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South Asia

# **THE FUTURE ABROAD: TRENDS AND IMPACTS OF INTERNATIONAL MIGRATION OF BHUTAN'S WORKING POPULATION**

**Dorji Penjore**


**ANALYSIS**


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## Executive Summary

This paper analyzes the trend of international migration of young Bhutanese to developed countries over the past couple of decades. Given the limited availability of international migration data, the study relies on existing incomplete records.

International migration from Bhutan began in the 2000s, with Australia emerging as the preferred destination mainly for education and work. Young Bhutanese migrated for study and work opportunities to the United States, the Middle East, select European countries, Singapore and Japan. While the government promoted migration to Japan and the Middle East for work, migration to other destinations occurred independently.

The surge in migration, particularly to Australia, coincides with Bhutan's growing manpower shortage. In the past, Bhutanese primarily pursued studies abroad through government scholarships and returned to serve in the public sector. However, many now migrate independently, with no obligation to return. After completing their studies, they remain abroad, secure employment, obtain permanent residency and ultimately acquire foreign citizenship. The number of Bhutanese granted Australian citizenship now exceeds the population of an entire district in Bhutan, raising concerns amid declining population growth and fertility rates in the country.

The economic benefits of international migration primarily stem from remittance inflow and growth of the country's foreign exchange reserves. Additionally, Bhutanese gain higher educational qualifications and acquire valuable professional and occupational skills, which could be beneficial if they choose to return. However, their migration has led to a significant manpower shortage in the public and private sectors, as well as in Bhutanese households across rural and urban areas. In addition to economic impact, their departure has also caused social disruption.

After years of neglect, policies, plans and initiatives are now being implemented to discourage migration and engage with Bhutanese living abroad, facilitate remittance transfers and encourage investment back home. These efforts were highlighted by the visit of the King of Bhutan to Australia, where he met and interacted with the Bhutanese community in 2024.

# 1 International migration of the young Bhutanese population

The migration of the Bhutanese population to other countries has escalated into a significant issue, prompting the Prime Minister of Bhutan to describe it as 'an unprecedented existential crisis' in his 2024 parliamentary address (Dolkar, 2024). Most migrants are young and working individuals, with Australia, the US, Middle Eastern countries, Japan, some European countries, Canada, and (more recently) Germany emerging as key destinations. While there are no exact figures, there are about 75,000 Bhutanese living abroad, which is more than 10% of the population (Tobgay, 2024, March 28).

In 2022, the government reported that Bhutanese citizens were working in 102 countries but acknowledged the absence of comprehensive migration data (Wangdi, 2022). However, the Australian government collects and publicly shares data on Bhutanese migrants. Some migration data can be obtained from immigration records, especially of those who had exited the country, and from the passport data maintained by the Ministry of Foreign Affairs and External Trade [FMAET]. Therefore, this paper primarily examines migration to Australia and, where data is available, discusses migration to other countries.

Complete data on Bhutanese international migration is not available, nor has it been systematically studied. Due to the paucity of data on Bhutanese international migration, the study focuses mostly on migration to Australia, largely thanks to data maintained by the Australian government.

## 1.1. Where are the Bhutanese migrating to?

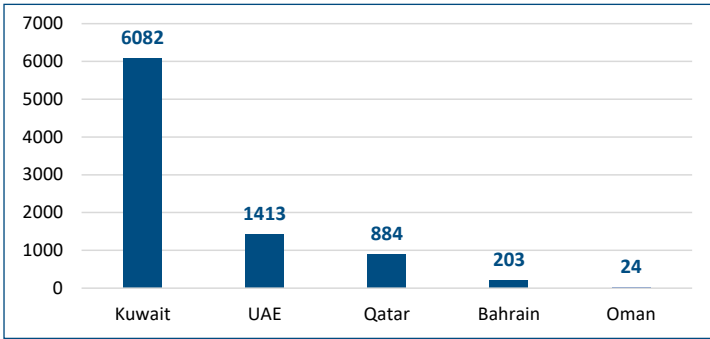
International migration in the Bhutanese context requires clarification. Legally, Bhutanese citizens can migrate only to India without a visa, allowing them to seek employment and reside there. No other countries officially accept Bhutanese citizens for work. Since the advent of modern education in Bhutan, India has been a favored destination for Bhutanese students. However, this trend shifted after the 2000s, with Australia emerging as a preferred alternative. Between 2012 and 2013, a total of 2,468 Bhutanese students were pursuing their studies in India. By 2020-2021, this number had declined to 1,827. Today, Bhutanese students are increasingly drawn to countries like Australia and Canada, largely due to the opportunity to settle there permanently after completing their education. (Shivamurthy, 2024).

Most Bhutanese migrants enter the US legally but continue working there by overstaying their visas. Migration to the Middle East typically occurs through work visas, while those moving to Australia compulsorily travel on student or dependent visas. Many later transition to work visas, some obtaining permanent residency, and a few ultimately end up securing citizenship. Among all destinations, only Australia offers a clear pathway to citizenship.

In 2008, the Bhutanese government sent approximately 700 Bhutanese students to Japan under the 'Learn and Earn' program. The initiative aimed to provide foreign students with two years of Japanese language training, followed by enrolment in a vocational school or university to develop skills for the Japanese workforce (The Bhutanese, 2019). However, the program did not unfold as intended, resulting in many students returning home.

Young Bhutanese began migrating to Middle Eastern countries through the government's overseas employment programme, which was launched in 2013 to provide job opportunities for Bhutanese youth abroad. 8,606 Bhutanese nationals were employed in the Middle East through the Overseas Employment Programme as of June 2023 since the programme's inception in 2013 (Department of Employment and Entrepreneurship [DEE], 2023), as shown in Figure 1.

**Figure 1:** Number of Bhutanese in the Middle Eastern Countries as of June 2023.



**Source:** “Overseas Employment Program Monitoring Survey Report 2023” by Department of Employment and Entrepreneurship, 2023, Royal Government of Bhutan.

The government’s 2023 online survey of 985 Bhutanese overseas workers in the Middle East, comprising 32% males and 68% females, revealed that 49.2% of the workers lay within the 25–29 age group. Their employment duration ranged from 6 months (18%) to three years or more (37%, according to DEE, 2023). Approximately 40% of these workers secured their current positions through the government, while the rest used private agencies. The most common occupations were Sales Workers (37%) and Personal Services Workers (22%), followed by Food Preparation Assistants (15%) and Hospitality, Retail and Other Services (7%).

Recently, Germany has become a new study destination for Bhutanese students. ‘Study abroad’ consultancies are facilitating this shift, with some having begun preparing to send their first batch of students last year. Germany’s key advantages over Australia and Canada include lower costs, accessible scholarships, research-focused education and easier long-term migration pathways—all without stringent English proficiency requirements (Thinley, 2024). This is largely due to its renowned academic programmes, a welcoming work environment and its increasing focus on attracting international talent, particularly as other popular study-abroad destinations like Australia and Canada have implemented stricter regulations. For Bhutanese citizens, the Schengen visa can be

processed at a visa application center in Thimphu. In 2020, however, there were 12 Bhutanese students who were studying in Germany (Department of Adult and Higher Education, [DAHE], 2020).

The full scale of international migration to Australia became evident when His Majesty, the King of Bhutan, visited Australia in 2024. Tens of thousands of Bhutanese gathered to see and hear His Majesty at Sydney, Canberra and Perth. The crowd surpassed the number of people typically present at Thimphu's national stadium during the National Day celebration.

## 1.2. Net migration

The net migration to Australia data shows significant fluctuations, with notable anomalies in 2021 and 2023 (Table 1). The sharp rise in 2023 suggests a major shift, while the dip in 2021 indicates an external disruption (the COVID-19 pandemic). The trend, while volatile (requiring further analysis to identify key drivers), is worrying for a small country like Bhutan with a small population and a declining fertility rate.

**Table 1:** Net overseas migration from Bhutan to Australia, 2009-2023

Year	Net overseas migration from Bhutan to Australia, 2009-2023
2009	650
2010	690
2011	920
2012	690
2013	600
2014	1,210
2015	650
2016	560
2017	1,000
2018	1,630
2019	1,630
2020	1,950
2021	-130
2022	1,690
2023	13,160

**Source:** "Net overseas migration from Bhutan to Australia from financial year 2009 to 2023 (in 1,000s people)" by Statista, 2025.

## 10 TRENDS AND IMPACTS OF INTERNATIONAL MIGRATION ON BHUTAN

Along with international migration, a rapid rural-to-urban migration has also emerged as a significant national issue. Between 2005 and 2017, the total number of such migrants increased by 7.1%. Nearly half (48.7%) the total population, consisting of 49% females, has migrated within the country at some point in their lives, with the majority in the 25-29 age group. This internal migration has led to a decrease in the rural population, and vacant houses (gungtong) have become a problem in villages. The primary reasons for migration are 'family move' (17.8%), followed by 'employment' (12.7%) and 'education' (8.3%). About two thirds (64.2%) of them reside in urban areas. (National Statistics Bureau [NSB], 2018).

## 2 The Push

Modern development first reached Bhutan in the late 1950s with the construction of the first motor roads from India. Despite this late start, the country has made significant progress across various sectors, to the point where it now faces challenges arising from its own success. For instance, improvements in education—reflected in the rising literacy rate (70.6% in 2022, according to the Ministry of Education & Skills Development [MoESD], 2025) and an increasing number of graduates entering the job market—have contributed to youth unemployment. Similarly, successful family planning and maternal health initiatives have led to a declining population and fertility rates.

Bhutan's leap from an oral society directly into the digital age, combined with the effects of globalization, has broadened the perspectives of young people. As a result, they are no longer content with what their parents once considered sufficient. Since the introduction of Western education in the 1960s, free public education has expanded opportunities for all, promoting greater inclusivity and access.

The country's geography, economy and demography are too small to afford migration on a large scale. The country's total geographical size is 38,394 square kilometers [NSB, 2024c], landlocked between India and China. Bhutan is considered one of the most mountainous nations in the world, with settlements spread across rugged Himalayan terrains, making it challenging to build infrastructure and provide development services.

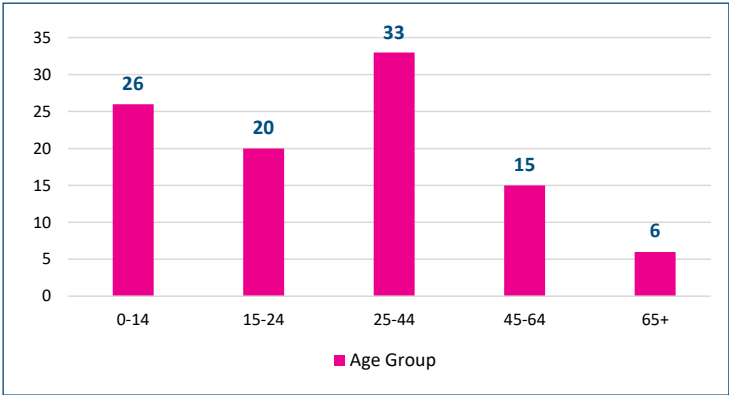
### 2.1. Economy

In 2023, Bhutan's GDP was Nu 249.388 billion (\$3 billion), and it registered a growth rate of 4.88%. The tertiary sector accounted for the larger share of the GDP at 55.49%, followed by the secondary sector at 29.55% and the primary sector at 14.9%. GDP per capita in 2024 was Nu 323,765 (US \$3,920), which is an increase from Nu 301,289 (US \$3,833) in 2022 (NSB, 2024b), which is higher than that of all South Asian countries except Sri Lanka. It even graduated from the United Nations' least developed country (LDC) category to a lower-middle income country in 2023 (Department of Economic and Social Affairs, United Nations, [UN DESA UN], 2023). The majority of the population relies on farming for their livelihood.

2.2. Demography

According to the 2017 National Population and Housing Census, the country's population was 727,145, reflecting a 16% increase from 2005 (NSB, 2018). Over the 12-year period, the population grew only at an annual rate of 1.3%. With a population density of 19 persons per km<sup>2</sup> in 2017, Bhutan remains the least populated country in South Asia. Half of the population is younger than 26.9 years. Life expectancy at birth was 73.70 years in 2024. A look at the distribution of population by age group provides insights into the dynamics of internal and international migration (Figure 2).

**Figure 2:** The distribution of Bhutanese population by age group, 2017



**Source:** *Population & Housing Census of Bhutan – National Report* by National Statistical Bureau, 2018, Royal Government of Bhutan.

### 2.3. Young population

A highly mobile age group of 15-24 (20%) and primary working-age group of 22-44 (33%) combine to form more than half (53%) of the population. These groups often migrate for education and employment opportunities, or for better job opportunities and wages. The dependent population of the age group of 0-14 group (26%) either migrates with parents or is left behind to be taken care of by relatives or aging grandparents, while the 65+ age group (6%) follows their children as visitors or remains behind to take care of their grandchildren. The total dependence ratio is 47.0, implying that for every 100 economically active persons, there are 47 dependents. The high dependence ratio not only puts pressure on public resources and economic productivity but also makes way for potential challenges. The significant proportion of individuals aged 15–44 suggests substantial migration, primarily for economic reasons, leading to labor shortages and slower economic growth.

Bhutanese international migration is mostly restricted to the working age of 25-32 years. According to the Ministry of Foreign Affairs and External Trade, the number of passports issued to Bhutanese citizens has increased significantly. Between 2014 and 2023—the peak period of international migration—approximately 80,000 passports were issued. In 2022 alone, 28,000 passports were issued, followed by 32,000 in 2023. The majority was granted to individuals under the age of 30, totaling 44,000, while 36,000 were issued to those aged 31 to 40 (Bhutan Broadcasting Service News [BBSN], 2023). Despite remittances providing some relief, the loss of working-age individuals (15–64) is a national concern.

2.4. High youth unemployment

Unemployment and a lack of economic opportunities are often cited as reasons behind the international migration of the young population. The empirical findings reveal that age, gender, skill level, rural-to-urban migration, disability status, education, preference for civil service jobs and the geographic location of youth within their respective districts are all significant factors contributing to variations in youth unemployment in Bhutan (NSB, 2020). The 2017 census recorded a total labor force of 340,236 people, with 8,137 unemployed, resulting in an unemployment rate of 2.4% for individuals aged 15 years and older (NSB, 2018).

In the fourth quarter of 2024, the employment rate stood at 96.89%, with the service sector being the largest employer (43.2%), followed by agriculture (39.9%) and industry (16.9%). While the overall unemployment rate was 3.11%, youth unemployment was significantly higher at 17.7%. The total working-age population was 596,970 individuals, with females accounting for 47.6%. The majority of this population resides in rural areas (61.6%).

The analysis of employment distribution (Table 2) provides insights into potential migration patterns across different sectors and gender groups. With 39.9% of the workforce engaged in agriculture, which is a labor-intensive, low-paying and climate-sensitive sector, both rural-to-urban migration and international migration are likelier as people seek better opportunities.

**Table 2:** *Percentage of distribution of employed persons by types of enterprise and sex, fourth quarter, 2024*

Organizations	Number	%	Male %	Female %
Agriculture/ farming	149,050	39.8	32.5	50.8
Private business	130,273	34.8	1.1	0.2
Government agency	54,354	14.5	16.2	11.9
Public/ Government company	18,388	4.9	54	24.3
Private Limited Company	11,981	3.2	4.2	1.6
Non-governmental organizations/ CSO	1,838	0.5	3.4	0.4
Armed forces	8,141	2.2	7.9	3.3
Household(s) as a domestic worker	680	0.2	0.2	0.2
Total	374,705	100	100	100

**Source:** *Labor Force Survey – Quarterly Report Fourth Quarter 2024* by National Statistical Bureau, 2024a, Royal Government of Bhutan.

Although the private business sector employs 34.8% of the workforce, it exhibits a gender disparity (1.1% male, 0.2% female), suggesting a predominantly informal economy where job insecurity may drive workers to seek stable employment in urban areas and overseas. The limited share of formal employment in government agencies, private companies and NGOs indicates that skilled professionals may also look abroad for better career prospects, especially in underrepresented sectors. This employment structure suggests a migration of low-skilled workers (primarily from agriculture) to urban areas within the country and international migration of the skilled workforce.

## 2.5. Lower labor force participation of the young population

A total of 386,751 individuals aged 15 years and older were economically active, with males comprising 59.9% and females at 40.1%. The majority of this economically active population resides in rural areas (63.9%), compared to urban areas (36.1%). Among the economically inactive population, 38.7% are males and 61.4% are females, with more than half of the inactive population living in rural areas. The overall labor force participation rate (LFPR) stands at 64.8%. This rate is higher among males (74.0%) compared to females (54.6%). By geographic distribution, the LFPR is a little higher in rural areas (67.1%) than in urban areas (61.0%). The lowest LFPR (4.9%) is observed in the youngest age group (15–19 years), which also has the highest inactivity rate (95.1%, according to NSB, 2024a).

## 2.6. Social and political change

The introduction of party politics and periodic elections (2008, 2013, 2017 and 2024) have resulted in the fracturing of otherwise strong communities across the country. The results of the Gross National Happiness survey (2010 and 2015) showed that while results of the seven domains (health, education, living standards, ecology, good governance, culture and time use) had improved, two domains (community vitality and psychological wellbeing) showed a decline (Centre for Bhutan Studies, 2016). Political campaigns and vote garnering by different political parties not only created emotional pressure and stress individually, but also fractured communities, even extending to family members, as they voted for different parties.

The surge in migration to Australia coincided with the easing of COVID-19 travel restrictions. In the fourth quarter of 2024, the service sector, including tourism, accounted for 43.2% of the workforce (NSB, 2024a). Tourism remains the second-largest revenue earner after hydropower. However, with the pandemic bringing the tourism industry to a standstill, thousands of Bhutanese who were dependent on tourism and related sectors faced unemployment.

# 3 The Pull

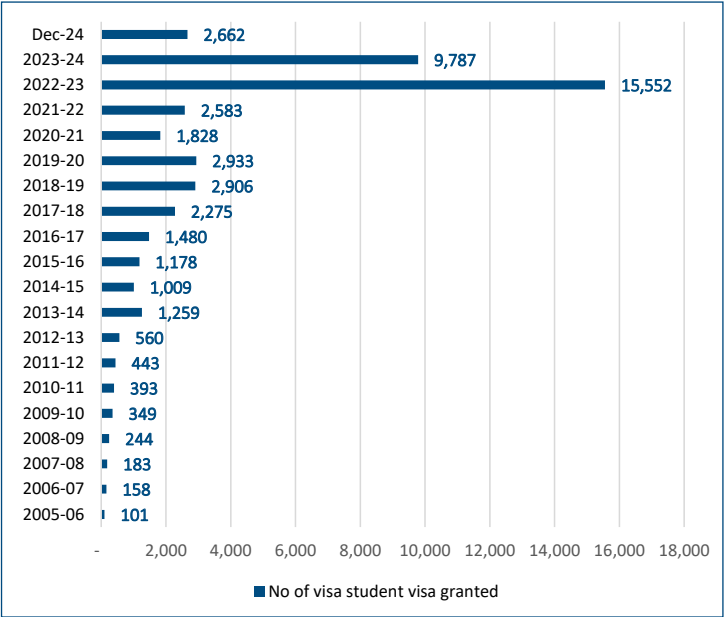
Bhutanese officials first began to travel to Australia to receive education or training under the Colombo Plan, an aid program established in 1962, in the 1970s. The initiative gathered momentum from 2007 thanks to the Australia Awards scholarships for tertiary education in Australia offered to the Bhutanese (Australian Government Department of Foreign Affairs and Trade [DFAT], n.d.). As one of the five major Anglophone countries, Australia became a natural destination for Bhutanese students, given that English is the medium of instruction in schools as well as the official working language in Bhutan. The 2024 QS World University Rankings ranked Australia's higher education system third globally, behind the United States and the United Kingdom (Harris, 2024).

Australia's economy has grown faster than other OECD economies and is forecast to outperform other advanced economies over the next five years. It has also maintained a consistently higher employment rate than the OECD average. It was able to recover quickly from the effects of global economic downturns. The country has one of the lowest overall tax rates. (Organization for Economic Co-operation and Development [OECD], 2023). Australia's unemployment rate remains consistently below the OECD average at approximately 4%, compared to the OECD average of around 5%, according to the most recent data (OECD, 2023). All these factors proved to be a pull factor for the Bhutanese to migrate to Australia.

## 3.1. The magnitude of migration

Figure 3 shows the number of student visas granted to the Bhutanese from July 2005 to December 2024. The highest number was granted after the pandemic, indicative of the economic difficulty faced by migrants, although the number must have been affected by the backlog of the pandemic years. 15,552 student visas granted in 2022-23 is alarming; it is more than the population of some of the districts of Bhutan.

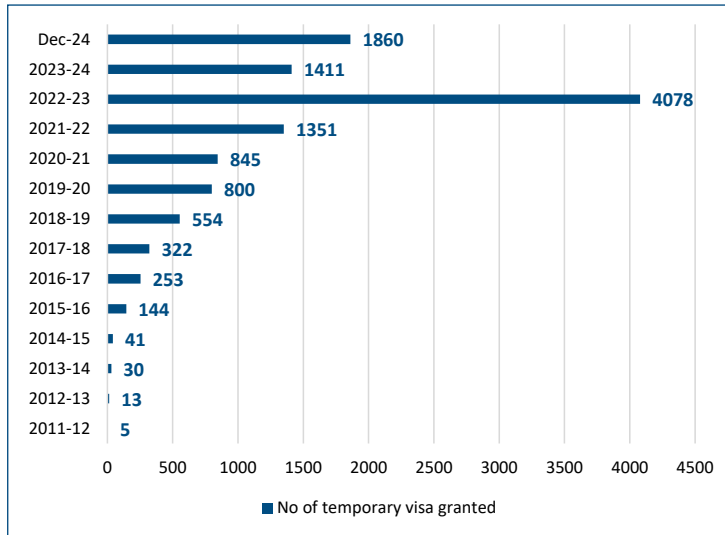
**Figure 3:** Number of Australian Student Visas granted to Bhutanese, July 2005-Dec 2024



**Source:** “BP 0015 Student Visas granted [Bhutan]” by Australian Government Department of Home Affairs, n.d.

Since Bhutanese generally migrate for study and work, the prevalent notion is that they will return after studies, or after the expiry of their work visa granted upon completion of their courses. The number of Bhutanese who were granted temporary graduate visas (i.e., work visas) is significant (Figure 4).

**Figure 4:** Number of Temporary Graduate Visas granted to Bhutanese, July 2005-Dec 2024



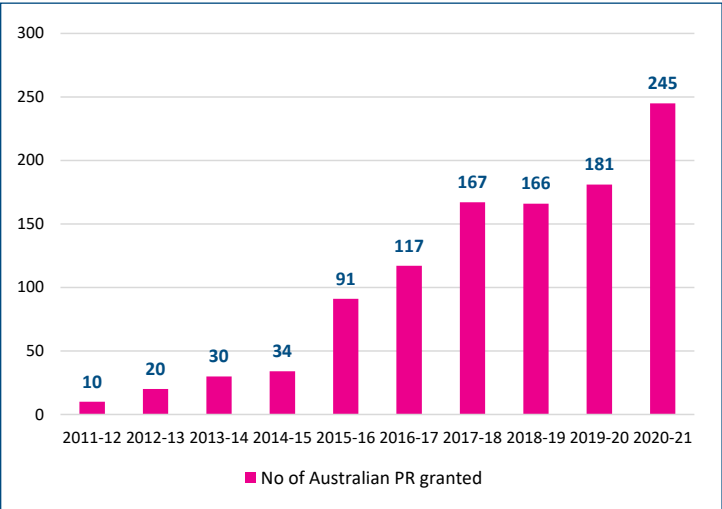
**Source:** “BP 0015 Student Visa Granted [Bhutan]” by Australian Government Department of Home Affairs, n.d.

It is logical for the Bhutanese to apply for the Temporary Graduate Visa to work and earn some money before returning home. However, contrary to expectations, an increasing number of Bhutanese migrants are opting to apply for the Australian Permanent Residency (PR) and slowly secure citizenship.

One attraction for some migrants is the different pathways to obtain an Australian Permanent Residency (PR) upon fulfilling a set of requirements. Australian PR is popular among the Bhutanese, mainly for its benefits such as full work rights, access to educational institutions and scholarship, access to the health care system and subsidized medical treatments and a pathway to Australian citizenship.

Figure 5 provides the number of Bhutanese individuals who obtained permanent residency in Australia from 2011 to 2021. 40 Bhutanese began the process of obtaining the Australian PR after 2011; the numbers since then have been growing sharply.

**Figure 5:** Number of Permanent Residencies Granted to Bhutanese, 2001-2021

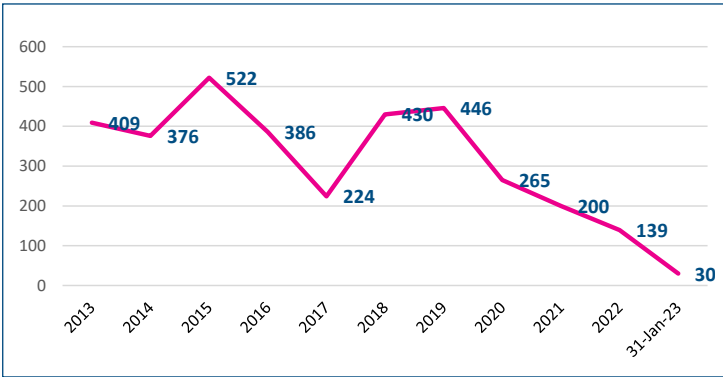


**Source:** “Development Assistance in Bhutan” by Australian Government Department of Foreign Affairs and Trade, n.d.

The graph shows an upward trend in the number of Bhutanese obtaining Australian permanent residencies from 2011 to 2021, with a fluctuation in 2018-19 during the pandemic. This trend has implications particularly for Bhutan in terms of workforce dynamics and economic development.

The common belief that Bhutanese individuals will return home after completing their studies and working abroad for a few years turns out to be unfounded. While applying for Australian PR is a common practice, it remains unclear how many of those with PR apply for or accept Australian citizenship. According to data released by the Australian Government Department of Home Affairs (HA), 3,427 Bhutanese individuals have obtained Australian citizenship between 2013 and January 2023, although the numbers have been declining since 2020 (Figure 6). The total population of Gasa, one of Bhutan’s 20 administrative districts, was 3,952 in 2017.

**Figure 6:** Number of people born in Bhutan who have acquired Australian citizenship between 1 January 2013 and 31 January 2023



**Source:** "Number of People Born in Bhutan who have acquired Australian citizenship between 1 January 2013 and 31 January 2023" by Australian Government Department of Home Affairs, n.d.

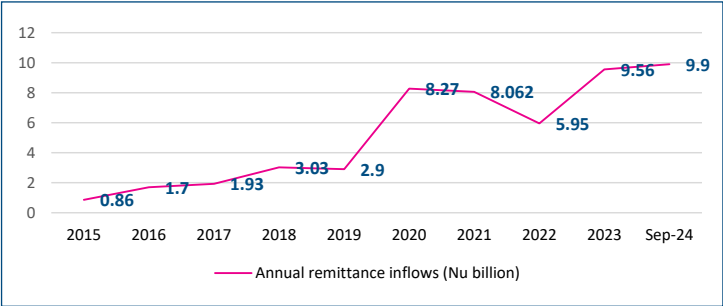
# 4 Impacts of international migration

## 4.1. Remittance

For many Bhutanese families, remittance provides a vital financial support, helping them overcome financial challenges. As more Bhutanese study and work overseas, the Royal Monetary Authority (RMA) projects that the country's inward remittance will surpass Nu 10 billion by the end of 2024, highlighting the remittance's significance as a valuable source of foreign exchange and income for families.

The remittance inflows, which were minimal before 2015, have been steadily increasing. The highest remittance inflow of Nu. 8.27 billion (4.5% of GDP), accounting for 39.2% of the total ODA, was received in 2020. This amount exceeded the FDI inflow of approximately Nu. 428 million (USD 5.7 million) and tourism earnings of Nu. 6.65 billion (USD 88.7 million) in 2019 (Younus et al., 2023). As of September 2024, inward remittances totaled Nu. 9.94 billion, exceeding the previous year's figure of Nu. 9.56 billion (USD119 million). Since 2020, the average annual remittance inflow has been approximately Nu. 8 billion (USD95.8 million USD, Zangpo, 2025).

**Figure 7:** Annual remittance inflow over the year (billion Nu) in Bhutan



**Source:** 2024 Annual Report by the Royal Monetary Authority (1 \$= Nu 86 on 23 February 2025)

## 4.2. Professional skills

The returnees continue to inject much-needed academic qualifications, professional expertise and occupational skills, adding dynamics and energy to the economic system. To cite one example, a couple who returned home started a supermarket selling merchandise and household goods with a wide range of products and prices not available in other shops, as well as a popular Mexican restaurant selling burritos and other Mexican foods, in Thimphu. Some of those returning from the Middle East open standard cafes and bakeries and conduct barista training.

## 4.3. Manpower shortage

Migration has resulted in a shortage of manpower across all sectors in the country, including the civil service. Migration is not limited to young graduates or unemployed Bhutanese. Even those with stable jobs in the civil service, corporate and private sectors are resigning in pursuit of better employment, higher salaries and other opportunities abroad. A survey of 2023 overseas workers in the Middle East revealed only 318 workers (35.5%) had jobs in Bhutan before taking up overseas employment (DEE, 2023).

According to government statistics, a total of 2,774 civil servants left their jobs, with 70% resigning voluntarily, between July 2019 and April 2024; the majority of them migrated to Australia. The civil service, as the largest employer of educated Bhutanese, is facing significant manpower shortages. In 2023, with 28,406 civil servants, the civil servant-to-population ratio stood at 1:27, which is relatively high (Royal Civil Service Commission, 2024).

**Figure 8:** Civil servants who have resigned, categorized by position, July 2019-April 2024 (%)



**Source:** Annual Report July 2019-April 2024 by Royal Civil Service Commission, 2024

A look at the number of civil servants who resigned across different categories (Executive & Specialist, Professional & Management, Supervisory & Support and Operational) from 2019 to 2023 shows that resignation of civil servants at all levels was highest in 2022 after the pandemic (Figure 7). The number of resignations in the Executive & Specialist category has been relatively low and stable, ranging between 0.5% and 3%. There was a slight increase from 2% in 2019 to 3% in 2022, followed by a sharp drop to 0.5% in 2023. This could indicate a significant change in retention or job satisfaction in this category in 2023. The Professional & Management category saw the highest number of resignations overall, with a steady increase from 46% in 2019 to 57% in 2022, followed by a slight decrease to 54% in 2023. There were possibly challenges in retaining professionals and managers during that year, perhaps due to external factors like the job market or internal issues such as workload or compensation. Resignations in the Supervisory & Support category have fluctuated, with a peak of 44% in 2020, a drop to 32% in 2022 and a rebound to 40% in 2023. The decline in 2022 was not replicated in 2023. This

category saw the lowest resignations, ranging between 5.5% and 12%. For four or five consecutive years, the Professional & Management and Supervisory & Support categories formed 90% of the those who departed the civil service, while only 10% were from the remaining two categories (Executive & Specialist and Operational Staff, according to the Royal Civil Service Commission, 2024).

Those in Professional & Management form the backbone of the civil services; without them, the daily functioning and running of government institutions and provision of services to the people will be impossible.

While migration from remote villages to urban areas has long been a trend, the rise in international migration has further accelerated urban drift. When young people with families migrate abroad, they often leave their children and elderly parents behind. As a result, it has become common for elderly parents to relocate to urban areas to care for the children left behind.

# 5 Migration Policy

Even in the face of international migration of such magnitude, there is no national policy to combat the trend. The former government explained that it is in human nature to migrate in search of better opportunities, and the government had neither developed migration policy, nor was it necessary (Wangdi, 2022). However, the new government elected in 2024 considered the international migration an “unprecedented existential crisis” to the country and it was quick to initiate programmes to not only discourage the migration but also integrate returnees

However, the most transformative initiative that will provide opportunities for young Bhutanese to stay home is the Gelephu Mindfulness City (GMC) that is being developed in a Special Administrative Region (SAR) covering 1,000 square kilometers in Gelephu near the Indian border. Envisioned as a vibrant economic hub, the GMC aims to create opportunities for individuals, families and children, with a particular focus on empowering the youth. Its objectives are closely aligned with a broader vision: to foster a brighter and more prosperous future, especially for the younger generation.

In the 2024 National Day Address, His Majesty the King underlined his commitment to creating conditions in the GMC to provide opportunities for the Bhutanese living abroad to return home and access the same opportunities they sought overseas. The GMC will not only provide prospects for skilled Bhutanese returnees but also offer them a chance to invest and secure a stake in the nation’s future (His Majesty’s Address to the Nation on National Day 2024, 2024).

The King of Bhutan visited Australia to meet and interact with thousands of Bhutanese in Sydney, Canberra and Perth in 2024.

That same year, the GMC initiated fixed term deposit subscriptions to raise money from Non-Resident Bhutanese for developing infrastructure, namely the international airport, to begin with. A 10-year deposit will earn an annual return of 10% in local currency (Nu) or 4% in foreign currency (The Bhutanese, 2024).

The government launched a National Reintegration Programme (NRP) in 2024 to help those migrants returning home find jobs and reintegrate into the local community, also including the provision of psychological support (Kuensel Online, 2024). Bhutanese embassies and consulates have started the formal registration of Bhutanese abroad through apps and an online system to help them avail consular services (MFAET, n.d.).

In January 2024, the Royal Monetary Authority (the central bank) updated the Foreign Exchange Rules and Regulations and the Inward Remittance Rules and Regulations to facilitate inward remittance.

Financial institutions launched, in 2023, an initiative that offers exclusive investment opportunities and enhanced remittance channels to Bhutanese living abroad. The initiative included higher interest-bearing foreign currency accounts and direct trading in the capital market through the Royal Securities Exchange of Bhutan (RSEB) Apps.

This was followed by the introduction of three specialized accounts for Bhutanese abroad—the Bhutanese Living Abroad Foreign Currency Account, Bhutanese Living Abroad Ngultrum Account and Bhutanese Living Abroad Investment Account. About 500 foreign currency accounts were opened by Bhutanese abroad as of September 2, 2024 (Zangpo, 2025).

# 6 Policy Recommendations

Based on migration trends, available statistics and their analysis, some policy recommendations can be formulated for the government and relevant agencies.

## 6.1. Data, Data, Data!

There is no comprehensive and reliable data on Bhutanese international migration. The Ministry of Foreign Affairs and External Trade [MFAET] maintains some records through the issuance of travel documents, primarily passports, and registration of overseas Bhutanese with embassies and consulates for consular services. Similarly, the Ministry of Home and Cultural Affairs collects data on Bhutanese travelers officially departing from the country via the airport. However, some Bhutanese travel through Indian airports, making data collection incomplete. To address this gap, a multisectoral task force should be established to develop a systematic approach for recording migration data. This should include not only overall migration figures but also detailed information on the Bhutanese residing in each country.

## 6.2. Migration research

No comprehensive or systematic study on international migration has been conducted at the individual level. A thorough investigation is essential to identify early signs before migration becomes a significant trend, anticipate future scenarios and understand the underlying social, cultural, political and economic factors. Such insights would help develop policies not only to mitigate migration but also facilitate the return of Bhutanese migrants. While the "pull" factors are often discussed, the "push" factors—likely more complex than currently described—must also be examined. Currently, even basic exit surveys and interviews of those exiting from the airport are lacking.

### 6.3. Make TVET attractive

The mismatch between the education system and the skills demanded by the job market is often cited as a key driver of migration. In 2022, the construction sector contributed approximately 16% to Bhutan's GDP but employed only 2.56% of the Bhutanese workforce (Prime Minister's Office, n.d.), largely due to reliance on foreign labor. To address this, the government must strengthen Technical and Vocational Education and Training (TVET), making it more appealing and accessible through the adoption of technology and modern machinery. In the long run, this could enable Bhutanese workers to gradually replace foreign labor in construction and other key sectors.

### 6.4. Open up the civil service

Civil servants in Bhutan have traditionally been selected through a merit-based process, with lifelong job security once appointed. While it was once a highly sought-after career, this is no longer the case, as an increasing number of civil servants are resigning, often to seek opportunities abroad. Expanding civil service recruitment to include professionals from the corporate and private sectors would diversify the talent pool and introduce best practices from these industries, enhancing efficiency and innovation within the public sector. Migrants will be incentivized to return to resume their civil service careers or to take up new careers in the civil service.

### 6.5. Provide tax incentives

The government should establish a clear policy to encourage Bhutanese migrants to return or invest in the country. This could include well-defined tax incentives particularly for those establishing new businesses, for businesses that employ the youth and for returning graduates with overseas expertise in priority sectors.

### 6.6. Enforce citizenship laws

Bhutan does not recognize dual citizenship, and acquiring the citizenship of another country automatically terminates Bhutanese citizenship (Bhutan Citizenship Act 1985). While many Bhutanese have acquired foreign citizenship, there has been no known case of a bona fide citizen losing their Bhutanese citizenship as a result. Strict enforcement of this law could deter Bhutanese from acquiring foreign citizenship and instead encourage their return to contribute to nation-building.

## 6.7. Outsource some civil service roles

In 2024, the total number of civil servants stood at 29,235. With a small population of 727,145, this results in a relatively high civil servant-to-population ratio of 40 per 1,000 people. That year, His Majesty the King set a national goal to establish an Enlightened Entrepreneurial Bureaucracy within the next decade. This vision seeks to integrate the agility, efficiency and entrepreneurial mindset of the private sector into the bureaucracy, enabling it to adapt to the nation's evolving needs and keep pace with rapid advancements and innovations. To enhance efficiency, some public services currently provided by the bureaucracy could be outsourced to private sector entities capable of delivering them more effectively.

## 6.8. Make the private sector the engine of growth

Making the private sector the engine of growth has long been a national goal. However, as a developing country with various constraints, growth has been limited, primarily driven by the hydropower and construction sectors, which rely heavily on foreign labor. The current free trade regime with India presents another challenge, as it undermines the competitiveness of locally produced Bhutanese goods due to the widespread availability of cheap Indian imports. Bhutanese products struggle to compete even in the local market, let alone in exports. For the private sector—and the national economy as a whole—to grow, the free trade regime needs to be revisited. Only then can there be broader participation from the population, especially the youth, in the economy, which could help reduce immigration.

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