and dependent on farming. Owing to such facts that everyone worked in farms, a new born in the family meant a new helping hand in the farm. “An extra hand was not just an extra mouth to feed, but a resource as well” (Kinga, 2005).

With introduction of modern education in early 1960s, (vision 2020), young children were encouraged to enroll in school and with time, the enrollment in the schools increased leading to an increase in number of young graduates entering the labour market. However, the jobs in the Civil Service remained numbered, with few significant openings outnumbered by the increasing numbers of graduates. For instance in 2011 the total number of university graduates were 1654, but the total jobs provided by the RCSC was only for 399 graduates.

The concern of Youth unemployment is primarily within the educated youth and not the uneducated children of farmers. The data analysis provided by the Ministry of Labour and Human Resources, revealed that youth unemployment is not a phenomenon occurring evenly across villages and towns, but rather confined more in to the urban and educated section of the society. (Labour Force Survey, MoLHR, 2009.)

There are various reports and documents published which concern the youth; their employment and its causes, consequences and so on. Most of these documents portray the trends, the causes and consequences. With time, there have been changes in the scenario of the labour market and there are certain significant changes which occurred over a period of time. One such issue can be the emergence of forced prostitution and increasing cases of drug addiction which leads to the rise of socially unfavorable incidences like teenage pregnancies, suicides, thefts and many others.

With its constant rise, youth unemployment has become a global concern in the 21st century. Several studies were carried out by various economists and social scientists. When a person remains unemployed for a long period of time, they tend to live a destructive life, which eventually would cause them mentally and physically inactive and unsound leading to disruption in social disharmony. “Adolescences imply a series of status passages. Young people have to make transition in their educational career – from primary to secondary education and eventually on to tertiary education. They also have to make the transition as well from school to work, from the parental home to a household of their own” (Meeus et al., 1992, as cited in M.P.M., 1996).

## **1.2 Objectives**

With rising unemployment in the country there are various consequences which particularly affect the youth and their lives. Therefore, this study aims to examine the causes of youth unemployment and the undesirable consequences of youth unemployment, focusing on the problems of crime and deviant behaviours of the youth. This study will also attempt to include the consequences of youth unemployment and recommendation in terms of policy interventions as well as contributions at individual level, to curb down such issues for now and in the longer period of time.

## 2. LITERATURE REVIEW

### ➤ Theoretical background

Unemployment is not entirely a recent phenomenon. It existed during the pre classical era, but its implication took precedence only after the post World War era. From his book “Unemployment and the Economists” Bernard Corry stated that it was Keynes who first gave importance to this so called “mercantilist literature”, later elucidated by other economists. The unemployment problem was not a priority during the classical period. Rather, poverty was given more importance. However, by the late 19th century, the issue of poverty and unemployment both became priorities. The unemployment issue became very dominant by mid 20th century, especially during and after World War II, owing to the situation during and after the war, which demonstrated that a fully employed economy would enhance the profits in the National Income. (Corry, 1996).

The neoclassical theory and the General Theory/Keynesian Theory are two theories, which explain the theoretical basis of unemployment. The neoclassical theory analyzes the standard demand and supply to the labour market and treats unemployment as a ‘disequilibrium occurrence’ that arises from the prevalence of wages at a level higher than that which clears the labor market. “Minimum wage legislation, union bargaining, and efficiency wages (where higher wages produce better workers or draw better workers from the employment pool) are some of the reasons that labor markets may not adjust to full employment. (<http://social.jrank.org/pages/1908/employment-theories.html>). On the other hand Keynes’s theory states that unemployment results from the equilibrium of aggregate demand and supply at a level too low to require the productive services of the entire labor force. The remedy is to raise aggregate demand by a combination of fiscal and monetary measures, such as lower taxes, increased government spending, or accelerated monetary growth. Protective measures in the realm of international trade, such as tariffs and subsidies, can also help

alleviate the problem by switching demand from foreign to domestic goods and services (Calhoun, 2009).

There are varying ideas about the effects and causes of unemployment in the world. It is a well known fact that one of the burning issues of modern time is unemployment, yet there are claims that having a certain percent of unemployment can be “healthy”, according to studies carried out by the International Labour Organization in 1996. They believe that the increasing rate of unemployment is normal or acceptable for having a balance in the economy of a country. However, the ILO acknowledges that achieving employment is wanted by everyone, as socially and individually none of us want to remain and feel worthless. “The current high levels of unemployment may represent an economic equilibrium according to “natural rate” theories but it is certainly not an equilibrium that is acceptable on social grounds” (ILO, 1996). The potential mental consequences of unemployment are very immense, which would lead to social ills imprinting self destruction and causing damages to the societies which will continue for a long time to come.

From the beginning of the 20th century, unemployment was articulated as an alarming issue in the world. Yet, there had been failure in not being able to create full employment to which the economists states that “they are not in control of policy and hence cannot be pilloried for the failures of the economic system to create jobs for all” (Corry, 1996). Lately gender mainstreaming has taken major significance in defining unemployment. Initially unemployment was a male oriented phenomenon owing to the fact that during industrialization the full time participation in the Labour market was male, while female participation was either part time or seasonal. Yet to these days the role of female has greater significance in the workplace as well, evolved throughout from a stereotype notion of housekeepers to equally strong and willing to work in the fields as the men folks. Probably this is one reason for rising female unemployment which has become a greater concern.

The OECD and the ILO gathered data from various countries, which include the developed, transitional and developing countries which reveals that the unemployment is significantly higher in the case of young people. It also indicates that unemployment is significantly higher in the case of young people with lower level of education followed by the disabled and young women. From the context of country experiences, it shows one of the main causes as the poor performance of the country. Based on such available information it was suggested that the focus of any developing any policies for curbing down youth unemployment should be given to that particular section of the young people without education, as opposed to young people in general.

The Global Trend of Employment Report (ILO, 1996) states that prior to the beginning of the economic crisis in the world, young people were 2.8 times as likely to be unemployed than were adults at the global level. Therefore, it is a concern that the impact of the economic crisis has been particularly harsh for youth, who face a global shortage of employment opportunities as they will be entering the labour market. Studies carried out by the ILO predicted that the number of unemployed youth will increase by between 4.9 million and 17.7 million from 2008 to 2009. The youth unemployment rate is projected to increase from 12.2 per cent in 2008 to between 13.0 and 15.1 per cent in 2009. For adults, who make up the bulk of the labour force, the projected increase in the unemployment rate is 0.5 to 1.2 percentage points. With constant rise of incidences of joblessness among young people, it has become a serious concern about the consequences which would have numerous adverse effects on the individuals and the society as a whole

➤ **Theoretical background on youth unemployment**

The consequences of unemployment are not short lived; rather they create a sudden disorder in the society, prolonging with a “ripple effect” starting at a very negligible level, rising to an



extensive effect beginning from the society, then to the nation and eventually the globe in the long run.

There are two schools of thought on the long term effects of youth unemployment. Researchers refer to the first explanation as state dependence and second explanation as the heterogeneity.

Youth unemployment has both long and short term effects. The early theoretical literatures recognized that the effect of youth unemployment for longer period of time later affects the outcomes of the market which is very critical in the evaluation of government policies that affect the youth labor market. Its effect will take adverse course of impact which means taking the form of lower levels of human resources, reduced wage rates and weakened labor force participation in the future (Moore, 2003). Moore affirmed that if such effects persists over a longer period of time, then the policies such as raising the minimum wage and increasing unemployment benefits could have considerable positives but with hidden costs.

On the individual level, long term unemployment has resulted in varied disturbances of physical and psychological well being of an individual. Other issues like systolic blood pressure, consumption of alcohol and increase in crime rates are more among long-term unemployed boys than among others. Therefore youth unemployment is linked with increased health symptoms, deterioration in health behaviour and increase in drug abuse.

In order to have a better approach in addressing its core issues and mitigate down incidences, it is very necessary to understand consequences which has stronger impact on the youth who are unemployed for longer or shorter period of time.

With theories at the background, there are additional issues existing at the forefront of our everyday life. These are practical realities of unemployment of the young people, which

require immediate mitigation or otherwise will affect the society, nation and eventually the entire globe.

Generally the normal consequences related to youth unemployment are socially disturbing outcomes such as drug and alcohol abuse, and, premature pregnancies in young girls, so on and so forth. Furthermore the affect is dominant amongst the most endangered section of society which includes the school dropout, those with deficient school career and working class minorities. (Petersen & Mortimer, 1994).

The circumstances in Bhutan is no different than rest of the world, though the occurrence of such incidences seems lower owing to its population of just seven hundred thousand, with which it is clear that it is an area of concern.

Regardless of the theory, Incidences from other countries reveal that youth unemployment comprises major public health problem, showing the symptoms both physically and psychologically which to a certain extent remain throughout their adult age. The study was carried out for 14 years follow up of group of school leavers, in Sweden.

Idleness and risky behaviour is another dreaded consequence resulting from youth unemployment. This is one prominent depiction that we witness almost everywhere in most of the societies, especially in the developing countries like Bhutan. In context of Bhutan, the rising number of juvenile crimes, theft, drug addictions, and many other social issues are stated to be the consequences of unemployment amongst youth. (BNCA, 2005).

The previous literatures reveal that there are ample initiatives being taken by government agencies and the Nongovernmental Organizations all over the world. Yet, as the issues are very grueling, the efforts are overcome by the problems. Therefore, it is very valid to say that there is a constant increase in number of the unemployed youth and it has become so probing

that there is urgent necessity for the concerned agencies to improve on their existing initiatives and possibly improve with dynamic methods and ideas. This doesn't mean that only agencies should be responsible, but it is also responsible for every individual to contribute in every little way towards eliminating such problems or at least to help curb down such problem in the near future.

Like any other developing nation, Bhutan started raising its concern for the state of joblessness of the young people in the country. This issue started gaining momentum by 1990s when the country addressed its socio economic development and the concern due to increasing growth rate of the population and the increasing number of youth.

### ➤ **Causes of Unemployment**

Over the last decade, Bhutan has witnessed a rise in unemployment rate from 1.4% in 1998 to 3.7% in 2007 to 4.0% in 2009 as per the Labour Market Information Report from the Ministry of Labour and Human Resources. Amongst this the young people between the ages 15-24 years constitute 59% of the total unemployed population of the country. Likewise, the youth unemployment rate increased from 2.6 in 1998, to 9.2 by 2010. This indicates a rapid rise in unemployment amongst youth in the overall picture of the unemployment scenario within the time period of only a decade.

The following are some prominent scenario and factors of the unemployment situation amongst the youth in the country:

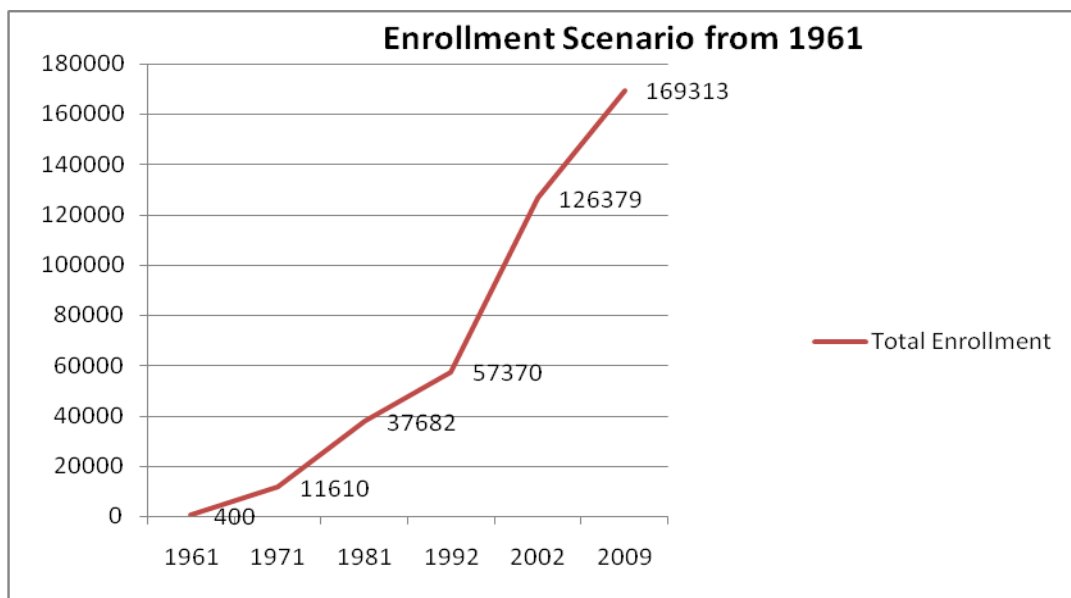
#### **I. Increasing Enrollment**

Observing the data available from the early 1960s, it is apparent that the enrollment in the schools all over the country started increasing yearly. Expansion and improvement of education facilities, along with development of transport and communication facilities, led to growing numbers of children going to school.

With the progress in development of the country, there had been extensive improvement in the education and health facilities which made significance changes in the lives of the people. Since then, the enrollment of the students kept increasing annually. The following figure is prepared with information from the annual statistical year books from the Ministry of Education which gives us a broader picture of the situation of enrollment over the period of time.

The figure below shows the total yearly enrolment of students -Pre-school, Primary and Secondary education-, which records the enrolment statistics from 1961 till 2009. Observing this figure it is valid to say that there had been significant increase in enrollment.

**Figure 1: Enrolment Scenario since 1961 till date**



**Source: Annual Education Statistics, 2009**

On the other side, the annual increase in enrollment indicates an increasing supply of a large number of jobseekers in the labour market in years to come. Over the period of time, it is a concern that this number will outnumber the jobs available in the market, which can be illustrated with the example from the supply and demand projection made in the following tables for the ninth five year plan. For instance, the total supply projection is 49,200 and the demand projection is 45,810, which would be leaving a balance of 3390 surplus in the labour market.

**Figure 2: Graduates and school leavers in Ninth Plan (Supply Projection)**

<b>Sl. #</b>	<b>Level of Education Job seekers</b>	<b>Job seekers</b>
1	Class VIII to XII	27,200
2	Graduates (including teachers from NIEs)	4700
3	Technical Training Institutes	17,300
4	Total	49,200

*Source: Department of Labour, MoLHR, 2004 (youth, development and employment in Bhutan, pg. 43)*

**Figure 3: Projections of Demand for Employment in Various Sectors in Ninth Five year Plan**

SI. #	Employment opportunities	Vacancies
1.	Civil Service (including 2,100 teachers)	6000
2.	Armed Forces (including officers)	7600
3.	<i>Corporate and Private Sectors</i>	
4.	Agro-based Industries	2318
5.	Forest-based industry	2080
6.	Mining and Manufacturing	4500
7.	Construction	7947
8.	Trading and tourism	12975
9.	Information Technology	790
10.	Other Services	1600
11.	<b>Total</b>	<b>45810</b>

Source: Department of Labour, Ministry of Labour and Human Resources, 2004 as cited in the youth, development and employment in Bhutan, pg. 46)

## **II. Mismatch of Jobs and the skills required:**

A pertinent issue which has valid correlation with increasing enrolment is the mismatch of skills in the job market. Observing figure 1 and figure 2, it is evident that there are jobseekers with various levels of qualification, yet they do not have related skills which would equip them to match with the jobs available in the job market. Another scenario is that there are young people looking for jobs in the market, but the employers in the private sector employers prefer the ones with prior job experiences. Employers normally do not want employees who are fresh out of school without prior skills and experience. Therefore it is obvious that mismatch of demand and supply is significant matter of concern in this context (Kinga, 2005).

## **III. Rural-Urban Migration**

The phenomenon of rural-urban migration also has a significant role in growing the urban youth unemployment situation in the country. In a way, the migration does have a correlation with increasing enrolment in the general education system in the country. Increasing enrollment leads to rise in number of entrants of youth in the job market. Since it is possible to find off-farm jobs in the urban areas, the young jobseekers from the rural areas flock to cities and towns looking for jobs. This would also mean decreasing number of workers in the farms and agricultural activities in the rural areas. The UNDP's Human Development Report 2009 revealed that Bhutan's internal migration rate at 6% which is considered to be highest in south Asia.

“Bhutan's urban growth rate on an average today is more than seven percent. This has resulted in the reduction of work force in the agriculture sector, under-utilisation of

established infrastructure in rural areas and housing shortage and unemployment in urban areas” ( Kuensel, News paper, October 22, 2009). It is definite to state that with emergence of such phenomena, there is gradual emergence of problems such as urban sprawl, squatter settlement, shortage of basic facilities, and so on.

#### **IV. Skilled Jobs and Foreign Workers**

Another significant scene is the increasing number of foreign workers, with the booming construction industry in the country. For instance, there were 37,063 in 2006, 40963 in 2009 and over 50,000 in 2011 foreign workers in the country. This increase in the number of foreign workers also implies that there is more work available in the sectors which are not filled up by the national workers. This portrays a paradoxical situation having clusters of unemployed youth on one side, and increasing import of foreign workers on the other side. This scenario explains the situation of a mismatch of skills leading to the circumstance of joblessness for the young people in the country.

Another factor is that the young jobseekers in the country do not want to take up manual jobs because of their attitude towards “blue collar jobs” and their expectation of being employed for white collar jobs in the private or public sector. The idea of “blue collar jobs” as jobs of illiterate farmers also seems “to reflect certain hierarchical perception” (Kinga, 2005) in the views of the jobseekers.

#### **V. Least preference of private sector:**

There are technical training institutes established to generate skilled labour, which appears to be a perfect antidote to solve the issues of replacing foreign workers and to fill the gaps of joblessness of youth. Yet, this doesn't seem applicable in the practical world of work. There is an existing situation of skilled graduates from the technical training institutes who expect



higher pay packages, incentives, perks and other benefits once they are employed in the private firms. However, lack of job security, perks such as foreign travel, opportunities for further studies and pension schemes owing to various reasons such as the jobs in the private sectors are not readily opted for by these graduates, which has resulted in an increasing number of unemployed youth (Kinga, 2005). But the private sectors, still at an infant stage of development, cannot afford to provide such packages; the jobseekers are reluctant to take jobs available in the private sector. The private sectors' preference for experienced jobseekers rather than fresh graduates is an additional intrusive issue.

## **VI. Other Issues :**

There are other social issues that have risen without notice or addresses, yet stand as major effecting factors leading to unemployment of youth in both urban and rural areas. There are capable and brilliant youth who could have fared for scholarships and good opportunities if they were ever given opportunities and guidance. Due to unfortunate circumstances inflicted by various magnitude of poverty, lead them to miss those chances in their lives with poverty, jobless, homeless and poor.

Poverty in Bhutan is not evident in monetary facet, yet in many other factors like low literacy, acute shortage in modern skills, unequal access to opportunities for better paid jobs and poor nutrition and health. (PRPA, 2001-02). The causes of unemployment can also be manifested as the consequences of unemployment. For instance, poverty deprives a person from education opportunity to study, and so that person will remain in poverty.

### **➤ Probable consequences of youth Unemployment**

Substance abuse, and other youth related crimes are believed to be the ultimate consequences of youth unemployment.

- ❖ The situation analysis for 1999 to 2003 from Bhutan Narcotic Control Agency (BNCA), 2006 states that the incidences of drug abuses are generally localized in towns and cities. Students and unemployed youth constituted the highest number of drug abuser consisting of 56%. In terms of age, the age group of 18-24 years constituted 91% of the total abusers. A total of 165 drug abusers were arrested in Thimphu, being the highest among other regions in the country. It is evident from this information that drug abuse is therefore a major phenomenon amongst unemployed young people in urban areas rather than rural areas.
- ❖ According to a similar study carried by REWA-a nonprofit organization under the umbrella of the Youth Development Fund (YDF) of Bhutan, the level of education of drug abusers gives a figure of 77.5% of the abusers with classes X and Classes XII and 65% of the abusers were found to be unemployed youth.
- ❖ Increasing female unemployment and its consequences: The rate of unemployment of women is significantly higher than those of men, which is also on the rise according to the consecutive labour force survey report from Ministry of Labour and Human Resources.

**Fig 3: Unemployment rate by Gender:**

Year	Gender	
	Male	Female
2005	2.9	3.3
2006	2.6	3.8
2007	3.5	3.9
2009	2.6	5.3

**Source: NCWC, Bhutan: NPGA 2008-2013.**

It is apparent to say that over the period of time, the employment scenario in Bhutan is changing. The rate of unemployment of women is increasing in comparison to that of

men and the rate of female unemployment is on the rise in terms of youth cohort. For instance, in 2007 the rate of unemployed for females was 9 and 11 males. But by 2009 the female took over with 14.7 percent and the rate of male was almost constant at 10.7 as that of 10.6 in 2007.

With development and progress in education facilities, more young women are encouraged and educated and eventually increase in number of participation of women labour force. Another possibility is that the employers prefer male workers over female workers. Nevertheless, it is evident that there are increasing numbers of young women in the job market and like other male counterparts they do come to towns and cities looking for jobs and better opportunities. In such process, they have been taken advantage of their situation and conditions. Most of them being kept in border towns or maybe even traded across the border. For instance, according to the national news paper, Kuensel dated 13<sup>th</sup> October 2009, about two years ago, an Indian Non Government Organization rescued two Bhutanese young women from a brothel in Kolkata, India. This was a news clip from the conference organized by the “National Commission for Women and Children” in Paro, Bhutan, October 2009.

- The issue of juvenile crimes such as thefts, property destruction etc. are some issues which is at large in the society. There are also issues of emerging urban sprawl due to rural urban migration. According to the UNDP’s Human Development Report 2009, the internal migration rate from rural to urban is 6% which stands as the highest rate of migration in south Asia.

### **3. RESEARCH METHODOLOGY**

Quite very often the prominent probable consequences associated with youth unemployment are youth related issues such as substance abuse (drugs & alcohol), vandalism, and other related crimes due to joblessness of youth in the market. In line with the above issues, the instrument is designed primarily to capture the above variables in the study.

The research methodology adopted by researcher is described as follows:

#### **3.1 Population and Sample**

The youth population ranging between the ages of 15-24 years was included in the study. To get diverse opinions, the jobseekers registered with the Employment Service Center, Ministry of Labour and Human Resources were interviewed. Information and data were also collected from the youths currently in and out of rehabilitation centers in the country, youths in and out of police custody and youths working in the night clubs.

As a sample, 60 youth ranging between the age group of 15- 24 years were surveyed.

The research time period was for a period of one month starting 2<sup>nd</sup> March 2011 till 2<sup>nd</sup> April 2011, which included the completion of the entire thesis and submission of the first draft to the school.

#### **3.2 Research instruments:**

The research instruments were constructed after studying the following:

1. The ideas, theories and researches about youth unemployment
2. Literature on Youth unemployment
3. Literature on Consequences of Youth unemployment
4. Data and information collected from Royal Bhutan Police and BNCA.

The thesis advisors examined the validity of the questionnaire. The instruments were finalized upon receiving the feedback and recommendations from the committee.

### **3.2.1 Instruments:**

Instrument becomes the integral part of conducting the survey. Therefore following were the methods and instruments used for this survey:

### **3.2.2 Questionnaire Development**

One set of structured questionnaire was developed for youth to collect the data. These questionnaires consist of three parts:

**Part I:** Background on the youth such as age, gender, educational level, and family background etc.

**Part II:** Consist of the in-depth interview on the youth (15- 24 years) This part include the questions specifically on finding of consequences such as drug abuse, thefts, vandalism and other youth related crimes.

**Part III:** Open end questions to gather more ideas and recommendations to curb such issues from the targeted group.

#### **Detailed steps taken for development of the questionnaire:**

1. Review what is already known and the existing information, and find out what is not known yet to determine the purpose of the research and what information will be required and found.
2. Administering and determining each questions: deciding on types of questions on which started with brain storming on several questions then it was narrowed down to the required number of questions after analyzing the relevance of each questions. While doing so, the privacy, sensitivity and abilities of the respondents during the survey were also considered.
3. Confirming the structure of response to the question: There are two different types of responses: opened-ended and closed-ended:

- For the opened-ended question, the questions were designed for the respondents to come up with answers by themselves. This provides the responses with useful data preventing from creating biased answers.
  - Closed-ended questions included the respondent with multiple choice formats of answers. These types of question and answers, provide more structured, making it easy to analyze and interpret. When writing closed-ended questions, it was also taken into consideration to be mutually exclusive and collectively exhaustive.
  - The questions were kept very brief, focusing on the core requirement for achieving the outcome
4. The sequence of the questions: The general orders of the questions are simple and logical to both the researcher and the respondents. The first part contains very basic question such as the respondents' own bio data (names, ages etc.) to gain their cooperation and their basic information. The middle series of questions contains the most important topics. The recommending questions such as the open ended questions were kept at the end.
5. Format of the questionnaire : In order to make it more appealing as well as simple to fill out, the questionnaire format was experimented with different types of paper, fonts, colors, and spacing, taking opinions of friends, potential respondents to determine the appropriateness of the format.

### **3.2.3 Pre-test of questionnaire**

Designing the perfect survey questionnaire was challenging and intriguing. To determine the effectiveness of the survey questionnaire, pretesting was felt necessary

before actually using it. Pretesting helped in determining the strengths and weaknesses of the survey concerning question format, wording and order. There were two types of survey pretests: *participating* and *undeclared*. In this particular study an *undeclared pretest* was used where the survey was given just as intended to conduct it for real which allows checking the choice of analysis and the standardization of the survey.

3.2.4 **Data recording/compiling:** Data was recorded in CsPro (census and survey programming system) software.

3.2.5 **Field enumeration/survey:** The surveys for target group under police custodies and the rehabilitation centers were conducted by the Royal Bhutan Police. For the recovering youths, the researcher conducted the survey with support from the Coordinator of the Deer Park Center (NGO), and survey for the job seekers were conducted at the Service Centre at the Ministry of Labour and Human Resources Office.

3.2.6 **Data analysis:** Data was analysed in SPSS (Statistical Package for Social Science). The total sample taken was 60 jobseekers ranging from University graduates, classes 12, classes 10 & below, youth with & above classes VIII, youth serving in the rehabilitation centers, and youth seeking jobs at the Ministry of Labour and Human Resources and other young jobseekers. The sample also included young women working in the night clubs, popularly known as “Drayangs”. The highest numbers interviewed were amongst classes 12 and below. Female interviewees were higher in number with 32 out of 60 samples taken, which was clear from the cross tabulation between Q.2 (Sex) and Q.5 (Academic qualification) where in female respondents were higher in number with 32 out of 60 samples taken.(figure 4).

**Fig. 4 Cross tabulation for Q2 (Sex) and Q.5 (Academic Qualification)**

Q. 2 Sex	Q.5. ACADEMIC_QUALIFICATION					Total
	Pre-Primary	Classes 1 to 12	Certificate	Diploma	Graduate	
Male	5	21	0	0	3	28
Female	4	23	1	1	3	32
Total	9	43	1	1	6	60

Similarly, exercise done for age group and level of qualification, showed that youth with qualification of classes XII between the age range of 19-23 years were more in numbers looking for job (Figure 5).

**Fig. 5. Cross tabulation of Q.5 (Academic Qualification) and Q.1. (Age)**

Q.1 Age										
Q. 5. Academic Qualification	17	18	19	20	21	22	23	24	29	Total
Pre-Primary	0	1	2	0	4	1	0	1	0	9
Classes 1 to 12	1	4	8	11	4	6	5	4	0	43
Certificate	0	0	0	0	0	1	0	0	0	1
Diploma	0	0	1	0	0	0	0	0	0	1
Graduate	0	0	2	1	0	0	1	1	1	6
Total	1	5	13	12	8	8	6	6	1	60



#### 4. FINDINGS AND OBSERVATION

From the analysis conducted, one interesting fact was that most of the jobseekers are aware of jobs available in the market, yet they are comfortable being unemployed. Reasons varied from having “**generous**” relatives supporting them and friends who were willing to share a bed and a meal with them. This is clear from the fact that 17 of the respondents highly disagreed for “Not having enough Jobs”, 7 disagreed, 15 agreed, 11 do not know and 7 highly agreed. Meanwhile when asked if there were enough jobs in the private sector, 17 highly agreed, 8 agreed, 9 do not know, 8 disagrees and only 13 highly disagrees.

Another interesting observation from the survey was that the young jobseekers believe that there are jobs available in the market, but they were not employed because they feel they lacked prior experiences and skills, which the private sectors require. For instance, 39 of the interviewees stated that they were not employed in the private sectors because they lacked the right skill and experience for the jobs available in the labour market. As stated earlier the similar responses were recorded in another survey (Job Seekers’ Assessment Report 2012) conducted by the MoLHR.

A worth noting highlight of the survey was, 27 respondents (this includes university graduates) said that they do not have clear understanding on the situation of the labour market, and most of them were not even aware if the wages are low or high for a particular kind of job. This might indicate lack of proper information; lack of awareness, which would also mean lack of proper dissemination of information from the relevant agencies, or lack of sheer interest and enthusiasm from the jobseekers. However the most interesting observation was that more than half (38 of the respondent did not believe that drug and alcohol abuses and theft to be the consequences of unemployment and 22 were unsure.

The respondents from the rehabilitation centers (currently in the centers and the ones out of the centers) stated that they were abused substances like drugs and alcohol, because they were depressed or frustrated due various other reasons such as family (divorce of parents, lack of weak attention from parents), influences from friends and curiosity in trying things leading them to addiction;

The young women working in the night clubs stated that they worked as club dancers and singers hoping for a better life in the cities than the rural lifestyle. Mostly these girls are school drop outs from the rural areas with a hope and looking for a “greener pasture” in the cities. The interesting fact is that they are “happy” with their current job and most of them do not want to quit.

Trends of the notion in taking civil service as a “secured lifelong job” has set a precedence where young jobseekers wouldn’t like to take the job in the private and corporate sectors;

Unemployment did not reveal to be the **lone** reason for emergence of social evils amongst youth. The other factors such as family affairs, influences from friends, peer pressure, and other factors contributed to such social issues.

## 5. RECOMMENDATIONS

It is pertinent from the analysis that unemployment alone did not specifically contribute to emergence of negative social issues or such as substance abuse, prostitution, theft, battery and so on. There are also other significant factors such as family affairs (lack of parental guidance, broken families, lack of sense of belonging etc) curiosity and eagerness, influences from friends, weak youth activities, and many others, which contributed to rise in such socially unfavourable situations in the country.

With changing time it has become very crucial for any policy maker or implementers to come up with vigorous plans and activities to curb such issues esp. amongst the youth. There are many strategies and policy recommendations in place working towards curbing down such situation in the country:

1. Implementation of the recommendations highlighted in the youth Policy, National Employment Policy and Economic development policy at the earliest possible way;
2. The Jobseekers Assessment Report 2012, MoLHR, reveals that 56 % of the jobseekers were not selected in the available jobs due to lack of experience, training and low academic performance. Therefore, implementing various youth related productive activities such as volunteering services, internship programmes, temporary paid jobs, entrepreneurship trainings and skilling up for aspiring young entrepreneurs and so on.
3. During the interview, one common recommendation that has been repeatedly mentioned by the interviewees were improvement and strengthening the services provided by the Ministry of Labour and Human Resources, being the focal Agency in facilitating creation of jobs and providing jobs to the youth in the country. Such recommendations include:

- a. Reinitiating and strengthening the existing programmes and putting them in action: Skills development programs including youth counseling, apprenticeships, and internships were some highlighted areas of recommendations from the interviewees.
  - b. Easy access to basic services such as internet facilities, counseling, access to latest information pertaining to the current job market, and initiate aptitude test for the youth.
4. A partnership /collaboration between the governments, the public and the community to work together, instead of leaving everything to the government.

## **6.,CONCLUSION**

With rising population, increasing enrolment and other concerning factors the unemployment issue has taken its toll to greater height leading to several consequences which require forefront attention from everyone.

It is very evident from the number of arrests made by the Royal Bhutan Police that juvenile delinquency and related crime rates are on the rise. Such social issues might seem feeble, but one should not forget that rise in such situations will impose acute strain on the existing facilities and may hamper progress in other areas of development.

The problem of unemployment is not a new issue that emerged overnight. There are various measures and mitigating methods that are being undertaken by government and concerned agencies. Nevertheless, the severity of the problem overrides the measures and assistances in curbing down these issues. In other words there are gradual increases in number of such issues which results from other factors with unemployment as another indirect factor contributing as an evident challenge.

With their diverse exposure to various ideas, places and behaviour of the people, there are number of literatures and studies, which can be a guide and reference to design our own programmes and activities to curb down such issues through education reforms, social reforms, Policy recommendations and many other practical activities that they have imprinted in their studies and research documents.

One major finding derived from such study is that one of the vital complex issues that we need to deal is changing the social mindset of the people along with economic development of the country. This can be verified with the simplest example of the attitude of youth towards the blue collar jobs in the case of the Bhutanese youth. Therefore changing their

attitude towards work means changing their total social outlook with the way they think, and see the world outside.

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Email	dekiw15@gmail.com	Tel.	+975 16932325
Mailing Address	Deki Wangmo, Planning Officer, Policy and Planning Division, Ministry of Labour and Human Resources, P.O Box No.1036 , Thonsel Lam, Lower Motithang, Thimphu, Bhutan. Phone :PABX - 00975-2-333867 ( Hunting Lines ) FAX- 00975-2-326731, 00975-2-327127, 00975-2-324846		
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