

Despite gradual improvement in the Human Development Index (HDI) and Gross National Happiness (GNH) scenario, very significant **disparities** remain throughout Bhutan with the eastern and highland districts registering 35 % of the total poor population (people living with less than EUR 27.45 per person per month, in 2017). Moreover, disparities persist regarding provision of services in health and education between regions particularly due to an increasing urban-rural divide. This is likely to widen further due to decline in economic activity following the COVID-19 pandemic and subsequent loss of livelihoods.

Poor access, quality and inclusivity of **education** is identified as one of the contributory factors to poverty, which disproportionately affects women and girls, and children with disabilities. Significant number of out-of-school children are not enrolled in any form of structured learning of whom a significant proportion are children with disabilities¹⁵. Following the COVID-19 pandemic, youth unemployment rate increased significantly from 11.9% in 2019 to 22.6% (female: 25.4%, male: 19.2%) in 2020, mainly due to inadequacy of skills against job market requirements. This increase is due to the economic crisis with tourism and allied industries -manufacturing, trade, and construction sectors- being the worst affected by the COVID-19 pandemic sanitary crisis. There is limited job creation outside of the public sector and agriculture.

Overall, secondary education and **technical and vocational education and training (TVET)** are not well-aligned. Investment in TVET is insufficient to meet the predicted growth in demand from students, and the quality and accessibility of TVET training is generally poor. A mismatch between skills and employment is the principal cause of high unemployment among young people. As per Bhutan's HDI and component indicators (2019), the country presents higher expected years of schooling than the region (13.0 and 11.7 respectively) but lower mean years of school (4.1 and 6.5 respectively). Information communications technology (ICT) can be instrumental to improve the quality and equity of education and skills starting at the school level.

In terms of **gender**, despite a favourable institutional and legislative framework, the gender equality status of Bhutan shows a mixed picture. Women experience a higher unemployment rate, gender pay gaps and gender-based discrimination. While good progress has been made for women and girls over the years, with gender parity in education (up to secondary level), decrease in maternal mortality, and increase in women's participation in society and work, there are still areas where gender inequalities persist, and even more so for women with disabilities, such as unequal land ownership, women's low representation in public and political institutions, and unequal participation beyond secondary education—especially in science, technology, engineering and mathematics (STEM) subjects.

The **National Gender Equality Policy (NGEP)** points out that there is uneven mainstreaming of gender issues across laws, policies, programmes and projects. While there are several provisions in place, they are either ad hoc or without adequate accountability or monitoring approaches. Further, most of the existing policies have minimal reference to gender (gender neutral/gender blind) or seek to address gender issues through a formal approach. According to a Local Governance Assessment Study¹⁶ (LGAS), challenges persist with regard to participation in Zomdus (community meetings), local 'elite capture', limited influence of women, youth and others persons living in vulnerable situations (i.e. people with disabilities), weak evidenced-based planning, and lack of capacity to formulate plans. Further, the LGAS found that there is no application of gender responsive and pro-poor standards made during community planning or prioritisation at local government level.

¹⁵ Among the 2% of children who are out of school a significant proportion of those are children with disabilities <https://www.unicef.org/bhutan/every-child-learns>

¹⁶ The 2015 assessment was undertaken by Helvetas for the National Council of Bhutan. The lag was informed by the National Council of Bhutan (nc)/house of review's Good Governance Committee (GGC) and a National Reference Group.