

POLICY BRIEF

AN EQUITABLE AND
RESILIENT SOCIETY



Policy Brief - An Equitable and Resilient Society
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EXECUTIVE SUMMARY

The policy brief on social protection addresses the concerns and recommendations from the Project – Democracy Beyond Election: Participatory Policy through Design Thinking. BCMD, RENEW, and Phensem conceived the project amid the COVID-19 pandemic as it disproportionately disrupted the lives of many citizens from the private and informal sectors who survived on His Majesty's Kidu in the absence of a universal social protection system.

The pilot project brought together a heterogeneous group of government officials and representatives of vulnerable groups like persons with disability, unemployed youths and women in difficult circumstances, and identified social protection issues and ideated policy recommendations.



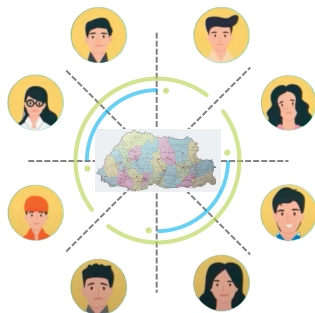


Social protection refers to policies that safeguard people from shocks and crises, poverty and vulnerability; it includes contributory and non-contributory schemes. Social protection policy includes:

- social insurance (e.g., pension, unemployment, disability and maternity benefits, and health insurance),
- social assistance (e.g., family allowances in cash or kind to meet basic needs; assistance to elderly, orphans and the vulnerable groups such as fee waiver, concessions/subsidies, tax exemptions), and
- labour market programmes (e.g., unemployment benefits, subsidised loans and skills development for direct employment generation).

Social protection is a social contract between the government and its citizens; it is not a “charity”. Citizens contribute to the nation by paying taxes; the government redistributes those taxes as benefits – education, health and unemployment, child, old age, and disability benefits.

Social protection system is a joint effort of the state and the citizens to contribute towards securing their own and fellow citizens’ welfare and realising the greater good of the society - equality, well-being and welfare of all citizens. Social protection is a tool for the redistribution of wealth to reduce inequality in societies (Reimagining Bhutan: Building Forward Better Beyond COVID, 2020).



CONTEXT

Bhutan has a proactive social protection system supported by its Constitution that grants free education and health to all. Epitomising this spirit is His Majesty's kidu programme that provides social assistance in the form of monthly cash and in-kind support to those who have difficulties sustaining their livelihoods. Currently, Bhutan does not have a comprehensive social protection policy. The National Social Protection Policy drafted as recently as 2013 had limited coverage excluding people in the informal sectors, and lacked coherence given the cross-sectoral nature of the issue.¹ The draft policy was never finalised.

Bhutan has made significant strides in human development and well-being in recent decades (HDI source).² With a focus on Gross National Happiness (GNH),

Bhutan has emphasised the importance of holistic development that addresses the needs and rights of all its citizens. However, certain sections of the population continue to face challenges of accessibility, inclusivity, and empowerment. These groups include people with disabilities (PWDs), the LGBTQ+ community, youth, and women (unemployed women and caregivers).

A review of Bhutan's socio-economic situation points to the critical need to re-think the public social protection system to support the whole population, including vulnerable groups.

¹ Ministry of Labour & Human Resources, (2013), Draft National Social Protection Policy for Workers in Bhutan

² Human Development Report Office calculations based on data from Barro and Lee (2018), IMF (2021b, 2022), UNDESA (2022a, 2022b), UNESCO Institute for Statistics (2022), UNSD (2022) and World Bank (2022).



The COVID-19 pandemic has plunged Bhutan's economy into a recession with negative growth rate. The private and informal sectors were disproportionately affected as the few existing social protection programs are in the formal economy and the civil service. As of April 2021, a total of Nu 11.06 billion was spent on Kidu for over 191,000 beneficiaries during the pandemic.³ A significant proportion of the economic burden of providing social protection was borne by the Monarchy's Kidu program in the absence of a national social protection system.

Excluding health care, Bhutan spends no more than 1.0% of its GDP on social protection⁵ Currently, only employees of the formal economy participate in provident funds and pension schemes that provide some safety from disruptions in life. Only 9.1% of the working-age population contributes to the country's pension schemes,⁶ and only 3.2% of the population beyond retirement age have a pension scheme. Overall, the pension and provident fund programmes covers a mere 17% of the total labour force.⁷

Since the pandemic, the country's unemployment rate is on the rise; it increased from 4.8% in 2021 to 5.9% in 2022, while the youth unemployment rate increased from 20.9% in 2021 to an alarming 28.6% in 2022.⁴



³ <https://kuenselonline.com/royal-kidu-benefited-52644-individuals-and-139096-loan-account-holder>

⁴ NSB, (2022) Labour Force Survey Report

⁵ Alvarenga, K.S & Soares, F.V, (2020), Child-sensitive changes transfers in Bhutan- Policy brief. International Policy Centre for Inclusive Growth.

⁶ Alvarenga K.S & Soares, F.V, (2020), COVID-19 and social protection in South Asia: Bhutan

⁷ National Pension and Provident fund Policy of Bhutan 2018



The project, Democracy Beyond Election: Participatory Policy through Design Thinking, brought together close to 100 people from diverse groups - unemployed youths, persons with disabilities, women (caregivers and unemployed), recovering addicts and LGBTIQ+ members - to reflect on their social protection needs, review existing policies and deliberate on policy recommendations.

The following section presents an analysis of the significant deliberations emanating from the project and summarises the key recommendations related to the social protection of the participating groups.

Women



Women in Bhutan have made notable progress in education and health outcomes, yet they continue to face gender-based discrimination, low political participation, and unequal economic opportunities. The National Commission for Women and Children (NCWC) shows that gender-based violence continues to be a large-scale problem; as many as 1 in 3 Bhutanese women report some form of partner violence. The national parliament also has very few female MPs (15%) representing women.

Societal expectations, unpaid labour, familial responsibilities, and a lack of support system contribute to marginalisation of women in various aspects of life.





Women/girls inhabit a lower spectrum of the labour force - the agriculture sector and service industry, for instance.⁸ High school graduates and young illiterate women often seek employment in exploitative local entertainment bars.⁹

Unemployment of women (7.9 %) is higher than males (4.4%)¹⁰ and economic circumstances make them vulnerable to organised crime such as human trafficking.¹¹ During the height of the pandemic, 160 Bhutanese women and girls trafficked to Iraq on the pretext of well-paid jobs were rescued from enslavement and sexual abuse.¹²

A majority of the women who seek the intervention of RENEW are from a low-income background and remain caught in abusive relationships.

Women participants in the project shared the worsening plight of women in families of children with disabilities. Mothers sacrifice their careers to become lifelong caregivers; they lose financial independence and become vulnerable to mental health issues and marital discords.

With no protection system, families face economic hardships surviving on one income source, meeting special needs education expenses, and facing the life-long burden of caregiving.



⁸ National Statistics Bureau, (2020), Labour Force Survey Report

⁹ Gross National Happiness Commission Secretariat (2016), Bhutan Vulnerability Baseline Assessment

¹⁰ NSB, (2022) Labour Force Survey Report

¹¹ National Commission for Women and Children, (2011), Human Trafficking Situation in Bhutan

¹² <https://kuenselononline.com/132-women-evacuees-safely-home/>



Similarly, trans-women face societal stigmatisation and discrimination. Youths with different gender identities face sexual harassment and bullying that force them to drop out of school. They continue to face ridicule and mockery from service providers, health professionals, and law enforcers in society in general.

Discrimination in the job market limits their employment to entertainment (for trans-women) and sports (trans-men) alone. Trans-women, in particular, face exploitation in their workplace.

As the Labour Act and the Education Policy do not make specific reference to the LGBTI (and PWD) community, the project participants claim that they remain vulnerable to exploitation and marginalisation.

Unemployed women get caught in abusive relationships due to financial dependence on their spouses, and young single mothers are in the exploitative employment sector due to their financial circumstances. Women in prostitution endure abuse and exploitation for fear of criminalisation and loss of livelihood.

Financial and economic hardships imprison vulnerable women in abusive relationships, exploitative employment and risky trades. Women shoulder the responsibility of caregiving for members with a disability - a huge stumbling block for gender equality.





Persons with Disabilities



People with disabilities constitute 2.1% of Bhutan's population.¹³ Only 9.8% of PWD independently carry out their daily activities, 67.8% are partially dependent, while 22.5% are wholly reliant on others.¹⁴

Physical challenges create barriers and prevent PWD from participating in community activities.

The lived stories of PWDs point to physical and social barriers that limit their access to public facilities and services, leading to further marginalisation and isolation despite the enactment of the Persons with Disabilities (PWD) Act, 2019.

Inaccessible infrastructural design, lack of awareness, and non-prioritisation of resource allocation contribute to the continued struggles faced by PWDs in Bhutan.

In particular, children with neurological disabilities, understood very little by society, have limited opportunities for quality education and achievement. The school curriculum and evaluation system do not cater to their potential, and the schools are ill-equipped with resources and professional competencies. With no opportunities for higher education or training, life for children with neurological disabilities stop at 16 years when they mandatorily exit SEN schools. Neurological disabilities in children go undetected as there is limited or no referral support for early diagnosis and intervention.



¹³National Statistics Bureau, 2017, Population & Housing Census of Bhutan

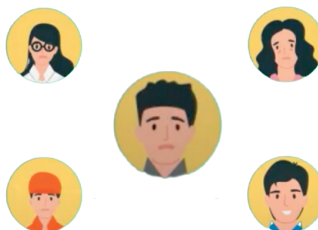
¹⁴Disabled Persons' Association of Bhutan, 2015



In general, persons with deafness have limited access to information and face serious communication barriers that seclude them in their small community. Bhutan currently does not have a fully developed sign language, and the colleges of education do not offer sign language courses. This issue poses a barrier to quality education and the integration of deaf people into the community.



Youth



Youth unemployment remains a pressing issue in Bhutan. Structural unemployment, lack of relevant skills, and limited opportunities for meaningful engagement have led to a growing sense of disillusionment and frustration among the youth. In recent years, an increasing trend of immigration of the working-age population for better opportunities is creating a dearth of the labour force in the country.

Bhutan's demography is changing rapidly. By 2047, Bhutan's population of people over 65 will double from 50,715 to 118,650 and every 100 working-age Bhutanese will have to support 19.3 senior citizens.¹⁵



¹⁵ UNFPA, (2022), Population Aging in Bhutan: Current Situation and Future Prospects



Combined with other trends of Bhutanese immigrating out in droves and a low fertility rate (1.8 per woman), the burden of old age care is looming large.

There is a mismatch between market requirements and educational background and skills available. Young people cite two factors contributing to the mismatch -

- lack of coordination between agencies (E.g., MOICE, Adult and Higher Education, RUB, RCSC) in guiding higher education and human resource development with the job market forecasts, and
- low priority given to counselling and career education programs that guide informed decision-making.

Youths undergoing rehabilitation face unemployment issues and personal struggles with addiction and mental ill-health. Social discrimination and lack of family support pose significant challenges to their recovery. The youths allude to the availability of substances in the community and lack of meaningful engagement and employment as they wait for clearance from the authorities as the two most important factors contributing to relapses.





KEY RECOMMENDATIONS

In addition to the recommendation for a national social protection policy from Reimaging Bhutan: Building Forward Better Beyond COVID, 2020, the project Democracy Beyond Election: Participatory Policy through Design Thinking offers the following additional suggestions to strengthen the social protection system in the country.

1. Empower vulnerable groups to protect their rights through awareness of the Labour Act and other related policies (e.g., gender, education, youth and disability policy).
2. Harmonise policies and enhance relevance - make them inclusive of different marginalised groups and emerging issues, and strengthen the implementation of policies.
3. Promote rights education, sensitivity training and non-discrimination policies to service providers (health, education, counselling, financial institute, transport sector, armed forces).
4. Strengthen enforcement of the Labour Act to end discrimination against all, including PWD, LGBTIQ+ members and people in high-risk trades (e.g., prostitution)
5. Introduce disability benefits for families of children with disabilities to assist them with medical and educational expenses.
6. Introduce contributory schemes for informal sectors to protect citizens from disruptions and vulnerabilities in life.
7. Revise the tax system to better support families with children/members with disabilities (e.g. tax waiver or tax deduction on educational/medical expenses).
8. Incorporate universal design principles in public infrastructure to reduce barriers to public services for persons with disabilities.
9. Invest in technology and assistive devices to increase access to information and services for persons with disabilities.





10. Expedite the development of Bhutanese sign language and strengthen teacher education with sign language.
11. Customise the school curriculum and the examination method to accommodate the potential and strengths of children with disabilities.
12. Organisations to collaborate and plan human resource development, informing higher education and training with labour market projections.
13. Diversify the economy and create jobs for youths by revisiting the FDI policy.
14. Strengthen career education and guidance in all high schools and prepare youths to make informed choices in higher education courses.
15. Introduce alternative high school diploma certification for high school drop-outs to enable them to pursue higher training/education.
16. Strengthen post-rehab monitoring and support reintegration with skilling programs.
17. Support cost-sharing for rehabilitation services for addicts for all.

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