Social Protection Managed across Bhutanese Generations

Sonam Choden Wangdi[1]

Introduction

Social protection exists in every country, with varying degrees of scope and implementation. Developed countries[2] have high degrees of coverage through various pension and insurance and other schemes, whereas developing countries are more reliant on non-contributory sources of social protection through government-funded schemes and grants to support the most vulnerable sections of the population.

Bhutan, being a newly graduated least-developed country, must be cognisant of its limited financial resources, thereby the need for its programmes to be universal in intent, with progressive implementation and the most financially vulnerable groups prioritised.

Social Protection Enshrined in the Constitution

Social protection is enshrined in the Constitution of Bhutan, specifically in Article 9, section 7:

> "The State shall endeavour to develop and execute policies to minimise inequalities of income, concentration of wealth, and promote equitable distribution of public facilities among individuals and people living in different parts of the Kingdom."

And Article 9, section 22:

> "The State shall endeavour to provide security in the event of sickness and disability or lack of adequate means of livelihood for reasons beyond one's control."

1 Sonam C. Wangdi is an economist who has worked in the fields of climate policy, trade policy and facilitation, migration, human development and social protection.

2 Developing countries normally refer to social protection as 'social security' programmes.

Social Protection Classifications

Social protection can be perceived as a **blend of three components**:

(1) **social assistance programmes**, which are non-contributory programmes, with examples including cash transfers and in-kind transfers;

(2) **social insurance programmes**, which are contributory programmes, with examples including insurance for unemployment, disability, work-accident, pensions and survivor benefits; and

(3) **labour market programmes**, which include active labour market programmes that are publicly financed interventions aimed at improving the functioning of the labour market, and training that includes reskilling and/or imparting new skills to individuals to cope with the changing demands of the labour market.

An important caveat to introduce is the difference between **core** versus **complementary** social protection programmes. **Core** social protection programmes are foundational interventions that are designed to provide essential support and security to the population and are often enshrined in national legislation to ensure a minimum standard of living, and access to essential services.

Examples of **core** social protection programmes include the blend of the three components – social assistance, social insurance and labour market programmes.

Complementary social protection programmes are additional interventions that enhance and support the effectiveness of **core** programmes by addressing specific vulnerabilities or barriers that **core** programmes does not cover.

Examples of **complementary** social protection programmes include school feeding programmes, aimed at improving educational and health outcomes through improved nutrition; protection and social welfare services, such as psychological support, case management and rehabilitation, among others.

The effectiveness of social protection programmes is enhanced when **core** and **complementary** social protection programmes are integrated to address lifecycle and covariate risks in a coordinated manner, align income security with human capital and labour market interventions, reflecting Bhutan's developmental philosophy by promoting equity, resilience and inclusive wellbeing for all its citizens.

Challenges from the Life-Cycle Lens

Assessing national social protection needs should be viewed from a lifecycle approach, that examines the needs of an individual from cradle to grave, ensuring that no one and no life stage is missed out. Individuals face differing key risks and challenges throughout their lives.

Key risks and challenges pertinent to Bhutanese, differentiated based on age demographics, are as follows:

(i) young children, aged 0–5 years; include malnutrition at approximately 5% in 2023, stunting at 17.9% in 2023 (Ministry of Health and UNICEF, 2025) and limited cognitive development;

(ii) school-aged children, aged 6–17 years; include micro-nutritional deficiencies, wherein vitamin D deficiencies stood at 90%, iron at 42%, folate at 29% and vitamin B12 at 25%, and anaemia in girls at 36% (Ministry of Health and UNICEF, 2025). While net school enrolment from kindergarten to grade 10 stood at 90.83% in 2024, this number does not reflect the disproportionate reality in rural areas where in certain remote areas students have to walk long distances to school due to scattered settlements, and skill gaps;

(iii) youth, aged 18–24 years; include unemployment that stood at 17.8% in quarter 3 of 2025 (National Statistics Bureau, 2024) and job market mismatch where the labour supply did not match the labour demands due to the differing job aspirations of the youth;

(iv) adults, aged 25–59 years; include unemployment which stood at 3.2% in 2024, and lack of adequate income, declining fertility rate recorded at 2% in 2023, (National Statistics Bureau, 2025) lack of adequate income relative to the prices of the economy, lack of protection for the working poor;

(v) elderly, aged 60+ years; include health risks and inadequate geriatric care. As of 2022, individuals above the age of 60 were estimated to account for 9.5% of the population (Ghalley, Bhutan Times, July, 2025). The elderly also suffer from financial vulnerability that is evident from only 63,598 contributors to the National Pension and Provident Fund as of the second quarter of 2025 (National Statistics Bureau, April-June, 2025).

Similarly, as of 2023 there were 48,000 persons with disabilities (PWDs) that accounted for 6.18% of the population (UNICEF and Office of Cabinet Affairs and Strategic Coordination, 2025). Risks and challenges to PWDs include:

(i) childhood— limited access to early childhood care and education, higher health risks, facing social stigma and discrimination;

(ii) working age— barriers to accessing employment, discrimination in the labour market, inadequate skills development;

(iii) elderly— increased disability and functional limitations, higher health and long-term care needs.

A notable exclusion to several public welfare programmes is the monk body which was recorded at 9,311 monks and nuns with the Central Monastic Body in 2023, though this has been recognised as a gap in the recent years, with advocacy being done to include this segment of the population to national programmes.

Challenges to disabled individuals across all age groups include social stigma and exclusion, lack of disability identification and certification, and limited accessible public infrastructure (National Council of Bhutan, 2024). Additionally, covariate risks such as natural disasters, economic crises and pandemics pose additional threats to the population at large, calling for the need for shock-responsive social protection.

Social Protection Interventions

Timely interventions addressing the life risks at the different age groups, PWDs and having adaptable mechanisms in place to address covariate risks in a shock-responsive manner.

To elaborate, investment in a child's early years shape lifelong health and learning outcomes. Following this, the shift from school to work determines future productivity, after which the period of parenting introduces both financial pressures and child care demands, and old age brings in heightened concerns about income security and deteriorating health.

Across each stage, certain interventions serve as foundational protections that all individuals should have access to, such as early childhood support and old age income assistance. Other measures play a more targeted or supportive role depending on specific vulnerabilities; for example, youth employment services, disability-related support, rural-focused education assistance or parental support mechanisms for low-income households.

Some of the challenges have been addressed through various programmes:

(i) the Constitutional mandate of providing free education for all school-going children till the 10th standard, after which further technical and professional education is offered on merit basis;

(ii) the Constitutional mandate of free access to basic health services; offering services for early childhood care and development;

(iii) partially addressing children's nutritional deficiency in rural areas through the National School Feeding Programme;

(iv) provision of skilling programmes offered by technical and vocational training centres, select schools equipped for Special Education Needs children, and employer pensions contributions offered in the public sector.

Despite these programmes, there are still gaps that exist within the scope and coverage of the vulnerable, owing to the fragmentation of the programmes across several agencies, without any mechanism for national-level data consolidation.

While there have been past attempts to develop a national social protection plan in the 11th Five-Year Plan (2013–2018), this goal was partially fulfilled due to lack of agency authority to undertake this cross-sectoral nature of social protection.

The second attempt to achieve this goal materialised in the 13th Five-Year Plan (2024–2029) under the Office of Cabinet Affairs and Strategic Coordination (OCASC), which acts as the nodal agency to consolidate and streamline social protection programmes across all government agencies.

As of January, 2026, a Situational Analysis and Landscaping Assessment of Social Protection Programmes, along with a draft Social Protection Strategy, have been completed under the OCASC.

The Social Protection Strategy will guide the development of social protection in Bhutan. One of the key elements identified is the strengthening of institutional arrangements across life stages, that will rely on strong administrative systems, including dynamic integrated registries, interoperable databases and mechanisms that will be capable of tracking an individual's coverage across all national social protection related programmes, allowing to identify gaps in the system.

Development of a Dynamic Social Registry System

As Bhutan intends to build its first integrated social registry system, it has the advantage of avoiding the common pitfalls experienced by other countries. A common major pitfall entails the social registry becoming static, rendering it incapable of remaining shock-responsive and adaptive. Bhutan should prioritise ensuring that its social registry system remains dynamic in nature for several reasons:

(i) continuous updates, as opposed to periodic censuses which static registry systems are privy to;

(ii) updates enabled from multiple channels such as from the gewog level and dzongkhag level, so it can be gradually decentralised to eventually accommodate citizen-initiated requests; and

(iii) the registry should be viewed as a living infrastructure, as opposed to a survey database.

To prevent the pitfall of turning social protection programmes into politicised strategies, the registry should only define eligibility, as opposed to deciding eligibility. The registry should be the shared information backbone to support social protection programmes, though the final eligibility decisions will remain with the relevant sectors running the programmes.

Data fields in the registry should be structured around the life stages and other major factors such as early childhood, working age, elderly, disability and other covariate shocks.

The initial registry can start with linkages to maintain information on basic demographics, household composition, socio-economic indicators, disability and location. The registry can be gradually expanded through interoperability with relevant agencies, such as the national digital identity, education and labour system, after which administrative data can be used to trigger updates such as births, deaths, migration and disability, which would reduce survey fatigue and administrate burden.

The institutional ownership should remain explicit, wherein one institution remains as the policy owner and technical custodian, as it has been observed that dynamic registries have failed in countries when "everyone owns it", leading to a diffusion of responsibility, later resulting in failure.

Sector ministries should have clear roles defined as data users and contributors and not as parallel registrars. Gewog and dzongkhag staff should be trained in data validation and the handling of complaints and feedback to ensure that local capacity is built to avoid the pitfall of stagnating during implementation.

Way Forward

Social protection coverage is highly fluid and not stagnant, because people can easily fall into poverty and graduate from poverty. Therefore, it should not be viewed as a poverty ranking tool, to prevent social protection coverage from becoming highly politicised. Rather, social protection should be viewed as being applicable to different life stages, and its application differs based on an individual's socio-economic status.

For instance, social assistance programmes offering cash support can be prioritised for young children from impoverished backgrounds to ensure either access to schools in remote areas, or the provision of food stamps for impoverished children from urban areas that are left out of the National School Feeding Programme.

For working age individuals, the job mismatch issue should be addressed by ensuring that training programmes align with the interests of jobseekers and the job market. For working individuals, there should eventually be a higher coverage of workers with pension contributions, though for the smaller players and/or the self-employed in the private sector, the lack of a matching contribution disincentivises individuals from signing up for a pension.

A rising concern is care for the elderly, which was not a huge concern in the past because of strong community support that has dwindled with the rise in migration of working-aged individuals. This has led to villages being left with only the young and the elderly, causing a gap as both of these age groups are dependants that are normally in need of care.

While there are programmes such as the National Elderly Care Programme, and other programmes led by civil society organisations, not enough is being done for the elderly, especially in rural areas. Elderly people from impoverished backgrounds could benefit from cash-assistance programmes which would allow them to purchase their basic necessities.

Additionally, for talented elderly that are still able-bodied, there could be programmes that allow them to pass on their traditional skills to the younger generations, with active market linkages that would allow them to support themselves while fostering a sense of meaningful engagement. Similar to the elderly, PWDs face challenges which have been well-captured in the National Policy for PWDs implementation of the recommendations outlined in the policy would assist in bridging the challenges faced.

Lastly, the development of a well-functioning dynamic social registry would allow for prompt action in the event of covariate risks, and would allow policy-makers to better understand the needs of the individuals from all age-groups, allowing for targeted policy-making.

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