

Enabling Social Innovation in Bhutan



Country Snapshot

Social innovation: "the processes and outcomes of developing novel approaches to address societal challenges facing people and planet." ↓

This snapshot represents a descriptive, non-exhaustive overview of key highlights from Bhutan’s social innovation ecosystem.

- ✓ Direct focus on social innovation
- 🔗 Connected but indirect focus on social innovation
- ✗ No focus on social innovation

INSTITUTIONAL FRAMEWORK

Official Definition of Social Innovation 🔗



- **No single legal definition located** for “social innovation” in primary law or a dedicated national policy framing it as a formal term of art (as of most recent sources reviewed).
- **Closest enabling philosophy:** Bhutan’s development is guided by Gross National Happiness (GNH)—a multidimensional wellbeing framework that informs policy design. This creates an enabling environment for innovations framed around wellbeing, inclusion, culture and sustainability, even when not labelled “social innovation”.

Government Body for Social Innovation ✓



- **No dedicated national “social innovation agency” found.** Bhutan’s enabling functions are distributed across planning, digital transformation, civil society regulation, and entrepreneurship support. Key bodies with relevant roles:
- **Gross National Happiness Commission (GNHC)** : Government coordinating body for national planning and five-year plans; central to embedding GNH-aligned priorities across sectors.
- **Government Technology Agency (GovTech)** (established **Dec 2022**): Leads and coordinates government ICT/digital transformation, improving service delivery and enabling “innovation” in public services and the digital economy.
- **Civil Society Organizations Authority (CSOA)** (formally established 2009, per CSOA guidance): Registers and regulates CSOs and facilitates government–CSO coordination—an enabling function for civic problem-solving and social-sector delivery.

Government Strategy for Social Innovation ✓



No standalone “social innovation strategy” identified. The following national strategies indirectly enable it:

- **13th Five Year Plan (2024–2029)** : Orients national development toward innovation and sustainability, with cross-cutting emphasis on inclusion and resilience.
- **National Entrepreneurship Strategy (2015)** : Focuses on skills, ecosystem support, and job creation (not specifically social innovation).
- **Digital development strategies** : GovTech-led digital transformation supports service innovation and digital solutions for public value.

Policies, Laws & Regulations

Frameworks directly relevant to civic problem-solving and social-economy activity:

- **Civil Society Organizations Act of Bhutan (2007)** : Establishes the legal basis for CSO registration and oversight, enabling formalization of civil society activity.
- **Co-operatives Act of Bhutan (2001) and Cooperative (Amendment) Act (2009)** : Legal framework for cooperatives as vehicles for community enterprise and inclusive livelihoods.

Broader enabling policy frameworks (indirect):

- **Economic Development Policy (2016)** : National policy framework for GNH-guided economic development, including incentives for priority sectors.
- **GNH-tied governance frameworks**: [GNH Index](#) functions as an accountability and prioritization mechanism for social outcomes in policymaking.

Official Statistics

- **No standalone social innovation statistics system identified** (e.g., national SI registry or SI satellite account).
- Bhutan has **strong wellbeing measurement infrastructure** through the **GNH Index / GNH Survey** (latest major release: **GNH 2022**), used to track multidimensional wellbeing and inform policy focus areas.
- CSOA maintains administrative data on registered CSOs, governance standards, and reporting, though not framed as social innovation measurement.

Government Programs

- **Entrepreneurship and enterprise support programs** (indirect enablers): National efforts under the entrepreneurship strategy focus on job creation, skills, and venture formation.
- **Digital government programs** (indirect enablers): GovTech-led digital service improvements and coordination strengthen the infrastructure for civic-oriented digital solutions.
- **Internationally supported programmes aligned with national priorities** (indirect): UN initiatives aligned with the 13th FYP's priorities (jobs, social protection, just transitions) can enable innovation pilots and reforms.

ECOSYSTEM

Stakeholders

Non-governmental / hybrid bodies supporting “social venture” activity (often closest to social innovation):

- **Loden Foundation** : Promotes education and **social entrepreneurship** in Bhutan through programs and convening.
- **Loden Tewa – Centre for Social Ventures** : Accelerator focused on growth-stage, purpose-led social ventures (positioned as a dedicated platform for social ventures).

Civil society enabling and accountability actors:

- **CSOA** : Key government-facing platform for CSO regulation and coordination (enables a functioning civil society ecosystem).
- **Bhutan Transparency Initiative (BTI)** : Civil society strengthening work and reporting relevant to governance and civic accountability (ecosystem enabler).

Cooperative movement / farmer groups:

- Bhutan's cooperative framework (2001/2009) underpins producer groups and community enterprise models that often deliver inclusion and livelihood impacts.



Support Initiatives ✓

Most visible non-financial support for SI-adjacent activity is through:

- **Social venture acceleration and investment readiness** (e.g., Loden Tewa / Loden Foundation initiatives).
- **Entrepreneurship ecosystem development** (policy-led, skills and enterprise support; often focused on youth employment).
- **Digital transformation platforms** that reduce friction for service access and enable new delivery models (GovTech ecosystem role).



Collaboration ✓

- **Government–development partner alignment** around national priorities is common (e.g., programmes aligned to the 13th FYP).
- Few **formal cross-sector “social innovation partnerships”** are explicitly labelled social innovation. Collaboration is more often framed through entrepreneurship, livelihoods, digital transformation, and wellbeing..



Events & Awards ✓

- No national social innovation awards identified. Where awards exist, they are framed as entrepreneurship, youth innovation, or sectoral recognition.

FINANCE



Financing Schemes ✓

- **No robust public estimate found** for “average total annual funding/investment specifically directed to social innovation” as a category.
- Financing sources that often support SI-adjacent activities include:
 - **Public funding via national plans and sector budgets** aligned to wellbeing and inclusion priorities (GNH-aligned).
 - **Entrepreneurship/SME financing and banking channels** (general enterprise finance; not SI-specific).
 - **Philanthropy and mission-driven support** for social ventures (e.g., via Loden Foundation’s ecosystem activities).
 - **Multilateral/bilateral development financing** for social protection, jobs and resilience initiatives aligned with national plans.



Financing Inclusivity

- Stated national priorities emphasize inclusion and wellbeing (via GNH and the 13th FYP), suggesting a **policy intent** to support vulnerable groups and equitable development.
- In practice, the **dedicated social venture/impact investment market appears small**, and access constraints for rural communities and early-stage ventures are frequently discussed in broader entrepreneurship ecosystem analyses.

SOCIETY



Public Awareness of Social Innovation

- The term “social innovation” is not consistently used in mainstream official discourse; **GNH** and “wellbeing,” “innovation,” “entrepreneurship,” and “community vitality” are more common frames.
- Public discourse includes a visible emphasis on national experimentation with development models grounded in wellbeing and sustainability (GNH framing).

Research ✓ 🔗

- **Academic/practitioner research relevant to social innovation** often sits within: wellbeing policy (GNH), development studies, entrepreneurship education, and governance.

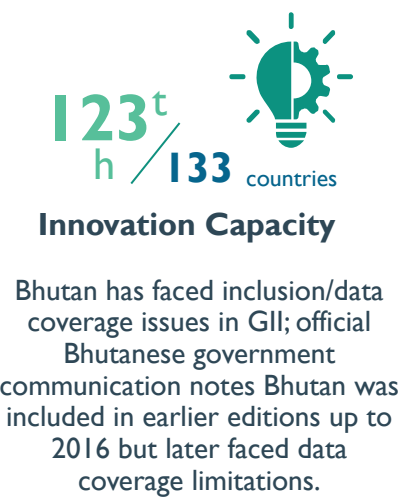
Key examples:

- **GNH measurement and policy research** anchored in the Centre for Bhutan & GNH Studies’ survey work (e.g., GNH 2022).
- Policy and practitioner analyses on entrepreneurship ecosystem constraints and opportunities.

Education & Human Capital ✓ 🔗

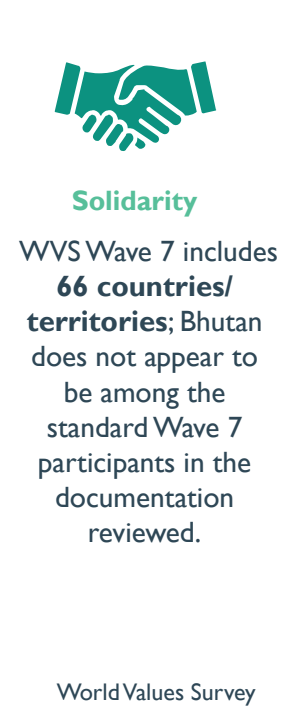
- Explicit “social innovation” degree programs were not prominent in the sources reviewed; however:
 - Entrepreneurship education is actively discussed in Bhutan’s policy and education discourse (often aligned with youth employment and national development goals).
- **No reliable estimate located** for the proportion of graduates gaining credentials specifically focused on social innovation.

Entrepreneurship



Global Innovation Index (GII):

Social & Environmental Consciousness



CAFWorld Giving Index 2024