

Social protection profile: Bhutan

Krista Joosep Alvarenga, International Policy Centre for Inclusive Growth (IPC-IG)

Since 2018, the International Policy Centre for Inclusive Growth (IPC-IG) has partnered with the UNICEF Regional Office for South Asia and its respective Country Offices to develop a series of comparative papers on social protection (SP) in the region, covering social expenditure, legal frameworks, design of flagship national non-contributory SP programmes—including their child- and gender-sensitive features—the socio-economic impacts of the COVID-19 crisis and the SP responses deployed, and findings from quasi-experimental impact evaluations. All the studies listed, except the last one, were published in 2020. This One Pager highlights key findings for Bhutan.

From a legal perspective, a comprehensive, rights-based approach to SP is still to be achieved. Although the right to SP and to an adequate standard of living (including access to public health services) is defined as a policy principle in the country's Constitution, they are not enforceable rights. Similarly, Bhutan currently lacks a statutory legal framework for SP and specific regulatory frameworks in support of the social assistance programmes that the IPC-IG has mapped. However, this does not imply that the country is exempt from SP obligations. Bhutan is a State Party to the United Nations Convention on the Rights of the Child and is, therefore, bound to adopt the necessary measures to achieve the full realisation of children's right to SP; and, in case of need, to assist their guardians by providing nutrition, clothing and housing support.

In terms of social expenditure (as a percentage of gross domestic product—GDP), despite noteworthy education expenditure (the highest in the South Asia region), the proportion of out-of-school children of primary school age is high, and only about 67 per cent of the adult population are literate, indicating the need to increase spending efficiency. The government's health expenditure, also above the regional average, covers 74 per cent of all the health care costs in the country, meaning that health spending directly paid by households represents about 20 per cent of all health expenditure. Yet some of the health indicators are suffering due to inequality of health service coverage and disparities between rural and urban areas. Social assistance expenditure is the lowest in the region, corresponding to less than 1 per cent of GDP in 2019.

Regarding the design features of flagship national non-contributory SP programmes, the School Feeding Programme (SFP) provides school meals to children, while the Rural Economy Advancement Programme is a sustainable livelihood initiative, providing agricultural machinery, housing improvements and/or training. Only the SFP was still an active national programme in 2020.¹ The SFP uses categorical targeting and gives further preference to students who live furthest from the school. Most of the social assistance expenditure is allocated to the SFP.

Although the SFP is a valuable step (as it supports children's access to education, health and nutrition), Bhutan still has much room for improvement concerning gender- and child-sensitivity. In part, this gap will be mitigated by the new conditional cash transfer programme announced in 2020, Accelerating Mother and Child Health Outcomes, to boost maternal and child health outcomes.

In terms of socio-economic impact evaluations, no experimental or quasi-experimental impact evaluations were identified for the SFP, which can be seen as an opportunity to undertake some to identify points for improvement and use the information for planning other programmes.

Finally, in response to the COVID-19 crisis, a new temporary cash transfer, the Druk Gyalpo's Relief Kidu, has been provided to tens of thousands of people, benefiting the working-age population but also children. Further, adaptation of the SFP provided 10,000 of the most vulnerable children with take-home rations of several food items.

Based on the above, the following is recommended:

- Roll out statutory legal frameworks for all SP programmes.
- Increase social spending efficiency.
- Increase resource allocations to the social sector. The Goods and Services Tax reform could contribute to expanding the tax base.
- Increase the coverage of social assistance programmes for poor and vulnerable people.
- Accelerate implementation of Accelerating Mother and Child Health Outcomes, as it will benefit pregnant and lactating mothers, and preschool-aged children.
- Increase efforts to systematically evaluate the socio-economic impacts of programmes. Investing in a routine monitoring system would facilitate this and lower the costs of periodic evaluations.
- The Government of Bhutan should extrapolate the learnings from the roll-out and implementation of the Relief Kidu to expand SP services to those who experience difficulties and uncertainties beyond COVID-19.

References:

Alim, Abdul, Fabio Veras, Rafael Osório, and Pedro Arruda. 2020a. "UNICEF and IPC-IG paper series on Regular Social Protection Landscapes in South Asia." Social Protection blog post, 9 September. <<https://bit.ly/3ftQDq2>>. Accessed 22 October 2021.

Alim, Abdul, Fabio Veras, Rafael Osório, and Pedro Arruda. 2020b. "UNICEF and IPC-IG paper series on Covid-responsive Social Protection Landscapes in South Asia." Social Protection blog post, 9 September. <<https://bit.ly/3A6RswJ>>. Accessed 22 October 2021.

Gross National Happiness Commission. 2019. Twelfth Five Year Plan (2018–2023). Thimphu: Gross National Happiness Commission, Royal Government of Bhutan. <t.ly/Zsj7>. Accessed 22 October 2021.

Note:

1. The Rural Economy Advancement Programme was not implemented in the 12th Five Year Plan (2018–2023) (Gross National Happiness Commission 2019).