

RURAL-URBAN MIGRATION AND URBANIZATION IN BHUTAN

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Considering the growing attention to migration in Bhutan, and more particularly to the migration effects of depopulation of rural areas and rapid urbanization, the National Statistics Bureau (NSB) has taken the initiative to work on the analysis of "Rural-Urban Migration and Urbanization in Bhutan" based on 2017 Population and Housing Census of Bhutan (PHCB).

The report on rural-urban migration and urbanization in Bhutan presents in-depth analysis on the levels and patterns of internal migration in the recent past (five years preceding the census) as well as on the life time migration and its cause and consequences.

The report also highlights the facts based on data and provides some policy recommendations for formulating future plans in mitigating rural-urban migration, human settlement and urbanization in Bhutan.

About Policy Brief

The policy brief is a periodic edition of the National Statistics Bureau. The current issue presents the summaries from a thematic study on "rural-urban migration and urbanization in Bhutan". The aim is to reach the findings to the key policy and development players. We hope our readers will find this issue relevant to their interest and needs.

Director's Note

The National Statistics Bureau has been producing post-census thematic reports often supplementing it with qualitative analysis. The NSB policy brief is one of our efforts to disseminate the results to a wider public and to advocate for evidence-based policy decisions. Many of our policy makers and development implementers have little time to read through our main reports. The policy brief, therefore, presents the summaries of the report in its entirety.



I hope the policy brief will contribute towards meaningful interpretations and policy dialogues among the policy makers, development implementers, stakeholders and the public. I wish every reader an interesting and insightful reading.



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Director
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Acknowledgements

This policy brief is made possible with the technical and financial assistance from the UNFPA country office. We would like to thank Dr. Bart de Bruijn for his expertise and Mr. Chhime Tshering for his advice and guidance, as well as Mr. Pema Namgay, Mrs. Tshering Choden and Mr. Tashi Dorjee for the data support.

Rural-urban migration and urbanization

Policy brief

Migration and urbanization trends

The 2017 Population and Housing Census of Bhutan (2017 PHCB) provided new insights on the migration landscape in Bhutan, next to confirming patterns that were observed in the 2005 census.

In the past decades the migration patterns in Bhutan were a cause of concern for policy makers and planners. This was the case because of depopulation in some rural areas, particularly in the eastern and central parts of the country, and the rapid urban growth – 7.3 percent annually in the five years before the 2005 census – and its impact on the environment and service delivery. The 2017 PHCB shows that the urban growth rate has slowed down considerably: to 2.9 percent per year in the inter-census period and further down to 2.5 percent per year in the last five years before the census. Thus, the recent picture is of continued urban growth but more moderate than in the past, with an addition of about 6.0 thousand people per year and resulting in an increase in the percentage urban population of 30.9 percent in 2005 to 37.8 percent in 2017.

The 2017 PHCB also shows that the net effect of rural-urban migration is the largest component of urban growth, but not much larger than natural growth, which annually adds 1.2 percent to the urban population. This is higher than the natural population growth¹ in the rural sector – 0.7 percent per year – due to the concentration in the urban areas of young people in the prime reproductive ages.

A majority of the resident population of Bhutan (55.1 percent) have a migration history by changing their place of residence at least once, either within Bhutan across gewog or town borders or by crossing international borders or both. Most of these were internal migrants – 49.7 percent of the resident population – with another 5.4 percent being immigrants.

Unlike the situation in 2005 and unlike the internal migration pattern of migration since birth, in recent years the migration flow of rural residents to urban

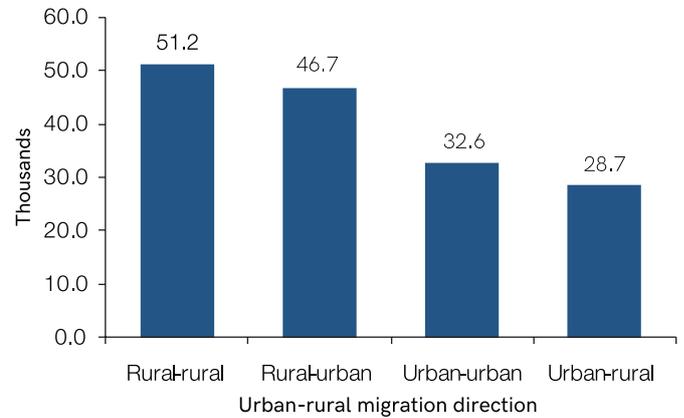


Figure 1: Direction of net recent internal migration (in thousands)

centres is no longer the largest flow of internal migration in the country. Rural-to-rural migration has become the largest internal migration flow and migrant flows from urban areas to rural and to other urban areas have gained in importance (*Figure 1*).

The increase in the size of migration flows originating in urban areas can be attributed to two main causes. One is the growth of the urban sector itself, which has generated a larger pool of potential migrants to rural areas and to other urban areas. Another is the growth of employment in the public sector – representing around one third of urban workers – and the regular assignment of specific categories of civil servants to a new post across the country.

The foreign-born population in Bhutan has slightly increased since 2005, from 37.3 to 40.0 thousand persons. But it has slightly declined as a proportion of the total population – from 5.9 to 5.5 percent² – as natural growth in the country was higher than the increase of foreign-born immigrants. Immigration into Bhutan is dominated by Indian labour, but it can be expected that the share of returning Bhutanese – in the five years before the census around 15 percent of immigrants (5.2 thousand people) – will increase, as emigration of Bhutanese has probably increased. The level of emigration cannot be established on the basis of the census data though.

² Comparisons of census figures from 2005 and 2017 refer to the de-facto population. Other figures presented here refer to the usual resident (de-jure) population of Bhutan.

¹ The difference between the numbers of births and deaths.

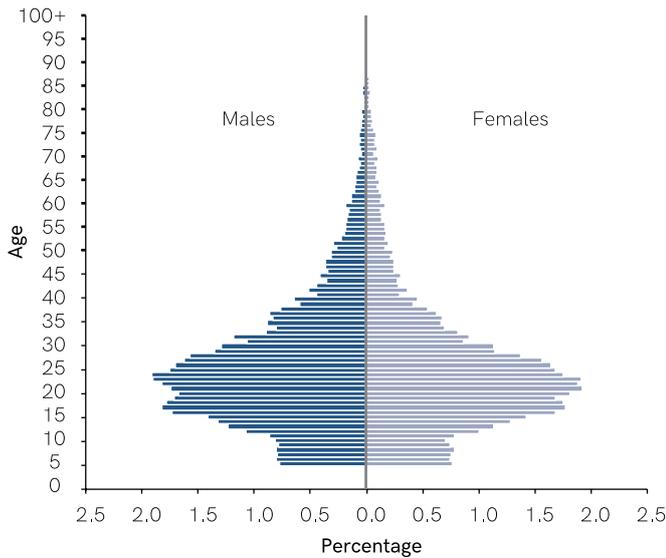


Figure 2: Recent internal migrants, by age, and by sex (in percentages)

Migrant profiles

The internal migrant population is fairly gender-balanced and strongly concentrated in the youth and young adult age groups, most between 15 and 30

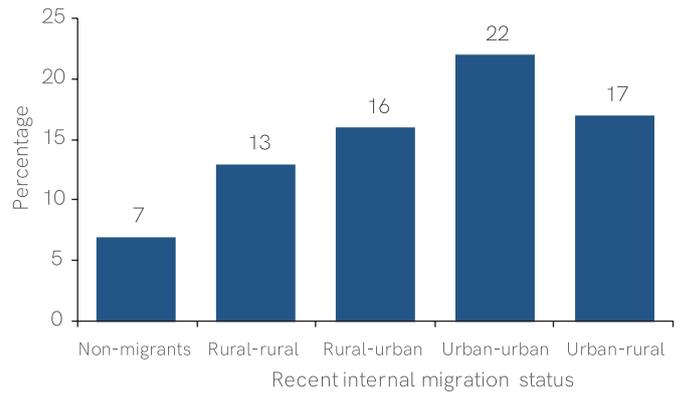


Figure 3: Percentage ever attended university education, by recent internal migration status

years old (Figure 2). Rural-to-urban migrants tend to be even more concentrated and younger, most in the age group 15-24.

This age distribution is strongly related to the most frequently mentioned reasons for migration: attending education (30 percent) and employment-related (53 percent).³ The search for employment is clearly visible in the unemployment

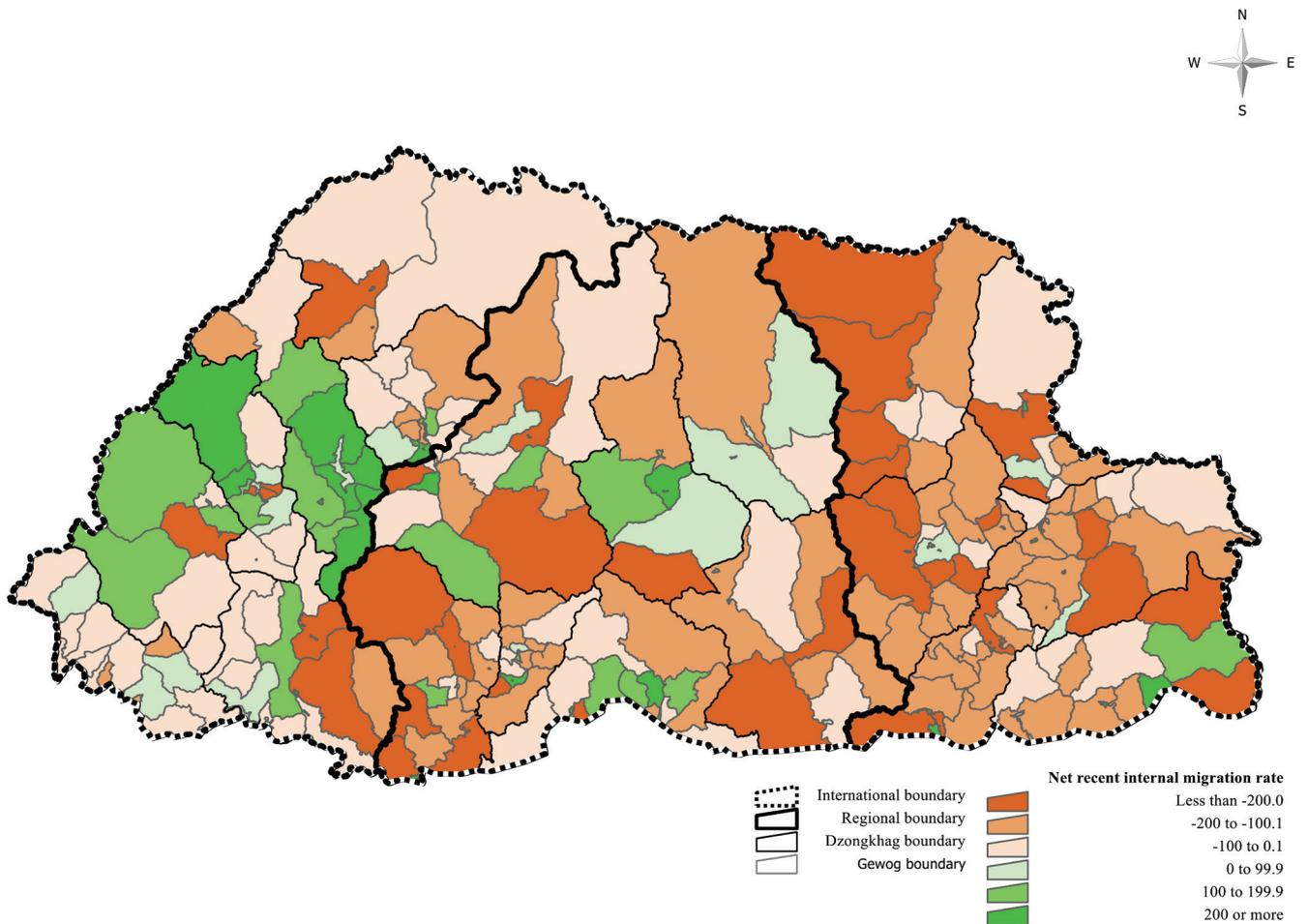


Figure 4: Recent net migration rate, by gewog/town

³ If dependent family movers are assigned to the reason of the lead migrant in the household.

rate of internal migrants and most particularly in that of rural-urban migrants: 6.7 percent against 1.9 percent among non-migrants.

Migration is an education-selective process, which is also dependent on the direction of migration. Thus, 17 percent of internal migrants have ever attended university education, compared to only 7 percent of non-migrants. And within the internal migrant population those moving between rural areas tend to have the lowest percentage ever university attendance (13 percent) and those moving between urban areas the highest (22 percent).

Geographic patterns of migration

The geographical pattern of recent internal migration that emerges from *Figure 4* is a shift of population from central and especially eastern Bhutan to the western part of the country. Around two-thirds of gewogs and towns of central and eastern Bhutan experiences net population loss due to internal migration in the five years preceding the census. The main regional migration flows are from the eastern and central regions to the western region where around half of Bhutan’s population lives, although there is also a substantial flow from the western region to the central region (*Figure 5*). Migration between the eastern and central region is comparatively small.

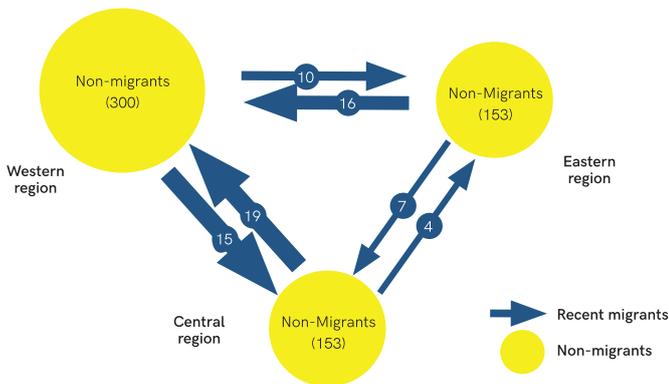


Figure 5: Recent internal migrants by migration direction and non-migrants by region (in thousands)

Patterns of urbanization

The pattern of urbanization in Bhutan is characterised by an unbalanced distribution, with one primate town – the capital Thimphu with over 100,000 population – and two secondary towns – Phuentshogling and Paro – that are substantially smaller (*Table 1*). All three towns – together representing 56 percent of the resident urban

population – are located in the western part of the country. Around half of the localities that are classified as urban (31 out of 64) do not surpass

Table 1: Urban localities, resident urban population

Locality class size (population)	Number of localities	Population (thousands)
100,000 and over	1	109.7
10,000-99,999	2	37.3
5,000-9,999	7	49.9
2,000-4,999	6	20.6
1,000-1,999	17	32.2
500-999	16	11.3
Less than 500	15	3.7
Total	64	264.9

the mark of 1,000 population and hardly qualify as urban in statistical terms.

From a perspective of development and poverty reduction, a more balanced urban hierarchy is preferable. This would not only distribute population more evenly, but also economic, political and cultural power. Moreover, it would also better promote the development opportunities of the rural hinterland and reduce rural-urban inequalities.

Urban-rural differentials

Migration between rural and urban areas in Bhutan are induced by large inequalities. Limited access to basic services in rural areas is a main cause of out-migration. However, the search for decent employment is the main reason to leave the area of origin, either individually or as an entire household. Although open unemployment is very low in rural areas (1.4 percent, compared to 4.5 percent in urban areas), this hides the fact that the quality of employment is poor. Productivity in the agriculture sector is generally low, as indicated by the fact that 45 percent of the employed population works in

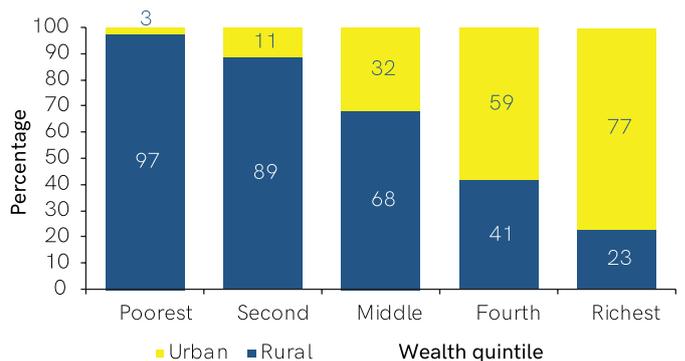


Figure 6: Urban localities, resident urban population

agriculture, but the sector generates only 17 percent of the national GDP. It is also indicated by the fact that poverty is strongly concentrated in rural areas. The 2017 PHCB shows that almost all (97 percent) persons in the poorest quintile of the population live in rural areas and the large majority (89 percent) of persons in the second-poorest quintile (*Figure 6*) do so.

When people try to escape poverty and marginal employment in rural areas and look for work in urban areas, their open urban unemployment is often rural underemployment becoming manifest.

As urban areas tend to have better education facilities and because better educated persons are more likely to move out from rural areas, the education profiles of the rural and urban populations have become very different. For instance, the percentage of the population that ever attended lower secondary education is 59 percent in urban areas, compared to 18 percent in rural areas (*Figure 7*).

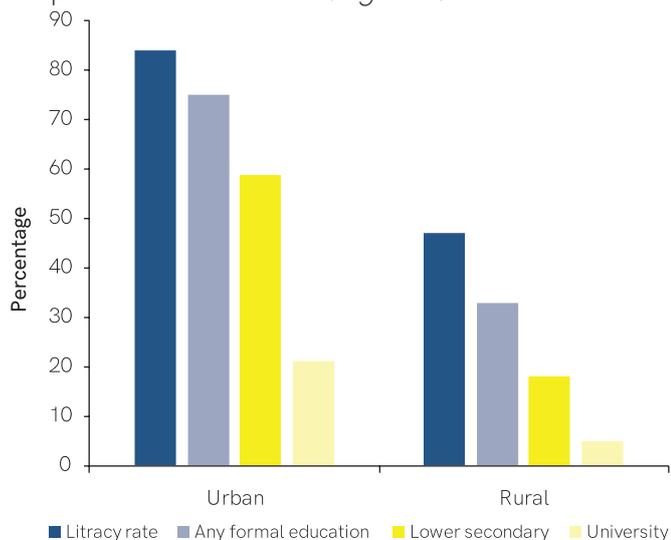


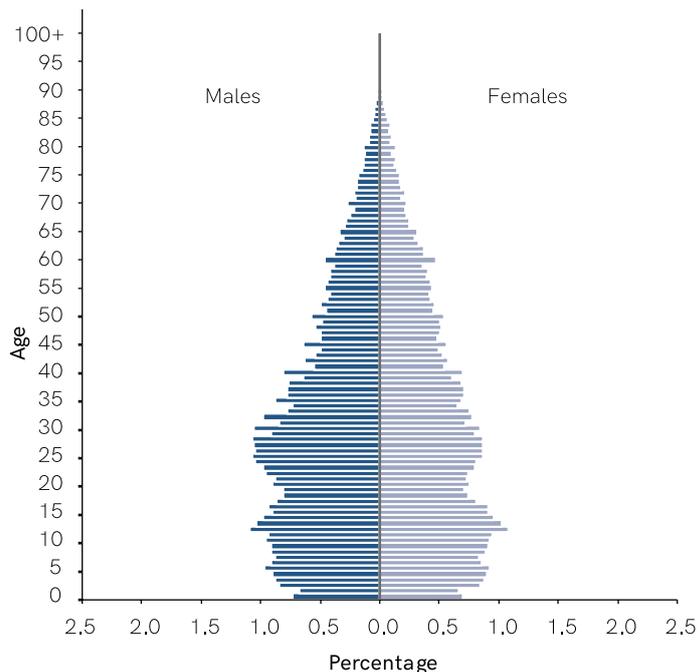
Figure 7: Selected education indicators for resident population aged 25 and over, by urban-rural residence (in percentages)

The selective out-migration from rural areas of young people had also a large impact on the age distribution of the rural and urban populations. Youth and young adult persons are strongly over-represented in urban areas, and older persons are strongly under-represented here.

The age distribution of the urban population and their relatively high education provides two of the conditions for a 'demographic dividend'.⁴ The main

⁴ The increase in per-capita GDP caused by a higher proportion of persons in the economically active age groups due to declining fertility.

a. Rural



b. Urban

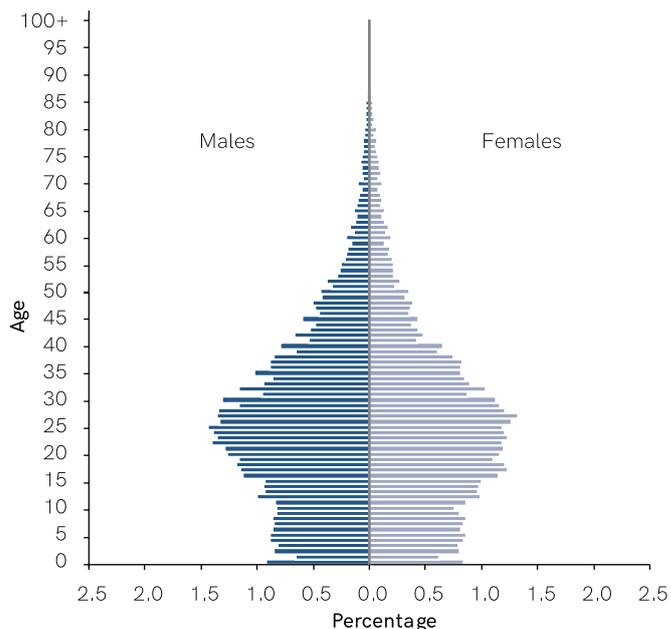


Figure 8: Resident population, by age, and by sex (in percentages)

other conditions relate to a well-performing labour market and good governance that provide productive employment and an environment that is conducive for doing business. Currently these are inadequate, given the high urban youth unemployment rate of 16 percent – and especially female youth unemployment (20 percent) – and the relatively low proportion of urban employment in the industry sector (27 percent) that usually provides an engine for economic growth.

The process of urbanization can be expected to continue, given the inequalities between rural and urban areas. Also extended education of younger generations and restructuring of the rural economy to enhance productivity will require the urban sector to absorb an ever increasing part of the population. The global experience has learned that this rural-urban shift is beneficial in the long term and even essential for economic development.

Conclusions and recommendations

The net rural-to-urban migration and the rate of urbanization in Bhutan has decreased since the 2005 census, but the transition to an urban society can nevertheless be expected to continue in the next decades. Policy makers would do good to adopt a positive attitude to this rural-urban shift, as it is a key process to the country's development and to realising individual aspirations. It represents a prime mechanism to reduce inequalities between areas within the country, to reconcile supply and demand for labour, to build up urban population concentrations that are required for economic progress and development, and especially to fulfil the potential of the demographic dividend that is currently available to Bhutan.

More effective policies should be implemented to facilitate the creation of productive employment in the urban sector, particularly for young entrants to the labour market and most especially for women. This should importantly include better preparation of young people for employment outside the public sector and facilitating the start-up of new enterprises.

Negative consequences of urban population concentrations, such as environmental degradation, inadequate infrastructure and service delivery, can largely be avoided if town planning capacity is sufficiently developed and implemented.

Achieving a more balanced urban distribution can be expected to have a strong positive impact on development and poverty reduction. Re-allocation of government services from the capital and development of secondary and smaller towns are instrumental in this respect, for instance by generating local markets for rural hinterlands and by reducing pressure on land and services in the capital.

It is also recommended to replace the current administrative population registration with a population register that is based on usual residence. In a highly mobile population, where many people have left their place of origin, registration by place of origin has little relevance for planning and programming purposes.

Notes

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