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Where the Thunder Dragon Lives: The Case of Human Capital Flight in Bhutan

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ABSTRACT

Human capital flight (HCF) hinders developing economies striving to escape the middle-income trap by enhancing domestic institutions and improving living standards. Global development literature has focused on creating theoretical frameworks to understand and manage human capital flows. Recent iterations of the human capital flow paradigm have moved beyond the traditional 'brain gain' versus 'brain drain' dichotomy to emphasize the globalized nature of the reciprocity of knowledge and transfer of skill through human capital mobility, highlighting the concept of 'brain circulation.' This paper examines Bhutan's emerging HCF problem as a case study to illustrate these theoretical concepts. Bhutan's unique situation, characterized by self-imposed isolation and limited participation in global markets, provides an exceptional context for observing the interplay of brain gain, brain circulation, and brain drain. This study traces the evolution of Bhutan's planned development policies, particularly in the education sector, from the 1970s to the present. It identifies three phases of HCF in Bhutan: 1) the outsourcing of human capital through globalized education, 2) the outpacing of domestic baccalaureate institutions, and 3) the rise in expatriation. The continuum of HCF in Bhutan is influenced by economic, social, and individual-level factors. Therefore, this case study also includes insights from ten Bhutanese college-aged youth gathered through semi-structured interviews to elucidate the escalating trend of student and professional migration to Australia.

Key Words: Gross National Happiness (GNH), human capital flight (HCF), brain drain, brain gain, brain circulation, sustainable development, expatriation

CONTENTS

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INTRODUCTION

Bhutan has garnered international recognition as a pioneer in welfare-based economics and climate policy (Phuntsho 2013; Brooks 2013; Nath 2018; Long 2019). As the country continues to grow in relative influence for its size and ambivalent foreign relations, recent scholarship has directed attention to Bhutan's unique good governance and development paradigm of Gross National Happiness (GNH) (Khamrang 2013; Theys and Rietig 2020; Kaul 2022). A litany of research has emerged since Bhutan's democratization, focusing on the country's extreme commitment to climate sustainability and rights-based access to public services like healthcare and education (Fishman 2010; Givel 2015; Mason Meier and Chakrabarti 2016; Long 2019; Kim 2020). However, the literature on Bhutan has become banal, characterized by repetitive phrases such as "a Himalayan kingdom nestled between two giants" or "the land of happiness," or even "the last Shangri-la" (Kaul 2022; Nath 2018). Essentially, Bhutan's international character has been typified by orientalist notions of eastern mysticism and exceptionalism (Kaul 2022). Consequently, foregone conclusions about Bhutan's uniqueness and prosperity dominate external perceptions, while the incipient departure of Bhutanese students and professionals to Australia receives passivity from both domestic and foreign authorities.

One of the most salient questions regarding Bhutan's human capital flight concerns its emergence in a country historically wary of the hazards of global exposure. Certainly, Bhutan has shown resilience to the endemic struggles it faces as a developing South Asian country—having only recently undergone modernization efforts—whose terrain is prohibitive of large-scale agriculture to support a growing population (Rahul 1968; Mathou 2001, Long 2019). Nevertheless, its belated participation in the game of globalization has enabled the country's leadership to retroactively assess the pitfalls of rapid industrialization (Long 2019; Law 2022; Kaul 2022). While hindsight led to the adoption of a 'holistic' development paradigm by prescient monarchs, the current administration appears blindsided by the exodus (Mathou 2016; Rizvi 2023; Karma Ura 2023).

This case study on the emergence of human capital flight from Bhutan contributes a framework through which to understand these migration patterns. Furthermore, the newer contribution of 'brain circulation' to the literature on sustainable development and human capital flows improves upon the dualisms of 'brain gain' and 'brain drain' (Makiko and Keiichi 2010; Rizvi 2023). Bhutan's unique context makes it a heuristic model for applying these three paradigms of human capital flow. Therefore, the primary question this case study seeks to address is: 1) In what ways and to what extent does the emergence of human capital flight reflect the theoretical modeling of brain gain, brain drain, and brain circulation? and 2) How have human capital flows advanced through different eras of the country's five-decade span of modernization? After presenting the original framework for understanding human capital flight emergence, this study is augmented by a purposeful sample of interviews with Bhutanese college students aimed at incorporating an indigenous perspective on an issue that faces underrepresentation due to its low profile in the realm of transcontinental migration.

LITERATURE REVIEW

In Search of a Middle Path

Discursive Shifts in the Literature on Measuring Well-being

Exploration of the irreversible trends brought on by globalization generated a burgeoning literature during the 1990s and 2000s, focused on alternative methods to that of GDP for measuring

and steering development. Several bodies of criticism arose, asserting that GDP overlooks crucial variables such as asymmetrical wealth distribution, environmental degradation, social mobility, home production, standards of living, crime, and health outcomes (Fishman 2010; Fleurbaey 2009). With these variables omitted, developmental schemes were viewed as suspect, unsustainable, and devoid of ethical implications for industry. In response, numerous alternative indices were created to amend the shortcomings of GDP. However, before explicating on the indicator models meant to substitute for GDP and its derivatives, a brief history of GDP's rise, and skepticism is necessary.

The use of GDP as the primary measure for economic performance, influencing conclusions about social welfare and development, can be traced back to the Bretton Woods institutions. In 1934, Russian-American economist Simon Kuznets introduced GDP as a measure, aggregating the value-added economic activities in a country over time (Kuznets 1934). By the 1940s, economic growth, symbolizing the increase in goods and services as well as a country's capacity, emerged as a key metric for societal progress (Stiglitz, Sen and Fitoussi 2018; Sen 1983; Fleurbaey 2009; Pink, Taylor and Wetzler 2014; Castles 1973). GDP as a result of both its clarity and replicability, was thus championed as the authoritative measure on social and economic progress throughout the rest of the 20th century (Pink, Taylor and Wetzler 2014). Its efficient methodology allowed for comparison across countries, an overview desired by the post-war reconstruction agenda to eliminate global poverty (Pink, Taylor and Wetzler 2014). The elimination of global poverty was thus propelled to the forefront of foreign interventionist agenda and sparked a new wave of development economics which focused on global development rather than rural to urban or industrial policy (Fleurbaey 2009; Sen 1983).

Severe optimism on the matter of poverty elimination in this new global development-oriented paradigm was based on absolutist standards of what "freedom from poverty" might look like (Sen 1983). Absolutist standards do not indicate 'fixity over time' but rather there are universal criteria which can be applied at any time to any country to determine its level of development. Later, there was a shift in belief that relativist benchmarks for reducing poverty as applied to policy would yield realistic outcomes (Sen 1983). Relativism in the development economic debate asserted that countries should be judged based on their historical, cultural, and temporal context rather than universal standards which privileged western development (Sen 1983). Within these two competing frameworks for poverty elimination, GDP serves as one of many possible variables, however, absolutists prize GDP more. The GNH index within the context of this debate follows along a more relativist approach, which will be expounded upon in a later section.

Further, economists on the whole have acknowledged the incompleteness of GDP as a welfare measure, but initiatives to invent new 'synthetic' metrics that are all encompassing continue to be contentious. Generally, modern "corrected GDP" is thought to be an improvement upon classic GDP accounting, by employing "green" methods which better reflect social and environmental deprivations. Additionally, several derivations emerged that still use national accounting methods to compute economic activity and subsequently draw conclusions about 'progress'. Beyond simple national accounting, other approaches emerged in the 1990s-2000s to challenge these dominant methods (Hawkins 2014). Jones & Klenow have proposed a simple consumption approach which would consider both macro data from multiple countries and micro-data including leisure time, mortality, and household consumption in order to provide a more nuanced understanding of living standards (Jones and Klenow 2016). This model favors consumption over income as one indicator but still views welfare fundamentally in material terms. In contrast but with similar materialism, the United Nations Human Development Index (HDI),

which was developed by Pakistani economist Mahbub ul Haq and the Indian economist Amartya Sen, was introduced in 1990 (Jones and Klenow 2016; Sen 1983).

The Human Development Index (HDI) attempts to look beyond GDP by combining life expectancy, literacy, and income. However, it has been criticized for its arbitrariness about what constitutes welfare. Other measures privilege over consumption such as Fleurbaey & Gaulier's full-income measure which also incorporates leisure and life expectancy or even Boarini, Johansson, and d'Ercole's full-income work-up which substitutes wages for income. Furthermore, countless permutations of welfare measuring have been developed to better assess or prioritize different objective measures of economic and social well-being. However, none of them emphasize the necessity of "happiness" to social progress. GNH and the broader 'happiness' movement therefore occupy a distinctive place in the welfare measure literature (Bakshi 2004).

A King's Decree

Origins of GNH Happiness and Generating International Appeal

The genesis of Bhutan's revolutionary approach to development came at the behest of the fourth King, Jigme Singye Wangchuk, who decreed "Gross National Happiness is more important than Gross National Product" soon after his enthronement in 1972 (J. Y. Thinley 2007; Mancall 2004; Ura, et al. 2012). Credited with ushering in a remarkable quarter-century of economic growth and prosperity (Fishman 2010), his legacy is one marked by 'enlightened' progress imperatives. (Fishman 2010; J. Y. Thinley 2007; Nath 2018). Much on the literature which examines Bhutan's extraordinary transformation is therefore attributed to the 'wisdom' of the 4th King who foresaw the futility in modernizing on the basis of materialism and the nation's need to flourish independently from other actors (J. Y. Thinley 2007; Mancall 2004; Rinzin, Vermeulen and Glasbergen 2007). Bhutan has since promoted itself as a trailblazer among developing countries through its rapid adoption of democracy and formulation of a holistic economic development index which not only factors in, but is contingent on, the happiness of its people (Nath 2018; Thinley and Hartz-Karp 2019).

Part of Bhutan's tactic to promote GNH globally is to precisely define 'happiness' within the context of GNH development. For the Bhutanese, the interpretation of 'happiness' within the GNH framework surpasses the conventional hedonic understanding espoused by Western philosophers (Ura, et al. 2012; J. Y. Thinley 2007; Long 2019) It is therefore crucial to differentiate between 'GNH Happiness' and the Western interpretation of happiness, broadly conceived. Western constructs tend to limit happiness to a subjective, individual experience in which the attainment of happiness is internally motivated and individualistic (Ura, et al. 2012). Notions of happiness and what generates happiness are therefore scattered and largely undefined. In contrast, 'GNH Happiness' is embedded in Buddhist theocratic ideals which have formed the bedrock of Bhutan's legal code since the 17th century.

The First Legal Code in Bhutan was established by Zhabdrung Ngawang Namgyal, the founder of the modern state of Bhutan, and codified in 1652. This legal code, which has since been amended, outlined both 'secular and temporal laws' intended to drive the people towards achieving enlightenment which results in "joy and happiness" (Givel 2015). The goal of enlightenment is thus interlinked with policy prescription in Bhutan. This link is why GNH philosophy is understood as an 'enlightenment philosophy' functioning as a national treatment. This national treatment reappeared in the legal code of 1729 which advocated the fusion of Mahayana Buddhist ethics with the mission of the state. These ethics over time crystallized into the following tenets: the need for sustainable and equitable socioeconomic development, environmental conservation,

preservation and promotion of culture, and good governance (Kim, Richardson and Tenzin 2023; Ura, et al. 2012).

The combination of secular and spiritual elements in the legal code reflected the political arrangement of the country that was the 'two-fold' system of shared power between the secular leader, *Druk Desi*, and the spiritual leader, *Je Khenpo* (Givel 2015; Ura, et al. 2012). This two-fold system was replaced by the hereditary monarchy of the Wangchuk dynasty by 1907; however, the mandate of the state to promote collective happiness on the basis of Mahayana Buddhism endured under the reign of the newly installed *Druk Gyalpo*, the first king of Bhutan, Ugyen Wangchuk (Givel 2015). The successive kings of the Wangchuk dynasty would continue to promote the happiness of the people of Bhutan, again citing the 1729 legal code which maintains that government is legitimized so long as it serves to endorse and create collective happiness, or *dekidk*, for its subjects (Givel 2015; Ura, et al. 2012).

The promotion of collective happiness as a core mandate of government in Bhutan directed the agenda of the 4th King, who oversaw Bhutan's modernization efforts in the latter half of the 20th century (Ura, et al. 2012). However, the use of this legal code as a national treatment is often mired in misperception. The popular notion of GNH tends to conflate GNH as a national treatment with being a "national consciousness" (Denman and Namgyel 2008), meaning GNH is reflected in the mores of society and detectable at the individual level. This conflation between national treatment versus national consciousness must be addressed in order to understand the institution of GNH, broadly defined in this paper as the "GNH regime". While GNH contains a set of beliefs and value propositions, it is more embedded in the political sphere than anywhere else. I argue that using "GNH regime" better captures the theological, legal, and methodological components which make GNH more than just a philosophy or welfare measure; rather it is a set of institutions, norms, and metrics that have evolved over time, a process summarized in the next paragraph. As explained below, GNH prior to the 1960s existed as a political philosophy, emphasizing purposeful cooperation between the people and its government and collectivist notions of societal welfare, but as Bhutan opened itself to the world it was transformed into an instrument of political reform (Givel 2015; Fleurbaey 2009).

Bhutan emerged from isolationism in the 1960s, compelled by external pressures, particularly the forces of globalization and the impositions of its two neighbors- India and China (Theys and Rietig 2020; Phuntsho 2013; Fishman 2010; Rahul 1968). During the 1950s, China had embarked on an expansionist campaign into neighboring Tibet—with whom Bhutan shares both historical borders and close cultural heritage—leading to an influx of Tibetan refugees into Bhutan (Kharat 2014; Phuntsho 2013). The annexation of Tibet and subsequent expulsion of the Dalai Lama to India contributed to Bhutan's suspicion of China and gradual push towards India (Kharat 2014; Mancall 2004; Rahul 1968). Due in part to the 1949 Treaty with India, which allowed India to assume guardianship of Bhutanese external affairs and prevented encroachment into Bhutan's southern territory, Bhutan continued to expand relations with India throughout the 20th century (Phuntsho 2013; Dash 1996). By expanding diplomatic ties abroad, Bhutan's monarch underwent a series of land, education, and civil administration reforms to 'catch-up' with the globalizing world (Nath 2018).

Realizing the pressures created by exposure to globalized markets and spheres of influence, it was clear that a rethink of the development framework was in order, this time propelling GNH to the forefront. In 1961, the Planning Commission was established to oversee a series of Five-Year development plans initiated by the 3rd King, who is widely regarded as the modern architect of Bhutan. (Mancall 2004; PCS 2000; Mathou 1999). Later it was reformed into the Planning

Commission Secretariat (PCS) in 2000 with improved efficiency and capacity while the government simultaneously restructured.

These institutions were created to enforce the values of GNH and fill the vacuum created by the change in the country's political hierarchy. In 1998, the 4th King of Bhutan announced a partial relinquishment of his hereditary powers which were to be transferred to the National Assembly, established back in 1953, which would instead elect a Council of Ministers to oversee the federal administration (Givel 2015). The decentralization led to the creation of various commissions and local administrations to oversee the new government, notably the conversion of the Planning Commission Secretariate to the Gross National Happiness Commission (GNHC) in 2008 (Givel 2015; Khamrang 2013). The King's early abdication of the throne to his eldest son, King Jigme Khesar Namgyal Wangchuck, in 2006 buttressed the first-ever democratic elections in 2008 (Givel 2015). Concurrently, a new constitution was drafted, enshrining the GNH regime and transforming the throne into a constitutional monarchy, reserving the monarch's right to provide political counsel and serve as Bhutan's diplomatic symbol (Phuntsho 2013).

This restructuring of power within the Bhutanese administration accompanied the 4th King's partial and voluntary transference of power to the National Assembly (Phuntsho 2013; Givel 2015; Mancall 2004). Thus, it is critical to understand that democratization and promotion of civil liberties have a reciprocal relationship with the advancement of GNH ideals (Givel 2015). This shift of power away from the monarchy decentralized power and policymaking. This unprecedented decentralization in Bhutan signaled something special and radical about the Bhutanese leadership to international onlookers. In the same year, the Bhutanese Prime Minister, Jigmi Thinley, spoke at the Asian-Pacific Millennium meeting in Seoul, South Korea. It was on this stage that GNH began as a major ideological and diplomatic export of Bhutan (Bakshi 2004; Givel 2015).

Since the 1970s, the Bhutanese government has increasingly operationalized the guiding philosophy of GNH in its policymaking (K. Ura 2005). The soft influence that long prevailed in Bhutanese society was subsequently formalized into an index which sought to quantify the happiness in the country now under GNH-prescribed public policy (Nath 2018; Phuntsho 2013; Hayden 2015; Fishman 2010). GNH is very much seen, from the Bhutanese perspective, to be a lifeline of cultural and political preservation (Mancall 2004). It blends the ideological program of collectivist happiness cultivation with practical policies to further Bhutan's status within the modern state system (J. Y. Thinley 2007; Mancall 2004). In 2008, the Planning Commission was renamed the Gross National Happiness Commission, which was tasked with implementing the four pillars of GNH—good governance, environmental conservation, preservation of language and culture, and sustainable development— as well as advising policy based on the GNH index method for quantifying happiness. This institutional reform resulted from the first democratic elections and adoption of a new constitution in 2008 (Kim, Richardson and Tenzin 2023).

In the course of democratizing and internationalizing, Bhutan expanded diplomatic efforts beyond its bordering states and increasingly sent delegates to international forums to prove the merit of its 'altruistic' governance structure. Bhutan's GNH paradigm was largely viewed as a revelation. Generating international appeal came at the heels of the discursive shift in economic thought which questioned the over-reliance on GDP as a factor in welfare-measurement. Thus, Bhutan's innovative stance on good governance and sustainable development perfectly aligned with the political appetite of development economists and governments worldwide (Bakshi 2004).

Though Bhutan experienced latent effects of globalization due to its cautious opening to the world, impacts on social cohesion and political culture could be observed later in the 4th king's

reign among the younger generations who began demanding greater access to foreign commodities (Mancall 2004). The impact of globalization on Bhutan, fostering an increase in consumerism, was further heightened by the subsequent introduction of digital technology and the internet around the turn of the millennium (Mancall 2004). These factors expedited efforts to safeguard Bhutan's cultural and political autonomy. Through the synthesis of Bhutan's rich and uniquely intact culture, these endeavors are seemingly stuck at a crossroad. Bhutan's leadership today must find a way to delicately balance cultural preservation with the desire to participate in globalization (Mancall 2004; Frame 2005; Kim, Richardson, and Tenzin 2023; Nath 2018; Rinzin, Vermeulen and Glasbergen 2007; J. Y. Thinley 2007; Givel 2015).

An Inescapable Dilemma

Human Capital Flow Paradigms in the Development Literature

In the latter half of the 20th century, the theoretical literature on the net-effects of human capital flows blossomed, driven by a surge of skilled laborers migrating from low-income, developing countries to their developed, high-income counterparts (Giannoccolo 2006). Debates not only addressed the reasons for the direction of human capital flows but also focused more on the implications of shifting human capital between 'sending' and 'receiving' countries (Giannoccolo 2006; Docquier, Lohest and Marfouk 2007). Subsequently, the sub-literature on human capital flows dealing with the push and pull factors of skilled-migration and the consequent 'winners' and 'losers' arose through the analysis of large data sets compared across a swath of countries and time periods. Countries were thus classified as states who either implement "pull strategies" to leverage monetary benefits as a net brain-gain effect and those states which hazard "push" factors, resulting in net brain-drain effects (Commander, Kangasniemi and Winters 2004; Kapur and McHale 2005).

The dynamic between sending and receiving countries is complex and highly dependent on regional factors and country-context. Since the 1960s, the development literature on human capital flows, or skilled-labor migration, has developed two theoretical dichotomies: 'brain drain' and 'brain gain'. Throughout the 1970s-1980s, the consensus among development economists was that sending countries' labor markets were negatively impacted by human capital outflow due to a lack of human resources to make industry competitive or innovative, i.e. brain drain. The severity of this negative impact on welfare at home, as theorized by scholars such as Grubel & Scott and Berry & Soligo, is determined by whether a migrant contributed more to output as opposed to their income. However, the broad notion that human capital outflow is harmful to the welfare of inhabitants of the sending country was challenged beginning in the 1990s to 2000s.

As it was hypothesized in the 1970s by Jagdish Bhagwati and later by scholars such as Caglar Ozden or Maurice Schiff in the 1990s, both sending and receiving countries can benefit in different ways from human capital flows. This camp theorized that the accumulation of remittances from enriched diasporas or a tax on expatriates can generate revenue for the sending country which in turn, offsets the economic productivity loss in the home-economy; simultaneously, the receiving country can benefit from the expansion of its own talent pool and increase home economic productivity, i.e. brain gain (Kuznetsov 2006; Brown 2006; Dustmann and Mestres 2008). The proposed benefit of human capital flows prompted development researchers such as B. Lindsay Lowell or John Salt to investigate the impact of 'global talent' mobility, broadening the scope of the original dichotomy to the practical realities of winners and losers in the global labor or talent market.

Global talent refers to individuals who possess skills that are in high demand internationally and often require significant investment in education or technical training (Kerr, et al. 2016). This

concept is central to the study of global talent mobility, which examines the movement of skilled individuals across borders (Kuznetsov 2006; Kerr, et al. 2016). These individuals contribute to knowledge-based economies and are crucial for driving innovation and economic growth (Kuznetsov 2006). A critique levied at this 'talent' mobility paradigm is that it is too often permissible of 'poaching'. Poaching describes the behavior of pull states, which tend to be settler-colonial, wealthy nations such as the United States or Australia, which enact strategies to siphon valuable human resources from developing countries, wherein expertise is at a premium (Kapur and McHale 2005). Since the 2000s, there has been increasing attention in the development literature on premiums on expertise, which are heightened through the process of human capital flight, and ways to mitigate the gap created by this premium. This focus combines convergence theory with the optimism of 'brain gain' logic, as well as a reconceptualization of social theory on 'the migrant'.

Brain circulation stands as the latest significant addition to the literature on human capital flows. It integrates the cautionary projections of brain drain, the monetary leveraging of brain gain, and the dynamism of global talented labor migration. Brain circulation, a concept advanced by scholars such as Devesh Kapur, AnnaLee Saxenian, and Jean-Pierre Garson, represents a paradigm shift in understanding skilled migration. It acknowledges that skilled individuals can move between countries multiple times, contributing to the development of both sending and receiving countries. Kapur's research emphasizes how skilled migrants can benefit their home countries through remittances and knowledge transfer, while Saxenian highlights the role of diaspora networks in promoting innovation and entrepreneurship. Garson argues that brain circulation fosters a two-way flow of knowledge and skills, enriching both the home and host countries. Furthermore, brain circulation challenges the traditional concept of brain drain by acknowledging the positive impacts of skilled migration on global development. It also corrects the asymmetry of brain gain by deconstructing the idea that expatriation as being a static decision made by the agents of human capital. Rather, it disrupts the notion that skilled migrants cannot be enticed back to their home country, or that the relocation of these migrants presupposes knowledge-loss (Nail 2015; Saxenian 2005; Kuznetsov 2006).

Determining winners and losers in the depletion of skilled labor can prove difficult to assess depending on the economic vitality of affected industries within the 'sending country' (Commander, Kangasniemi and Winters 2004; Docquier and Rapoport 2012). However, it is empirically true that developing countries ultimately lose to developed countries in the migration of skilled labor since human capital is an essential resource but not bountiful among developing countries, particularly in the regions of South Asia, Sub-Saharan Africa, and Latin and South America (Docquier, Lohest and Marfouk 2007; Gibson and McKenzie 2011; Docquier and Rapoport 2012). Further, the reverberating effects of brain drain tend to worsen with countries in which top education levels are low/narrow (Docquier, Lohest and Marfouk 2007). Education levels as typically reported in emigration data distinguishes education among three levels: low-skilled labors with a primary level of education, medium-skilled labors with a secondary level of education, and high-skilled labor with a post-secondary level of education (Docquier, Lohest and Marfouk 2007).

The hierarchical system for determining the skill level of labor affects how we perceive brain drain in a given country or region. For instance, if a country's economy depends on a certain level of education, such as secondary education, the impact of skilled labor leaving is relative to the percentage of the population with that level of education. It is crucial to establish the parameters

for what constitutes the critical level of skilled labor and associated education level needed for a country to maintain economic performance (Docquier and Rapoport 2012).

Income maximization and country size are significant factors in understanding HCF. There is a well-established positive correlation between education level and emigration, and emigration tends to be lower in larger countries. The role of income maximization is crucial in evaluating the pull factors of destination countries, as immigrants may significantly increase their earnings in wealthier countries, which can also lead to increased remittances to their home countries (Grogger and Hanson 2011). Remittances play a crucial role in today's globalized economies, as they can boost economies through payments from diaspora or expatriate workers to families and organizations in their home countries. However, calculating the impact of remittances on the economy can be challenging due to the informal channels through which these finances flow (Brown 2006; Gibson and McKenzie 2011).

The connection between English and international migration requires further study. Scholars such as Adserà & Pytliková suggest that while "soft" linguistic requirements at destinations may encourage migration, linguistic networks at destinations ultimately determine increasing rates of migration. This could explain why many Bhutanese youth and high-skilled workers primarily emigrate to English-speaking countries, particularly Australia, where the bulk of the Bhutanese diaspora resides in Perth. However, the link between English and brain drain remains understudied, and more empirical research is needed in this area.

THEORY

Understanding Migration Patterns

Theoretical Framework of Brain Gain, Brain Circulation, and Brain Drain

In the latter half of the twentieth century, there was a significant shift in the literature on how societal welfare was to be calculated and pursued, leading to new ways of thinking about sustainable development (Castles 1973; Bakshi 2004; Brooks 2013). In tandem, the increased movement of people, ideas, and resources across borders has brought the concept of the 'migrant' to the forefront of political discussions (Nail 2015). Migrant communities, which form influential diaspora networks, are now increasingly used for international networking and innovation (Saxenian 2005; Kuznetsov 2006). However, the debate continues over whether the outflow of skilled migrants from poorer countries to richer ones is necessarily a negative or irreversible condition (Beine, Docquier and Rapoport 2008). This has led to increased attention to theoretical frameworks of human capital flow, with a focus on the legal migration of skilled workers. Additionally, the traditional distinction between brain drain and brain gain has been challenged in recent years by a wave of "brain circulists" (Saxenian 2005; Makiko and Keiichi 2010). Thus, this paper argues that brain gain, brain circulation, and brain drain are not mutually exclusive but often co-evolve, illustrating the ambivalence of human capital flows.

Brain drain is the dominant notion that a net-outflow of human capital from an economy, usually from important industries or public service sectors, lowers the welfare of the people who remain in-country due to a decrease in services available or knowledge to bolster the economy. Globally, a deficit in critical skilled professions are often tantamount to economic stagnation and declines in the standard of living. Skilled professions such as healthcare workers, like doctors or nurses, engineers, information technologists, and educators are at a premium in developing countries. Often, the skilled labor seeking opportunity elsewhere will be underemployed in the 'receiving' countries' economy because human capital is in a surplus, creating a phenomenon known as 'brain-waste', which is when the skills held by these migrants go underutilized. In the

event their skills or knowledge are properly absorbed into the receiving countries' economy, the resources expelled by the sending country to train the individual results in a net-loss to their country of origin and a net-gain to the destination country. However, this logic has been challenged on the basis that if the skilled-migrant's income was higher than the economic plus of 'hosting' them, then there is no drain on the home economy (Docquier, Lohest, and Marfouk 2007; Dustmann and Mestres 2008; Rizvi 2023; Sen 1983; Mattoo, Neagu and Özden 2008).

Since the 1960s, skilled professionals emigrated at higher rates from global south countries to wealthier, European nations, such as Germany as part of the Gastarbeiter program (Triadafilopoulos and Schönwälder 2006). Many of these countries were left with a shortage of public services and incapacity to enhance domestic institutions. Additionally, the transference of human capital from Commonwealth countries in the Caribbean and Sub-Saharan Africa to Australia, Canada, and the United Kingdom was exceptionally high, leading to a massive brain drain from which these regions have not fully recovered (Baldwin 1970). It is thus important to note that settler-colonial ties, like exhibited in the migration patterns of Commonwealth countries, is a major intervening variable when employing the lens of brain drain (Baldwin 1970). However, in the case of Bhutan, one of the few nations in South Asia to elude the imposition of the former British Raj (English 1985), the experience of potential 'brain drain' is a consequence of how the government, unimpeded by a major subjugating force, chooses to manage its human capital, or talent pool. Therefore, Bhutan's experience of brain drain will be felt acutely as it manifests in key sectors, these being education, health care, and the public service (Jones and Klenow 2016; Kapur and McHale 2005; Kerr, et al. 2016).

Therefore, I hypothesize that the case of Bhutan's HCF will exemplify brain drain in sectors critical to domestic institution and capacity building.

> **Hypothesis I**
> Brain drain is likely to be most pronounced in sectors reliant on human capital, particularly in fields where human capital is in high demand. This phenomenon will be particularly evident in 1) education, 2) healthcare, and 3) the civil service.

The most sought-after and vital jobs for enhancing Bhutan's internal capacity lie in the Royal Civil Service, where brain drain is expected to be most acute. The outflow of vital human capital, including public officials who increase the government's capacity to deliver public services, will lead to increased attrition rates despite the sector's desirability as a labor market. These heightened attrition rates, despite the prestige associated with civil service jobs, indicate the presence of a siphoning mechanism. This mechanism is likely driven by improved working conditions and advancement opportunities abroad. In addition, the education sector, which plays a crucial role in human capital generation and retention, will also experience attrition rates among staff and the departure of students and recent graduates. The outflow of teachers and students seeking economic or educational advancement abroad, especially if they settle permanently, signals a net brain drain effect. The settling aspect is critical because this human capital is not easily replaced domestically. Furthermore, brain drain in the healthcare sector, which includes skilled practitioners such as doctors and nurses, who are even harder to retrain and replace, once again indicates brain drain. These practitioners are likely to find better compensation for their skills abroad. However, there might also be a level of brain waste, as nurses and other healthcare professionals who received credentials in Bhutan may not be able to practice in their destination country.

Brain gain is counter to the expected repercussions of brain drain on a given economy. Gaining relevance in the literature largely in the 1990s, though having its roots in the remittance

literature of the early 1980s, it refutes the 'winner takes all' theorem of brain drain. Instead, it posits that both sending and receiving counties can benefit from one-way migration of human capital. While the receiving country gains human capital domestically, the subsequent formation of enriched diaspora networks creates lobbyist connections for lower to middle-income countries in the high-income countries as well as opportunity to profit from remittances. The rise of remittances sent back to relatives and institutions remaining in the country of origin, therefore, can benefit the country depleted of human capital (Kapur and McHale 2005; Beine, Docquier and Rapoport 2008; Giannoccolo 2006).

Another iteration of brain gain is that rather than a given country suffering from insufficient levels of human capital, it can instead import foreign human capital or employ expatriates to enhance internal capacity. This alternative way of gaining in contrast to remittances or diaspora networks is a logical extension of the 'catch-up' mechanism of latent exposure to globalization (Brown 2006). This related theory supposes that developing countries can engineer brain gain through the importation of foreign generated innovations, technology, and human capital. In the case of Bhutan, therein exists a precedent for the ingress of foreign human capital or rehiring of expatriates as a strategy to expedite development in key sectors, especially education (Thinley and Hartz-Karp 2019).

Therefore, I hypothesize that the case of Bhutan's HCF will demonstrate the brain gain theory in several ways, including A) remittance generation and B) utilizing the "catch-up" mechanism of global talent:

> **Hypothesis II**
> HII.A: Australia, serving as a proxy for other countries receiving Bhutanese human capital, should demonstrate gains through the retainment of an increasing number of Bhutanese students and skilled workers. Additionally, Bhutan should receive benefit from increased remittance revenue.
>
> HII.B: Bhutan should show benefits from the "catch-up" mechanism through past or present initiatives aimed at enhancing its internal human capital capacity. These initiatives include recruiting skills and knowledge from foreign human capital and skilled expatriates in key sectors such as education and public service.

The dynamics of brain gain involve both Bhutan and Australia, the focus of this research, receiving different benefits. Bhutan, despite losing its human capital, can still bolster its economy through revenue generated from remittances. While these remittances may be difficult to trace due to their tendency to flow through informal channels, they will have increased as more Bhutanese secure work or education abroad and send money back to their families and villages. Additionally, Australia benefits from absorbing international migrants, particularly students, who contribute to the university system in Australia. These migrants pay into the Australian system, and their higher entry-level credentials compared to other immigrants expand Australia's human capital pool without the need for additional investment in primary, secondary, or tertiary education. Moreover, Bhutan's brain gain should be historically demonstrated through the deliberate importation of human capital from abroad and outsourcing of the required training to enhance internal capacity, notably in the education sector. This alternative brain gain relationship differs from brain circulation, as there is no mutual trade between the sending and receiving countries or regional partners. Instead, Bhutan aims to leverage global partnerships to benefit from the "catch-up" effects for itself.

Brain circulation is a newer concept in the study of human capital flows. It focuses on the dynamic nature of skilled migration and emphasizes the potential for collaboration among talent pools regionally and internationally. This concept integrates the idea of reciprocity seen in brain

gain remittances, while also acknowledging that human capital flows can disadvantage the sending country, dependent on the temporal and regional context. However, it's strong assumption of altruistic collaboration between diaspora and the home population overlooks the individual level factors which inform the decision to leave one's country. Long-standing, expansive diaspora networks are certainly capable of this inherent partnership and circulation of human capital, but this is unlikely in the case of fragmented or young overseas networks. The viability of brain circulation is also heavily reliant on the 'pull' strategies employed by the receiving country, which can monopolize human capital gains. In this light, Bhutan's history of student and professional exchange programs with Australia creates the conditions for successful brain circulation but could also veer in a direction of classical brain drain if Bhutanese diasporic networks are not strong enough or if the Australian setting over-absorbs the talent it has collected through increased settlement, essentially cutting off the healthy circulation of human capital (Saxenian 2005; Makiko and Keiichi 2010; Rizvi 2023; Kuznetsov 2006).

Therefore, I hypothesize that Bhutan's HCF exemplifies the potential for capitalizing on brain circulation. However, current trends show that more youth and workers are settling abroad, which needs to be curtailed otherwise circulation will be 'cut-off'. I suggest that the foundations for brain circulation existed briefly in Bhutan's post-isolationist era when it embarked on globalized education initiatives.

> **Hypothesis III**
> Brain circulation, characterized by the potential for reciprocity between receiving and sending countries, could be evidenced by mutual exchange programs in the realm of education, health care, or other knowledge-intensive sectors. These programs would be designed to foster or improve overseas networks in the receiving country as well as domestic institutions through the return of human capital.

The major challenge for Bhutan in capitalizing on brain circulation is that the increased mobility of human capital, facilitated by greater access to loans and self-financing options, may lead to a faster drain than reciprocation. However, during the period when these financing schemes were becoming more accessible, students were able to pursue opportunities abroad, return, and build strong, circulatory ties between sending and receiving countries. Regional ties, exemplified by exchange and crediting programs with India, demonstrate reciprocity between the two countries involved in brain circulation (Ramachandraiah 1994). Thus, the existence of these reciprocal networks in Bhutan's history of sectoral enhancement suggests that Bhutan's human capital flows mirror brain circulation. However, recent challenges have interrupted this circular flow of knowledge and skills. Furthermore, changes in the migration standards and procedures of traditional receiving countries will impact the volume of human capital circulation.

The case of Bhutanese youth and skilled laborers departing for economic and educational opportunities abroad offers a unique scenario to examine the interplay of these three theoretical frameworks. Bhutan, celebrated as a pioneer in sustainable development and good governance, carries with it an implicit expectation that its human capital would thrive domestically (Coleman and Sagebien 2004, Fishman 2010, Givel 2015). The country's development schemes aimed at transforming it into a knowledge economy include a rapid expansion of the technology and information sectors, all hinging on the promotion and retention of human capital (Givel 2015, Hayden 2015, J. Kim 2020). Despite the government's intention to align Bhutan with other growing South and East Asian economies like Singapore or South Korea, it faces inherent challenges to its ambitious growth (Mancall 2004, Batalova, Shymonyak and Sugi 2017). Notably, educational reforms and planned development strategies for human capital propagation evidence that

Bhutanese leaders were keenly aware of the theoretical approaches to sustainable development, which hinges on the manipulation of the domestic human capital pool to achieve certain developmental goals, positioning Bhutan as a nation in cooperation with international agenda setting (Yangka and Newman 2019, Wangyal 2001, Mancall 2004). Therefore, this paper contends that Bhutan's case of HCF is particularly compelling for examining the three theoretical frameworks due to its previous self-imposed isolation and strategic exposure to globalizing forces (Mancall 2004, Hayden 2015).

While the observable trends of Bhutanese youth and skilled workers going abroad in increasing numbers help build a macro-narrative around HCF in the case of Bhutan, the individual-level motivations in the unique context of this country can be elaborated upon further. In order to do this, this research includes interviews with ten Bhutanese college students and recent graduates who share their perceptions and experiences of the emergence of HCF. These interviews help to elaborate further upon the expectations laid out by the hypotheses regarding how the three theories manifest in the case of Bhutan. By assessing thematic representations which either mirror the logic or lend nuance to the observations of the interplay of the three theories, the conversations had with college students provides a more comprehensive understanding of why not just any emigrant, but rather a Bhutanese emigrant, chooses Australia over remaining indefinitely in Bhutan.

Migration serves as a means to escape economic hardship or pursue personal ambitions, representing a fundamental truth about the movement of human capital. Yet, comprehending this phenomenon necessitates an integration of unique perspectives from various countries and cultures. By examining individual testimonies, one can better align the conceptual understanding of migration with the actual circumstances faced by migrants and those they leave behind. To complement the macro-data analyzed in the case study, I draw upon my connections at the College of Language & Culture Studies (CLCS) in central Bhutan acquired through my summer studies there to conduct semi-structured interviews. These interviews with college students and a recent emigrant to Australia constitute a purposeful sample to capture perceptions of how human capital flight manifests in Bhutan and its implications for brain gain, brain circulation, and brain drain.

Demonstrating the Theories at the Individual-Level

Brain gain, brain circulation, and brain drain are concepts often studied at a broad, macro-level. However, to truly grasp the depth and impact of these phenomena, it is essential to consider them at the individual level. Rather than merely associating these theories with different phases of HCF in Bhutan, I argue that the understanding of their underlying principles is enhanced through individual experiences. By examining how these theories manifest in the personal stories and accounts of those affected, we can gain a more nuanced understanding of their real-world implications. We can expect to see the impression of these theories through lived experience in the following ways:

Brain Gain

Brain gain, as both a notion and documentable phenomena, could be demonstrated through testimony which includes references or explicit mentions of remittances. The reception of money should be linkable to a growing Bhutanese diaspora in Australia which can therefore afford to leverage the higher wages earned abroad to benefit family members or communities left behind.

Brain Circulation

The core principle of reciprocity between countries should be reflected through mentions of Bhutanese going abroad to study as a net-benefit to Bhutan development schemes. Specifically, references to how the return

of human capital that had previously left the country will foster growth or contribute to Bhutanese society reflect a perspective that is consistent with the principles of brain circulation theory.

Brain Drain
Testified evidence how skilled professionals and students are opting to live, work, and settle in Australia signify drainage. Additionally, brain drain can be demonstrated through mentions of struggles and obstacles back home in relation to a growing shortage of human capital, especially in sectors such as healthcare and education.

METHODS

Documents, Data, and Dialogue

Methods for Conducting a Case Study and Interviews

Case Study Sources

This case study relies on a range of sources, including government reports spanning the last five decades. These reports, originating from Bhutanese, Australian, and third-party international organizations, provide statistical data crucial for understanding human capital flows, sectoral reform, and projected economic and migration patterns. The Ministry of Education (MoE, formerly known as the Department of Education or DoD before 2003), Royal Civil Service Commission (RCSC), Royal Monetary Authority (RMA), Centre for Bhutan & GNH Studies (CBS), Department of Foreign Affairs & Trade (DFAT, Australian Government), Bank of Bhutan (BoB), Department of Audit & Higher Education (DAHE, Royal Government of Bhutan), and Australian Awards (AA) are among the government departments and institutions whose official data estimates are referenced in this research.

In addition to these institutional documents, primary diplomatic memos and public policy ordinances are used. These supplemental materials help corroborate timelines and political messaging. For example, correspondence between PM Jigme Dorji and PM Menzies regarding the Colombo Plan in 1963, the 1st Quarterly Policy Guidelines and Instructions (QPGI) in 1988, and the New Approach to Primary Education (NAPE) from 1985 to 1990 are assessed for their contribution to understanding the three theoretical frameworks.

By examining both Bhutanese and Australian sources, the study focuses on the most significant policy and diplomatic initiatives in educational reform for further analysis. To maintain focus, some simplifying assumptions are made to avoid getting sidetracked by tangential matters. For instance, the study isolates policies like NAPE or QPGI from the political backdrop of Sino-Tibetan security concerns or the ethnic cleansing campaign conducted to expel the Nepalese-speaking Bhutanese minority, Lhotshampas, from the south of the country during the 1990s (Gallenkamp 2011). The following subdivisions of the methods section discuss the process for acquiring and conducting interviews with Bhutanese college students as a supplement to the macro-narrative of human capital flight in Bhutan.

About the Sample Setting

CLCS was established in 1961 by the late third King, Jigme Dorji Wangchuk, as a male-only and semi-monastic college and constitutes one of eleven colleges comprising the Royal University of Bhutan system. Over time it has evolved to become a multi-subject, co-ed institution. Uniquely, CLCS was the first RUB college to offer a bachelor's program, entitled "Language and Culture", developed solely in Bhutan without foreign assistance in the curriculum planning. The college continues to host three primary degree programs and one advanced course of study:

1. B.A. Language & Literature
2. B.A. Dzongkha & Culture Studies
3. B.A. Himalayan Studies (to be discontinued)
4. M.A. Choekey and Dzongkha

CLCS is therefore a humanities college that specializes in one of the four pillars of GNH, preservation and promotion of cultural values. One way to instill students with the traditional knowledge and etiquette of their homeland is through instruction in Driglam Namzha, translating to "the way of conscious harmony." Driglam Namzha teaches self-discipline in speech, addressing others, and wearing national attire, fostering social cohesion and 'harmony' within the community. These etiquette standards were introduced in 1989 to strengthen the Bhutanese identity. However, interviewees suggest that such programs are falling out of favor in Bhutan, being replaced by STEM and skill-based degree programs, which are seen as more marketable both domestically and internationally. Consequently, CLCS embodies a sort of 'ground zero' of investigation into how a heightened desire to go abroad impacts the perceptions of communities and individuals. As the primary humanities focused college in the country, which has no upward credential mobility accessible to graduates, students at CLCS may be most subject to the momentum to go abroad despite the promises for improved standards of living afforded by GNH.

Protocol for Gaining Interviewees

By reaching out to one of our principal guides from the trip who is employed as a Research Officer at CLCS, I was given access to students through a community WhatsApp group. As a Research Officer, this contact has a broad reach over the student population in Bhutan as all students are encouraged to partake in research as a core requirement of their education at CLCS. In this group, students were either added directly by the Research Officer or by one another. This approach to acquiring interviewees is commonly referred to as a "snowballing" method, in which hard-to-access populations are reached through interpersonal connection and referral. These initial participants were assured of the confidentiality of their responses. By employing a semi-structured interview approach, ten questions were distributed to willing participants after their appointment for a virtual interview was set. From an initial group of twelve WhatsApp participants, six students responded to separate, confidential prompts to schedule a virtual interview time on the platform, Zoom.

Structure of Interviews

Interviewees were provided a consent form to which they could respond with a digital declaration of consent and a copy of the following ten questions:

1. What are some major concerns for the country that you, your friends, classmates, or family members talk about nowadays?
2. How would you describe the biggest challenges facing Bhutan's youth and working population?
3. How would you describe Bhutan's emigration to Australia to someone unfamiliar with this trend? From your perspective, what kinds of opportunities does Australia offer to Bhutanese youth and workers?
4. Do you foresee your own children or grandchildren spending their whole lives in Bhutan? Why or why not?
5. Some foreigners praise GNH and some criticize it, citing that Bhutanese youth are leaving for Australia. What is your view about foreigners who criticize GNH? Tell me about your experience with foreigners visiting Bhutan.

6. How do you feel about your job and career opportunities after you graduate? What is considered a desirable job or prestigious in Bhutan? Can you give me some examples?
7. Do you think the wide use of the English language by youth has given Bhutanese students more opportunity in Bhutan or has encouraged them to seek opportunity in English speaking countries like Australia? How would you compare the comfortability of your generation speaking English compared to your parents and grandparents?
8. In your view, what has the government done or not done to address the social issues we have discussed?
9. How has the Megacity project, announced by his Majesty's government, affected the outlook of Bhutanese youth? Do you think it will have an impact those who decide to move to Australia?
10. If you had the opportunity to pursue higher education after CLCS in Australia or some other country, would you and why?

Building on the 'prompt' framework proposed by Jiménez & Orozco (2021), these questions aim to prompt open-ended responses from interviewees, fostering a conversational interview style. This technique is intended "not to get the respondent to answer a specific question but rather to provide the respondent with a device to think through and discuss a set of topics." The questions are designed based on four templates: the "grand tour," the "counterfactual," the "comparison," and the "no-limits" formats. Each format is designed to elicit responses that provide researchers with insights into the salience of events, attributes, and experiences; the structure of what is considered normal; perceptions of cause and effect; and behaviors, experiences, and views related to sensitive topics.

For questions 1-3, a "grand tour" format was used to minimize influence on respondents' choices or discussions. Wording avoided buzzwords like "brain drain" or "issue of emigration," keeping language neutral and open-ended to invite varied perceptions without biasing respondents to please the interviewer or take contrarian views. Question 4 prompted interviewees to consider their position broadly, making it challenging to examine the trend of HCF in a self-focused context. Question 5 gauged sentiments regarding foreign opinions of GNH, allowing evaluation of whether the research was perceived as problematic or limiting. It also opened the discussion to views about GNH, as respondents were likely to compare and contrast their own views with those held by foreigners. Questions 6 and 10 related to the students' demographic, providing nuance to the discussion of post-graduation outlooks for potential emigrants. Question 7 addressed the unique context of Bhutanese emigres who possess a higher level of English-language ability, providing insight into the literature on the connection between English-speaking ability and immigration to Anglophone countries, such as Australia. Questions 8 and 9 sought perspectives on the government's intervention or interaction with HCF, representing a no-limits approach to encouraging candid responses to sensitive or complex topics.

Ethical Considerations

To address potential concerns about the interview, respondents were assured of their right to withdraw from the interview process at any time and to opt out of having their information recorded. The interview format was adapted to accommodate multiple participants on Zoom calls, contingent upon all participants providing oral assent at the start of the interview and written consent immediately after the conclusion of the interview. Auto-generated transcripts were collected from the Zoom call after each interview session concluded. These untouched transcripts were returned to respondents on an individual basis for their approval of the content of their responses. This adjustment of allowing multiple students per interview allowed nine college

students to engage in the open interview call by inviting their friends and classmates, fostering a more comfortable virtual environment for many participants, particularly given my role as a foreign researcher. By increasing the number of participants per interview session, this heightened the risk for any one individual to dominate the conversation, however, it was made an explicit point that all participants were encouraged to provide their own unique responses to questions or clarify their views relative to one another. In some instances, during joint-interviews, respondents would mute themselves when in the same room and collaborate on answers, followed by one of them answering on behalf of both.

Several interviewees noted that I was their first foreigner with whom they had interacted personally or had a conversation. Bearing this in mind, it was imperative to offer respondents the necessary support, information, and time accommodations to ensure a positive interaction and encourage free expression. Although free expression is a constitutional right in Bhutan since 2008, there exists a prevailing culture of conformity and reservation, especially concerning public dissent, particularly regarding the government or monarchy. In light of this context, careful consideration was given to addressing sensitive topics such as media censorship and government intervention by fielding questions ahead of time with my personal contact that has emigrated to Australia and agreed to participate as the tenth respondent in this study.

Purposeful Sample

In addition to the college students still residing in Bhutan, a tenth respondent was included in the study. This respondent had served as an enumerator for the Anti-Corruption Commission briefly post-grad and has since emigrated to Perth, Australia, providing direct testimony to the experience of Bhutanese emigrants who have left for higher education. Questions for this interviewee were tailored to explore the process of emigration, including how loans are secured and the role of the diaspora in HCF. All interviewee responses will be assessed based on content and recurring themes. These themes could include repeated sentiments regarding employment or educational opportunities, periodic mentions of public figures or institutions, or major events or projects discussed during the interview.

Given the possibility of language barriers that may limit the depth of analysis at the textual or phrasal level, it is important to assess specific responses based on the broader context of the discussion. Thus, this portion of the study will display particularly rich, thematic segments of the interview transcripts which may illuminate or challenge the assessment of HCF through the lenses of the three theories. While the interviews conducted for this research do not constitute a random systematic sample, they provide intrinsic value to the discussion of an understudied phenomenon in Bhutan. The inclusion of these individual perceptions allows us to better understand the individual level calculus that goes into the decision to leave one's country. Additionally, these interviews offer clues, insights, and direction for the discussion of HCF, opening the door for further study on broader perceptions of HCF in Bhutan and its relation to GNH.

Theme Identification

The thematic analysis involved identifying recurring themes within individual interview rounds, whether conducted with a group or a single participant. These themes emerged organically from the flow of conversation. To identify them, particular attention was paid to significant mentions of figures, initiatives, and sentiments related to opportunities or post-graduation outlooks, as well as explicit references to the status of education and healthcare in Bhutan. This framework for theme identification is purposefully open-ended and non-rigid. I prioritize standout

monologues or critical language because many students expressed hesitancy and fear of limitations when speaking English. Therefore, when a student made a significant effort to express their thoughts or feelings in English, I considered their long-form response particularly important. The emigrated respondent, who possesses an elevated level of English proficiency, provided more comprehensive answers. This also enhanced my ability to engage in reflexive practices during our discussion. Once I identified particularly long or intensive responses, I made use of marginal notes to identify poignant, candid, or common terms or sentiments.

Therefore, the themes which emerged throughout were the following: 1) lack of opportunity, 2) hope of return, 3) the prospect of happiness, and 4) the promise of the Megacity. The meanings and relevance of these thematic findings is elaborated upon below:

Lack of Opportunity
The theme centers around the recurring perception that there is a lack of opportunity for educational or professional advanacement available to youth within Bhutan. The discussion of limited post-graduate employment opportunities, a restricted job market, or challenges in finding well-paying jobs reflects the "push" factors typical of sending countries. Conversely, references to Australia's abundance of opportunities for exploration, training, or advancement relative to Bhutan align with the "pull" factors associated with receiving countries.

Hope of Return
This theme centers around the repeated belief that students or individuals who have left Bhutan will return with the intention of contributing to the country, illustrating a key aspect of the brain circulation discourse. This conjecture suggests that their return could enhance Bhutan's growth through innovation and an improved human capital pool. Such sentiments align with the principles of brain circulation, which emphasize a reciprocal exchange of human capital between countries.

The Prospect of Happiness
This theme revolves around the influence of perceived 'happiness' on individual decisions to migrate to destinations like Australia. Bhutan's Gross National Happiness framework aims to create conditions for generating happiness among its people. However, the role of happiness in migration decisions is ambiguous, as it hinges on the personal values and aspirations of each individual. Those who choose to emigrate may seek 'happiness', defined on their terms, through new experiences and better opportunities. However, this leaves a gap in human capital back home, requiring reconciliation. The extent to which happiness drives emigration could have implications for brain circulation or ongoing brain drain.

The Promise of the Megacity
This theme centers around the perceptions of hope or skepticism regarding the Bhutanese government's Megacity project. The announcement of the "Mindfulness City" in Gelephu by His Majesty's government, aimed at providing economic opportunities and stimulating entrepreneurship, has sparked mixed reactions. Some view it as a step towards retaining youth and human capital in Bhutan, potentially addressing the issue of brain drain. However, it also highlights the existing challenges related to human capital drainage in the country. The project's promise signifies the government's recognition of and efforts to reverse the trend of Bhutanese seeking opportunities abroad.

In order to confirm that these themes are indeed recurring and to recognize the different degrees of recurrence across interview rounds, I conducted a manual key search of raw interview transcripts to estimate thematic prevalence. Key terms were selected based on the frequently used words or phrases included in my initial marginal notes and which correspond directly to the theme titles. The following table shows a key word search using the raw transcripts acquired through auto-generation from each Zoom interview round. These figures exclude mentions made by me and also do not factor in word recognition error by the transcript software, therefore these amounts serve as a conservative approximation:

Figure 1: Prevalence of Themes

RESPONDENT INTERVIEW ROUNDS								
Key Search	**1**	**2,3,4**	**5,6**	**7**	**8**	**9**	**10**	**=**
"opportunities" or "opportunity"	5	23	15	10	15	17	7	**92**
"return" or "come back"	3	10	6	8	6	10	9	**52**
"happiness"*	4	6	4	5	9	5	11	**44**
"Megacity" or "Mindfulness City"	1	3	6	4	2	9	3	**28**

*Excludes "happiness" in reference to Gross National Happiness

The most frequently mentioned term in all interviews was "opportunity," discussed in varying depths regarding education or employment prospects. The second most recurring sentiment was the idea of "return" or "coming back" to Bhutan, particularly among those who leave for Australia. The third most discussed topic, apart from opportunity and returning to Bhutan, was the concept of the "Megacity" or "Mindfulness City." Finally, the notion of "happiness" or its role in the decision to migrate appeared frequently when respondents discussed motivations for going abroad. It's worth noting that mentions of "happiness" were adjusted to exclude direct references to Gross National Happiness or "GNH happiness," rather focusing solely on the general idea or construct of happiness.

CASE STUDY

The Interplay of Three Theories

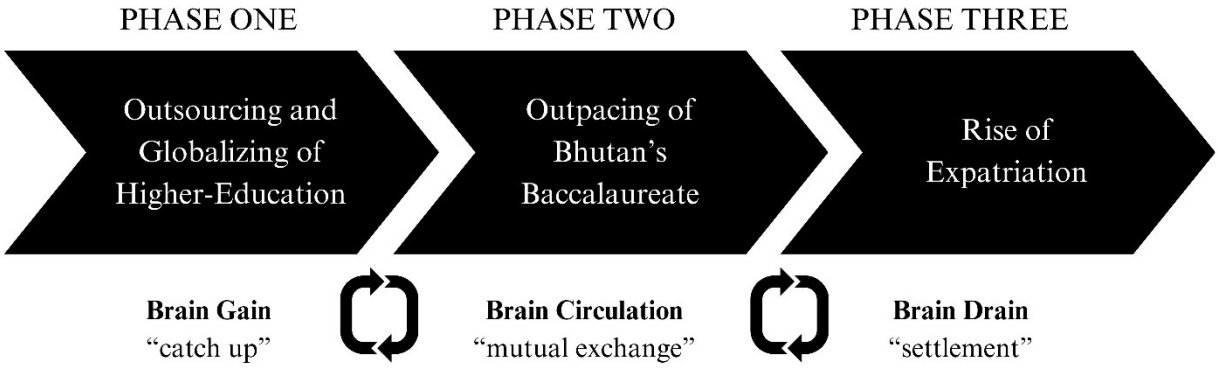
Exploring the Contours of Human Capital Flight from Bhutan

The onset of the Bhutanese "exodus" cannot be traced to any particular event. Instead, it has only registered as a public concern in the last three to five years (Karma Ura 2023). However, migration overseas for the purpose of technical training programs and obtaining tertiary degrees has been underway for decades (DFAT 2024; Karma Ura 2023; Rizvi 2023). This migration is part of Bhutan's strategy to enhance its human capital resources. Thus, the pattern of Bhutan's human capital flow must be distinguished from normal recurring or cyclical migration. There must be a separation in our understanding of the organic mobility of people, which is inherent to Bhutan becoming a participant in globalization, and the recent "exodus". I argue that this distinction can be further extrapolated to illustrate the following foundational theories to the human capital flow and development literature: brain gain, brain circulation, and brain drain. I propose dividing Bhutan's human capital flight into three advancing stages or phases: Phase 1. Outsourcing of Doctoral Programs, Phase 2. Outpacing of Bhutan's Baccalaureate, and Phase 3. Rise of Expatriation.

These phases cannot be rigidly separated from one another in terms of time, nor do any of them exclusively align with a single theoretical paradigm. Rather, a country can experience one or

more of these dynamic flows, though one might have dominance in a given period. This argument hinges on the notion that human capital mobility is not static (Nail 2015); it is influenced by external factors such as policy, environment, and social conditions (Grubel and Scott 1966; Rizvi 2023). While Bhutan is experiencing globalization, the literature portraying it as a case study of latent exposure has not kept up with the recent "exodus" (Karma Ura 2023; Rizvi 2023). This research therefore contributes to bridging the gap by tracing Bhutan's history of human capital flow through the lenses of the three theoretical paradigms, focusing on the education sector as well as the current trends in migration to Australia. Moreover, the following figure illustrates the three phases as well as which theoretical flow of human capital dominates.

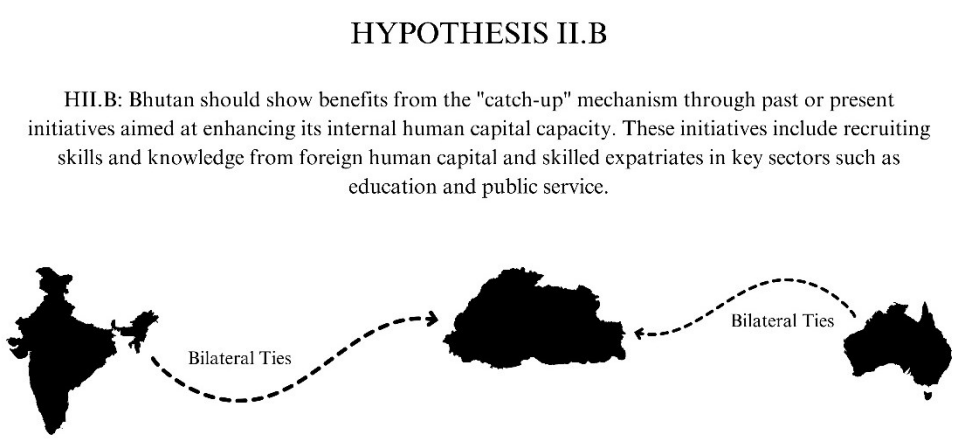
Figure 2. Phases of Human Capital Flight Emergence



Phase One: The Outsourcing and Globalization of Higher-Education in Bhutan

As part of Bhutan's program to develop into a knowledge-intensive economy, which seeks to leverage information technology and innovation, it has formed longstanding multilateral ties in order to "catch-up". In an attempt to move away from traditional industries such as agriculture, small-scale manufacturing, and natural resource exploitation, Bhutan's rapid and transformative five-year economic plans have coincided with the overhaul of primary and secondary education in the country (Bray 1996). It is worthy of mention that the first two planned development economic plans were financed "wholly" by the Indian government (Srivastava 2015; Mathou 2016). Additionally, by vaulting stages of the Kuznets curve—a theoretical development curve suggesting that countries can only prioritize sociable and environmentally conscious policies after obtaining a certain level of wealth typically gained from heavy industry and economic diversification (Kuznets 1934)—Bhutan's evolving institutions, overseen by the Wangchuck dynasty, have prioritized enhancing native human capital; this has been achieved by globalizing its approach to education and importing human capital resources, primarily though bilateral ties with India and Australia (Srivastava 2015; Dash 1996; Dutt 1980; Tshering, Berman and Miller 2020). Consequently, Bhutan has demonstrated a "brain gain" phenomenon over the past few decades of its modernization program. The following diagram illustrates how these flows factor into Hypotheses II.B:

Figure 3: Hypothesis II.B Flow Chart



Evidence of the "catch-up" effect of the 'brain gain' phenomenon is best exemplified through *The New Approach to Primary Education* (NAPE), subsequent education reform throughout the 1980s-1990s, and the ongoing participation in the Colombo Plan. I argue these initiatives set a precedent for how Bhutanese government develops human capital and additionally, how it copes with retention, particularly in the education sector. Before delving into the Colombo Plan and NAPE, it is crucial to understand that all developmental objectives pursued by the Bhutanese government align with the political philosophy of Gross National Happiness (GNH). GNH aims to foster environmental and economic sustainability as well as cultural preservation (Karma Ura 2005). Even before its formal quantification of well-being, GNH influenced the principles of national treatment (Brooks 2013; Kim, Richardson, and Tenzin 2023). As Bhutan modernizes, its leadership aims to reduce reliance on exploiting natural resources (Hartz-Karp and Thinley 2019). Instead of following the typical path of developing nations that rely on low-skill labor for heavy industry, Bhutan plans to bolster its economy through "catch-up" mechanisms achieved via international cooperation. This approach presents a "cultural paradox" for Bhutan (Sahlberg 2006), as it diversifies due to exposure to global education trends and markets, which conflict with the nation's desire to maintain a homogeneous Bhutanese identity and lifestyle (Valliere 2014).

Part of Bhutan's novelty is the major transitions enforced by the government beginning in the 1950s under the Third King, Jigme Dorji Wangchuk, who began with the "realization of basic infrastructure" before moving to expand Bhutan's multilateral relations while asserting sovereignty, less it be impressed upon by its formidable neighbors (Gallenkamp 2011; Kharat 2014; Mathou 1999; Nath 2018). The Colombo Plan was a landmark multilateral venture, not just for Bhutan, but for the Asia-Pacific region. Bhutan became a formal signee after its Prime Minister, Jigme P. Dorji, attended 14th Consultative Committee Meeting in Canberra, Australia. In a letter he wrote to Australian Prime Minister, R.G. Menzies, he expresses "gratitude for the goodness of and help received by Bhutan through their Delegation from the Government [of Australia] and the Australian people" (Dorji 1963).

Joining as a party in the Colombo Plan in which countries, notably India and Australia, committed to offering mutual foreign aid to co-developing Asian countries, Bhutan was engaging in one of its first major diplomatic expeditions with the intention of stabilizing its security and economic apparatus (Schuelka and Maxwell 2016; Oakman 2010). Part of the plan's

implementation included sending physical capital to countries as well as creating mutual exchange programs for human capital development (Dutt 1980; Oakman 2010). The granting of aid gifts to Bhutan was especially important given that small, developing states tend to struggle in developing economies of scale like their larger counterparts. In the case of education, cultivating both material and human capital for the increased demand for education in the modernizing economy was a barrier overcome with the help of initiative of the Colombo Plan.

Furthermore, as part of the modernizing project in Bhutan, particular emphasis was put on transforming the traditional monastic model into a modern, western-style university system beginning in the 1960s and undergoing a major transition in the 1980s (Denman and Namgyel 2008). The leaders of planned development foresaw that providing education for youth was simply not enough and that the general education of teachers has a greater impact on outcomes. Beginning in 1985, the Bhutanese government launched the *New Approach to Primary Education* initiative (NAPE) through which the primary education model in the country was restructured to focus on 'child-centric' learning rather than 'chalk-and-talk' or 'teacher-centric' pedagogy (Choden 1990; Bray 1996; Schuelka and Maxwell 2016). In collaboration with English, Irish, and Welsh educators, additional initiatives helped improve primary schooling accessibility in-country (Schuelka and Maxwell 2016).

Throughout the 1990s, subsequent initiatives with Australian educators was developed to promote further professional training and continuous schooling for Bhutanese teachers and administrators. Further and in more recent times, the country underwent significant education reform where a rewriting of school curricula in consultation with Canadian educators to help reduce the country's reliance on India which provided public examination standards under the *Council for Indian School Certificate Examination* (CISCE) (Schuelka and Maxwell 2016). However, the induction of Indian and expatriate teachers and textbooks tended to be ‘removed’ from the experiences and lives of Bhutanese students (MoE 2014). This disparity was particularly evident in the Jesuit education philosophy first introduced through missionary work in Northern India, which contrasted with the theological and intellectual traditions of the Buddhist monastic education curricula (Schuelka and Maxwell 2016; Seth 2007). However, this international collaboration infused English into the imported curriculum, alongside Hindi, as the primary language of instruction (Bray 1996). Consequently, the prevalent use of English in Bhutan today can be traced back to this initiative (Schuelka and Maxwell 2016). Afterward, the transitional effort was made in order to make Bhutanese primary and secondary schooling more Bhutanese and more importantly, informed by the GNH framework although this injection of GNH would only become crystallized in education policy later.

Bhutan relied heavily on what could be referred to as engaging in a ‘reference society’ approach to reforming education, committing to observing and collaborating with foreign models considered more sophisticated than what Bhutan could foster organically and in the short term within its borders (Zangmo 2018; Schriewer and Martinez 2004). Historically isolated and with modern education endeavors still in their infancy, Bhutan looked beyond its neighbor India, including Australia and Canada in its "reference societies." The historical basis for cross-border exchange programs between Bhutan and Australia thus has its roots in these policy initiatives. In the endeavor to strengthen Bhutan's educational sector, the Ministry of Education implemented a series of policy ordinances aimed at instilling in students core Gross National Happiness (GNH) values related to cultural and spiritual well-being. These values, including love and loyalty, ethics and discipline, and appreciation for and pride in being Bhutanese, are foundational to Bhutan's educational philosophy (MoE 2010; Schuelka and Maxwell 2016). A significant milestone in

Bhutan's educational policy was the issuance of the *1st Quarterly Policy Guidelines and Instructions* (QPGI) in 1988, marking the formalization of national standardized educational directives. Among its key provisions was the "Nationalization of Heads of Schools," emphasizing the pivotal role of school leaders in preserving Bhutan's identity amidst increasing global educational influences (DoE 1988).

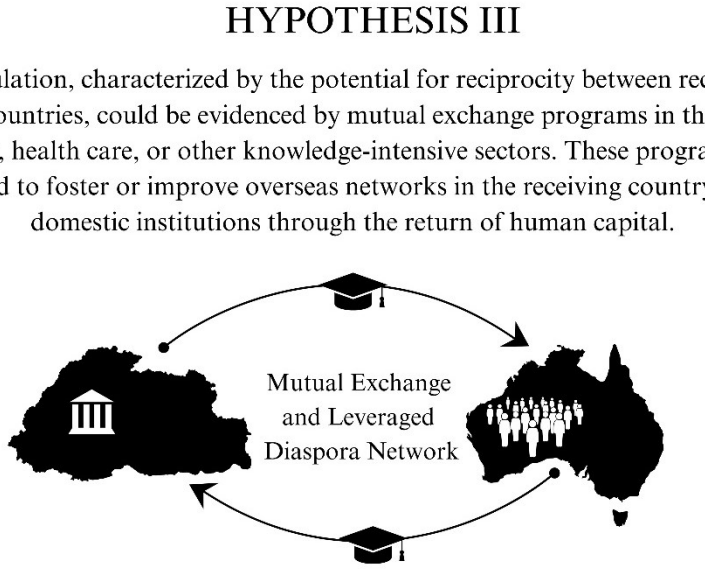
As a measure to enforce native human capital leadership, the government writes in the QPGI, "The [institutes] still headed by expatriates shall be similarly replaced by nationals shortly. The reason for this policy of the Government is that it has become imperative to utilize schools/institutions to develop loyal and dedicated Bhutanese citizens…who can ably instill in our younger generations a deep sense of pride and respect for our traditional values" (DoE 1988). Since 1961, Bhutan witnessed a rapid expansion of schools, accompanied by the introduction of a "western" education model, raising concerns about the dilution of Bhutan's identity and values. This concern intensified as foreign influence became more pronounced in Bhutan's development landscape (Schuelka and Maxwell 2016; DoE 1988). This scenario underscores a recurring "cultural paradox," wherein Bhutan is tasked with modernizing its education system while safeguarding its cultural integrity and the values instilled in its youth (Schriewer and Martinez 2004; Sahlberg 2006; Schuelka and Maxwell 2016).

While immediate improvements to education infrastructure were limited, Bhutan prioritized investing in human capital by sending a select number of graduates to pursue post-secondary training and degree programs abroad. Despite the emergence of the first doctoral holders in Bhutan in the early 2000s, as of 2014, only 10% of higher education faculty at the two education training colleges in Bhutan held doctoral degrees, largely due to the absence of domestic doctoral programs (Maxwell et al., 2014). To enhance the qualifications of school administrators, Bhutan has consistently sent doctoral candidates abroad. It is crucial to acknowledge that these past exchange programs not only established a precedent but also led to a reliance primarily on Australian institutions for outsourcing.

Phase Two: The Outpacing of Bhutan's Baccalaureate Institutions

Bhutan's educational progress took a significant leap forward with the establishment of the Royal University of Bhutan through Royal Decree in 2003. This milestone was not only a testament to the country's commitment to education but also a result of the Ministry of Education's strategic approach, which transitioned from a globalized perspective to a localized one. This shift was instrumental in advancing Bhutan's education system as part of its planned development initiatives. The Ministry of Education did so by facilitating scholarships and subsidizing studying in foreign countries, especially in Australia, India, and Canada. The following diagram illustrates how the mutual exchange programs, which set a normative precedent to go abroad to Australia, showcase brain circulation, though this dynamic has gone astray as an increasing number of Bhutanese choose to remain in Australia without immediate plans of return:

Figure 4: Hypothesis III Flow Chart



From the inauguration of RUB until 2013, Bhutan enhanced its human capital by increasing the number of teachers receiving specialized training and post-secondary degrees significantly. With the expansion of training programs and post-secondary opportunities made available to teachers, the 'critical shortage' of this human resource allowed RUB to begin making positions in education more competitive. While a large sum of the master's degrees and the PhDs were conferred by foreign universities in partnership with the Ministry of Education's 2003-2013 developmental goals, the expanded pool of educators in Bhutan demonstrates the 'brain gain' phenomenon in the nascent stage of HCF emergence. In the process of outsourcing tertiary degrees to partnership countries, which have historically been Australia, India, and Canada, the Bhutanese education system became a gateway for upward mobility contingent on global linkages.

The Ministry of Education's *2014-2024 Blueprint* capitalized on this momentum by recognizing the importance of making higher education accessible to all. Aligned with the GNH framework, education policy incorporated the right to education by offering merit-based opportunities for secondary school students to receive a free college education if they achieved a certain minimum score on postsecondary exams. This expansion of access to higher education was widely praised by the international community but met with skepticism domestically due to concerns about the strain on public resources. The provision of free schooling to all Bhutanese youth has created a significant demand for this public good, which is still in its early stages of development.

The Bhutanese government accords high priority to expanding education throughout the country but with this expansion, the economy has found difficulty in absorbing the increasing number of graduates with degrees unsuitable for the requirements of Bhutan's available jobs. With the expansion of the Bhutan's diploma and degree granting institutions throughout the 2010s, literacy rates and rural out-migration have increased. While primary schooling and secondary education had a high majority of enrollment, 95% and 85% at the beginning of the decade respectively (Schuelka and Maxwell 2016), the capacity for the government to enroll students in

tertiary degree programs has remained limited, with only roughly 10,901 youth matriculated past the X and XI grades in-country with enrollment trending negatively as of last year (MoE 2023).

Since 2008, the Royal Government of Bhutan has pledged that higher education "shall be equally accessible to all on the basis of merit". The intention to make education 'universally accessible can be further traced back to 1974 when the Central Planning Commission stated the following:

> "To preserve our country's rich cultural and spiritual heritage while seeking at the same time to reap the fruits of science and technology; Education must be related to planned development goals. It should as far as practicable be closely linked with actual manpower requirements of the country at different levels in various fields, with a view to avoid the problem of "unemployment of the educated" in future; and Education must be closely related to and immediately applicable to local conditions." (Education Policy, 1974)

With the goal of advancing Bhutan to a middle-income country status as part of its Millennium Development Goals, there was a focus on addressing the "manpower requirements" in fields traditionally occupied by foreign workers and expatriates, who mostly obtained their credentials abroad. However, it has been noted that the expansion of Bhutan's baccalaureate education has not aligned consistently with the country's workforce needs or distribution. In 2021, 55.5% of the population were employed in the agricultural sector, of that amount, 35.1% were family workers, meaning there is a high degree of interfamilial and intergenerational ties to this sector that are not easily shifted through economic mobility (RMA 2022).

In a recent study on youth perceptions of employment opportunities after graduating in agricultural communities, it was discovered that social factors exert pressure on youth to pursue careers in the civil service. However, entry into the civil service has become increasingly competitive. The demand for access to higher education has also grown, particularly among those who qualify for merit scholarships. Nevertheless, for students from rural farming communities, few economic opportunities are realistically available.

The 'outpacing of Bhutan's baccalaureate' is an argument about a confluence of factors. The liberalization of education access in Bhutan, started out of the human capital enhancement initiative, to the natural step of expanding tertiary education in the country has given the majority of the youth population a taste of upward mobility but unlike the initial selected students and teachers chosen and facilitated to receive higher training to nationalize the workforce in high-skilled sectors such as education and healthcare, they have been grossly disillusioned. According to the same study in 2017 out of the College of Natural Resources in Bhutan, written prior to the external shock of Covid which will be addressed the in following section, it found that:

> Bhutan's high economic growth led to the changing structure of the economy, where growth has been relatively capital intensive while labor absorbing capacity in various sectors has stalled or even decreased while the job seekers in the country has increased significantly. Furthermore, for the economic transition, there is demand for youth having specific skills including requirement for vocational training graduates where graduates seeking jobs are mostly holding general degrees and do not fulfil the requirement. Even if the youths are employed, they either underperform or eventually leave jobs for better opportunities. (Katel & Pezlom, 2017).

While vocational training programs, geared towards helping rural communities find footing in the advancing economy, there remains a 'mismatch' between the level and quality of programs offered and the new knowledge and skills demanded from the youth (Rinchen 2008). Higher education in the country remains largely academic, theoretical, and catered toward an in-classroom application yet the growing demand for high-skilled labor in technical professions, which contribute to

development throughout the country, especially in agriculture which is the largest sector of the economy outside of hydroelectric energy production and tourism, is still at a deficit.

The government, as part of the *2014-2024 Blueprint*, has acknowledged the pressing nature of this issue, recognizing the visible distress in the public sphere. Despite efforts from Technical Training Institutes (TTIs) and private sector involvement, these programs have struggled to attract more students due to the stigma attached to the belief that the resulting jobs are either non-existent or low paying, despite their importance. Youth are still drawn to office jobs in both the public and private sectors. However, the Ministry of Education acknowledges the challenges posed by this trend, as noted in the following citation:

> Access to tertiary education is still a challenge due to the limited intake capacities in the existing tertiary institutions in the country and poor private sector participation. The limited number of tertiary institutions in the country have resulted in increased number of students pursuing tertiary education outside Bhutan. (*2014-2024 Blueprint*, MoE)

This factor serves as a primary motivator for students and graduates to seek opportunities abroad. Australia, renowned for its longstanding reputation as a prestigious destination for higher education, offers an alternative to domestic options, thereby outpacing Bhutan's baccalaureate system. The responses from Bhutanese college students interviewed from CLCS align with this narrative, indicating a lack of mobility within Bhutan's current tertiary education system (detailed later). This reality is compounded by the expanded access to financial resources, giving an increasing number of students the ability to self-fund through private loans or government-backed scholarships.

According to the Department of Audit and Higher Education (DAHE), Bhutanese students have the opportunity to pursue higher studies at two Australian universities in partnership with the Ministry of Education: Curtin University and the University of New England. Scholarships are also available for an additional 38 universities across 14 different countries (DAHE 2024). This collaboration stems from the robust diplomatic friendship detailed in the previous sections between Australia and Bhutan. Resulting from the Colombo Plan, five Bhutanese students from Trashigang High School (now Sherubtse College) were sent to Hale School in Western Australia under the Colombo Plan and graduated 1969 (Tshering, Berman and Miller 2020). Notably, one of these students, Dasho Dr. Pema Thinley, became the first Vice-Chancellor of the Royal University of Bhutan and further endorsed teachers to pursue education in Australia (Thinley 2014). The Colombo Plan has continued to sponsor the exchange of both Australian and Bhutanese youth with the intent of developing human linkages to promote sustainable economic development (MoE 2014; DFAT 2024).

Australia over the course of five decades has pledged foreign aid such as this in the sectors of education to numerous developing countries in the South Asia and Asia-Pacific region (Ramachandraiah 1994; Dash 1996; Oakman 2010). To Bhutan alone, Australia awards $6.4 million in Official Development Assistance, much of which is spent on improving Bhutan's human capital resources (DFAT 2024). More specifically, a longstanding exchange program has existed with the University of New England (UNE), Australia, to support Bhutanese tertiary degrees in Education Administration, mentoring Bhutanese teachers in curriculum design and teaching pedagogy (Maxwell 2018; Chophel and Maxwell 2020). Further, UNE has awarded eighteen PhDs to Bhutanese, which is the most out of any single university in the world (Chophel and Maxwell 2020). Consequently, Australia has played an integral role in shaping and improving Bhutan's human resource development as well as many others in South Asia.

The scholarships offered bilaterally are extensive and often include extensive financing from long-term housing, internship and mentorship compensation, and additional avenues for continued study (DFAT 2024; AA 2023). Part of Australia's considerable commitment to scholarship program through the Australia Awards program is due to its cooperation with the 2030 Sustainable Development goals (AA 2023). Australia hence benefits from brain circulation since those who attend to the 2030 Sustainable Development criterion attract global investors and strengthen multilateral ties.

Because brain circulation envisions a dynamic exchange of skilled migrants across borders, individuals do not anticipate permanent detachment from their home countries. Instead, there is a growing emphasis on mutual collaboration, allowing for the flow of human capital in both directions, not solely from low-income to high-income nations. Collaborative initiatives like the Colombo Plan between Australia and Bhutan exemplify this notion of brain circulation. However, the success of such initiatives hinges on the ability of the low-income country to retain the talent it exchanges over temporary periods. This stage in the evolution of HCF represents a critical juncture, with outcomes that could swing in either direction. Presently, the scale appears to be tilting precariously.

I argue that the globalized nature of Bhutan's tertiary education system has facilitated emigration, leading to an increase in expatriation among students and those facing mobility challenges in the evolving economic landscape. Initially successful due to international collaboration and the efforts of pioneering educators, this simultaneous liberalization and globalization of education in Bhutan entered a second phase. During the 1990s-2000s, there was a level of reciprocity, with expatriate heads of universities leading the way, but Bhutan primarily remained a recipient of aid and co-beneficiary rather than a major contributor of human capital to its partners (Choden 1990; Dash 1996; Dutt 1980). The progression of human capital flows in Bhutan has evolved from an initial phase of brain gain catch-up, to a more intricate network of exchange programs signifying brain circulation. Now, at a critical juncture, heightened attrition and settlement rates have triggered a phase of human capital flight, commonly referred to as brain drain.

Phase Three: The Rise of Expatriation

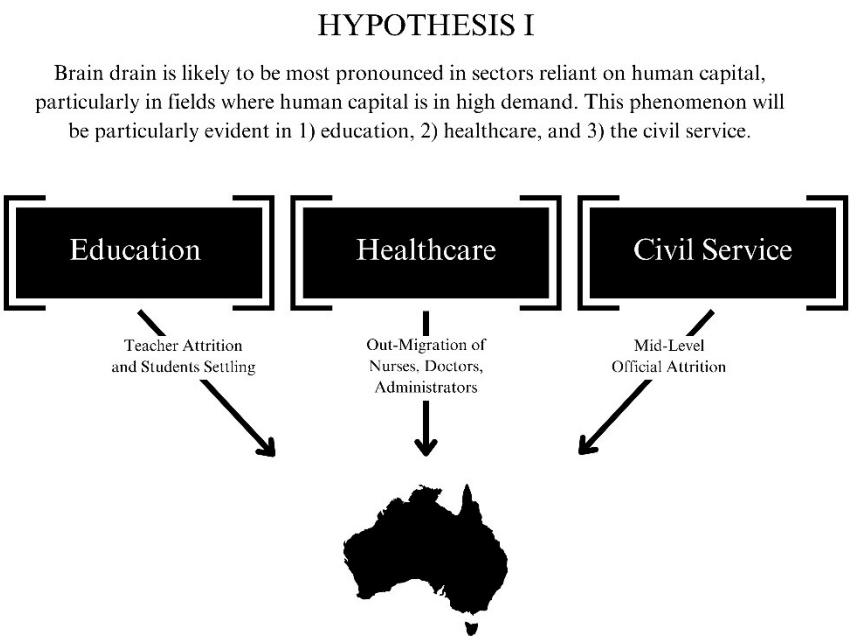
The replacement of expatriates with Bhutanese nationals as the heads of learning institutions, many of whom received their doctorates overseas in collaboration with the Australian university system, signified brain gain. Additionally, this second phase contributed to a normative choice among young Bhutanese to seek education and economic opportunities abroad at higher rates, as the RUB system had limited options for further study. Increased scholarship and exchange programs between the Bhutanese and Australian university systems represents a form of brain circulation, which recent proponents have argued can become the norm. This phase was characterized by the outpacing of Bhutan's baccalaureate-granting institutions, leading to the third stage where the scale of student migration tips into brain drain, with an increasing number of individuals choosing to remain abroad to utilize their human capital.

The transition from a mass study abroad program between Bhutan and Australia has evolved into a pathway for both students and trained professionals to settle overseas. As detailed in earlier sections, this process is heavily influenced by economic factors. While the reasons for migration are often complex and vary based on individual circumstances, the overall trend of skilled professionals and youth leaving the country, which has the potential to accelerate the flow from low-income to high-income countries, is evident in Bhutan's struggle with human capital

flight, reflected in high attrition rates in the Civil Service, healthcare, and education sectors. Despite efforts to establish a circular flow of human capital from foreign institutions during the 1990s-2000s, the trend in the 2010s shifted towards a normative choice to pursue higher education and career opportunities in English-speaking countries like Canada, Australia, and the United States. This trend has resulted in sectoral leakages that continue to grow.

Thus, the issue lies in an increased desire to go abroad compounded by the lack of desire to return (Koopman 2022). The following diagram illustrates how the outflow of human capital, signaled by risen attrition rates and the subsequent rise of expatriation defends Hypothesis I.

Figure 5: Hypothesis I Flow Chart



Beginning with the most alarming attrition rate, the Royal Civil Service Commission (RCSC) in their Annual 2022-2023 publication reported a 16% separation. Civil servant separation was further broken down into type, with the majority at 3,413 of the total 4,822 severing voluntarily. Mid-level professionals in the divisions of Professional & Management and Supervisory & Support forming the bulk of both contract and regular termination. As of 2023, the Civil Service has a little over 29,000 employees, making the 2023 FY attrition numbers all the more alarming as it jumped roughly 245% from the 2021-2022 FY (RCSC 2023). The reasons by this report for high attrition rates are vague, citing "economic" factors. This vagueness is likely due to a transparency issue wherein the administration does not want to admit to unsatisfactory compensation and difficult working conditions. With the immediate absence of a large number of Civil Servants, the public administration will suffer capacity and intake issues.

The next major sector to experience high attrition rates is healthcare. Bhutan, which historically lacks medical professionals and the ability to provide training in-country, has made significant efforts to improve the delivery and quality of services in support of international benchmarking standards (Mason Meier and Chakrabarti 2016). As part of the 2008 constitutional reform, the government pledged to "provide free access to basic public health services in both modern and traditional medicines". In doing this, Bhutan took on a rights-based approach to public

health; however, in a small developing state which must overcome several hurdles to institutional capacity, socialized medicine has put a strain on the human capital resources which is reflected in the most recent attrition rates. According to the Health Minister of Bhutan, Tandin Wangchuk, attrition rates for doctors, medical technicians, pharmacists, and other healthcare workers, stand at 9%; for nurses, the attrition rate is over-double at 20% based on 2023 data (Wangchuk 2024). Many of these healthcare workers cite "inadequate benefits and allowances, limited career advancement opportunities, and better prospects in other countries" as major factors for quitting (Wangchuk 2024).

Lastly, the education sector and teacher attrition rates is a more complex phenomenon, embedded in the bilateral relationships convened over several decades with foreign institutions. The attrition rate for primary and secondary school educators in spite of these exchange programs, appear to be separate from simple "pull" factors created through the exchange and scholarship programs that are government sponsored. Instead, these teachers are evidently not seeking to go abroad and return with expert credentials, which would be compatible with brain circulation, but rather with the intent to remain abroad (MoE 2023). A dip in these rates were observed during the pandemic but since mobility has increased in the last two years, the current rates of primary and secondary teacher attrition returned to their pre-pandemic levels of 4-5% range (MoE 2023). With little over 10,000 primary and secondary school teachers in Bhutan, some of which are contracted expatriate workers, the departure of over 1000 educators in the last 2-3 years has alarmed the education minister (MoE 2023). Furthermore, tertiary institutions in Bhutan have felt the effects of faculty attrition more than the lower levels. Experienced lecturers and education administrators are at a premium domestically, therefore, losing even less than a dozen at any of the RUB colleges overburdens the remaining faculty. In particular, those holding PhDs are even more rare to come by and harder to replace (MoE 2023; Schofield 2016). The application of their expertise may or may not be permitted if they choose to emigrate, possibly creating a brain waste scenario. However, despite exchange programs routinely available to circulate this expertise, the future of Bhutan's college-educated is even more precarious.

Exchange programs and government-sponsored scholarships were initially predicated on the idea of a return on investment, an example of brain gain turned brain circulation once the volume allowed mutual reciprocation. The underlying logic is that by investing in human capital, a country can benefit from globalized education, with the expectation that the newly trained individuals will return and contribute to strong nation-building (MoE 2014, MoE 2018, MoE 2023). Brain circulation is best demonstrated in the case of Bhutan where, as a legacy to the Colombo Plan and other educational reform done with international collaborators created pathways for the outsourcing of doctorates, an increasing number of high-rung officials today boast degrees from Australian or western institutions.

This legacy has been observed in Bhutan, particularly among the highest level of officials, including heads of institutions of higher learning and public ministers. In 2023, for instance, six out of the ten cabinet ministers responsible for the highest rungs of government held degrees from Australian universities or institutions. The current prime minister, Tshering Tobgay, further exemplifies the legacy of 'brain gain', boasting degrees from American institutions, notably Harvard Kennedy School. While these top officials represent a generation of human capital generation in Bhutan that has benefited Bhutan's institutional knowledge, youth and mid-level professionals are not subject to the same pressure to remain in the country. Instead, they are inclined to seek the comparative advantage destinations like Australia offer in providing

employment opportunities, encouraged by the allure of attending their universities with long-standing partnerships in Bhutan.

Moreover, the increased availability of financial resources for students to independently finance degrees and training programs abroad has fueled a surge in student visa applications for studying overseas. The Bank of Bhutan offers loan assistance programs based on merit, transforming what was once an unattainable financial decision into a feasible option for more Bhutanese. Through the Colombo Plan, the Bank of Bhutan extends Special Education loans catered to overseas studies to destinations such as Australia, Canada, the United States, and the United Kingdom (BoB 2024). Presently, the Bank of Bhutan provides both Secured and Unsecured loan options, subject to specific age and repayment criteria. These loans primarily target youth and mid-level professionals with 5-10 years of work experience (BoB 2024), representing the bulk of the existing human capital pool and their potential youth replacements.

The unsecured loan type, which requires no collateral from borrowers, is offset by the substantial premium on Australian wages earned by students while in school, thereby mitigating the Bank of Bhutan's risk. This risk mitigation is reflected in the high-interest rates associated with both secured and unsecured loan types. The expectation of timely repayment is further supported by the strength of the Australian dollar. Moreover, the appeal and accessibility of affluent, English-speaking destinations are enhanced for younger generations of Bhutanese due to the widespread use of English in Bhutan (Dutt 1980; Koopman 2022), a consequence of the importation of foreign curricula. This factor helps overcome typical barriers to community and network establishment abroad (Houtkamp 2016). The concentration of the Bhutanese diaspora in Australia also facilitates migration patterns, with a notable population of individuals born in Bhutan residing in Western Australia, particularly in Perth (Maxwell 2018).

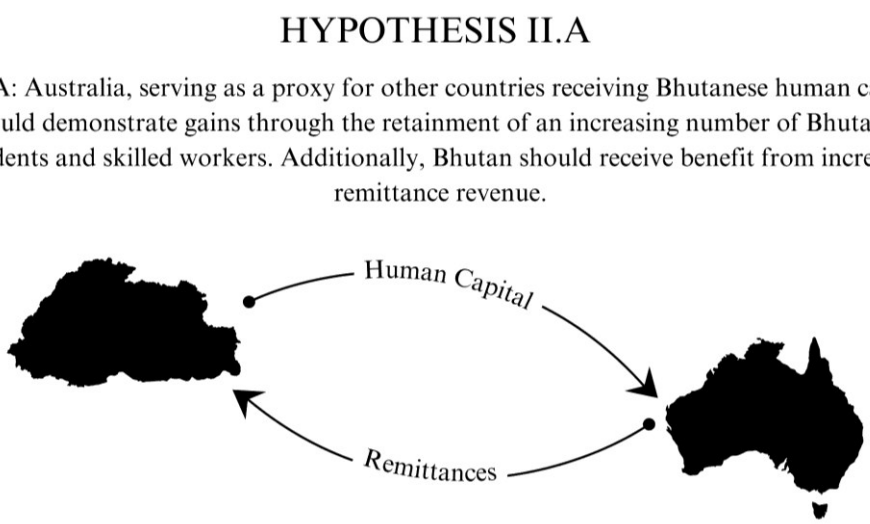
The Association of Bhutanese in Perth Incorporated (ABPI) has a significant membership of over twenty thousand individuals within its private network. Although membership in ABPI is voluntary, the organization actively encourages Bhutanese migrants, including working professionals and students, to join its community forum. Notably, ABPI was founded eight years ago, coinciding with a marked increase in out-migration, as observed by the Centre for Bhutan Studies over the past nine years. According to a recent mixed-methods study on migration in Bhutan, Dasho Karma Ura, the president of the Center for Bhutan Studies (CBS), presented their preliminary findings at a virtual webinar in November 2023. During the webinar, Karma Ura highlighted the scale of the problem. He mentioned that while the topic is of great consequence to Bhutan, it has not received significant attention within the country. People talk about it, but there hasn't been a clear discussion about its consequences, and it hasn't received enough policy attention in Bhutan.

These information channels indicate a dual trend in migration that is reshaping Bhutan's economic and social landscape. This trend is broadly categorized into 'in-migration,' which refers to internal relocation, primarily of young and skilled professionals, and 'out-migration,' which involves individuals leaving the country for foreign destinations without a documented intention to return (Rinzin, Vermeulen and Glasbergen 2007). The CBS study highlights a notable pattern: the majority of rural farmers are witnessing their young population expressing a desire to move to urban economic hubs (Rinzin, Vermeulen and Glasbergen 2007). These hubs, located in districts like Paro or Thimphu, concentrate public administration, a sector that significantly influences youth preferences. About 57% of youth surveyed expressed a preference for Civil Service sector jobs, which are perceived to offer higher status, better pay, and more benefits compared to other private or public sector positions (CBS 2023). However, the study also reveals a discrepancy

between youth expectations and reality. Many young people hold unrealistic wage expectations, with a majority seeking salaries upwards of 20,001 Nu, while the actual average wage hovers around 15,000 Nu (Karma Ura 2023). This disparity contributes significantly to youth discontent, exacerbated by the issue of oversaturation in entry-level Civil Service positions.

Considering the expansion of access to subsidized or free higher education, many graduates are now faced with the pressure to either secure these government positions or to make a living for their family through wages earned abroad (Koopman 2022; Valliere 2014). This trade-off has contributed to the desire to go abroad and remain abroad long-term. According to the Australian Bureau of Statistics, 60% of students are now applying for permanent residency, i.e. settling. The settlement is part of a scheme to continue working for longer hours than legally permitted through Student Visa rights. The increase in available working hours has led to a thickened network of remittances, signaling a brain gain dynamic, which has played an increasingly significant role in shaping Bhutan's human capital flight. The following diagram illustrates the brain gain dynamic further captured through remittances, as proposed in Hypothesis II.A:

Figure 6: Hypothesis II.A Flow Chart



The strength of the Australian dollar allows Bhutanese emigrants to create a nest-egg or secure investments in Bhutan (RMA 2023). This monetary motivation is definitively materialistic and begs further questioning of whether the facilitation of these remittances, particularly by the national banking system, is counter ethical to the values espoused by GNH. The Bank of Bhutan has a specific exchange system devoted to managing remittances solely from Australia (BoB 2024). The significance of these remittance flows cannot be understated.

The Royal Monetary Authority of Bhutan projects that the country's current trade deficit will be improved from 24.3 to 20.2 percent through newly commissioned hydropower projects, tourism, and remittances. A recent downturn in remittances since 2022 has alarmed the RMA, leading to an 8% incentive increase in June of 2023 to restimulate inward remittance flows and maintain foreign currency reserves. From 2021-2022 one third of remittances were collected from Australia alone. While the remittances received from abroad still constitute a significant receipt of income to Bhutan, student expenses for studying in Australia have also increased from Nu 1,264.1 million in the previous year to Nu 8,256.4 million in the fiscal year of 2023. This jump in student incurred expenses represents a part of the wider growth in educational loans, which surged 170%

in the same single fiscal year. Personal loans have also increased substantially, although lessening in relation to those afforded to civil servants. This drop, however, is due to risen attrition rates, whereby personal loans are no longer categorized for individuals no longer in the occupation of civil servants. The staggering attrition rates in the Civil Service have reverberated anxiety throughout Bhutanese society, though the government has remained largely passive (RMA 2023).

To gain a deeper understanding of the factors driving migration to Australia, further comprehensive studies are needed. The initial insights from the CBS 2023 Youth Survey, combined with the limited public data on migration from Bhutan's ministries, offer a foundational basis for developing a broader narrative of HCF in the case of Bhutan. These findings contrast with the fragmented and hurried observations often found in media reports. *Kuensel*, Bhutan's primary news outlet dual-owned by the government and public, has increasingly featured headlines about this "exodus", with individual authors supplementing a lack of reliable macro data with anecdotal impressions and disparate estimates of how sectors which are reliant on human capital are faring with the departure of students and professionals.

Brain drain is an emergent threat to Bhutan's development trajectory. The brain circulation it cultivated through bilateral ties with Australia, as well as other nations, helped to give lift-off to Bhutan's radical development transformation for the last couple of decades. Extending further back, Bhutan benefitted from catch-up effects afforded to it through multilateral cooperative efforts in the Asia-Pacific region and further integrated a globalized approach to education through internal reforms, simulating brain gain. While varying levels of cooperation and reciprocity have existed cross-sectorally, the education system in Bhutan exemplifies how human capital flows are influenced by the social and political climate.

Migration to Australia and the rise of expatriation is likely to gain further momentum in the coming years. In response, the government of Bhutan has enacted segregated, ministerial reforms and initiatives to help battle the attrition rates among the three sectors discussed.

INTERVIEWS

So Where Does the Thunder Dragon Live?

Perceptions of Bhutanese College Students on Bhutan's Human Capital Flight

The following section showcases the findings from the interviews conducted with ten Bhutanese college students and recent graduates, one of which has emigrated to Perth. Particularly candid, detailed, or thematically rich transcript segments were chosen to illustrate the findings of this research. The implications of the themes revealed through these dialogues with Bhutanese youth are further discussed in the summary at the end.

Lack of Opportunity

Entering the conversation with my first respondent (1), I sought to establish rapport by inquiring about their background and decision to attend CLCS. However, to my surprise, they promptly shared their candid perspective without much prompting.

Respondent 1
…I'm originally from Gelephu. There, it's called, in the southern part of the country.
Me
Okay, and then what made you choose to go to CLCS instead of the other RUB universities?
Respondent 1
Let me be honest with you, okay?

Me
Go ahead.
Respondent 1
My dream was to study culinary arts, you know…
Me
Tell me about that.
Respondent 1
Yeah, but since I'm not from rich I cannot afford to do that.
Me
Do they have culinary schools or colleges that you could attend but it's only because it's expensive?
Respondent 1
Yeah, yeah, yeah, that's the reason.
Me
You say that…you know…if you had money, you would pursue your dreams. So, do you feel you ended up choosing what you're studying at CLCS because it's also of interest or because you know maybe better for looking for jobs?
Respondent 1
It's too expensive, you know?...No, no, nothing is better.
Me
Nothing is better…?

Respondent 1
Yeah, yeah. I think, after one to two years, I will end up nowhere.
Me
You'll end up nowhere…?
Respondent 1
Probably, yeah, I would probably be homeless.

This respondent is pursuing a B.A. in Dzongkha & Culture Studies. As shared by the interviewee later in the conversation, "*When I talk with my friends here at the college, most of them says that there would be no future for us, this is just it for the students who are studying Buddhist study and all…*" The general theme that those who pursue their studies at CLCS will "end up nowhere" does not sound so different from the struggles faced by youth around the world, however, part of Bhutan's initiative to transform into a knowledge-based economy suffers from a mismatch between skills & labor demand and the preparedness of graduates. Additionally, someone like my respondent who is interested in careers not funded through the public university system, such as culinary arts, will struggle to find opportunity and fulfillment without financial means. Those that study the humanities in Bhutan appear to be subjected to harsher realities of future employment. I therefore asked my first respondent to elaborate on this tension between the humanities and opportunities post-graduation:

Me
So, are some college studies better than other college studies?
Respondent 1
You mean in our college?
Me
Yes, so it could be your college, it could be, you know, like the environmental, conservation or engineering college. Stuff like that. Is it better than, you could say, the humanities? Which is, you know, language, art, culture…Are those degrees "hopeless", as you say…or?
Respondent 1
I could say the one who studies engineering…engineering or architect, they have a good school. I think if they could, they would have it good. Even if they do not get a job, in our country, you know, they can fly…fly to another country, and work there. But when it comes to Bhutan's language and culture study…you

know…the one I'm taking…you know, the language and I think…for an example, let's say, we have around 100 students studying language and capacity in our college…Okay…of out of 100, maybe around 20 to 30 get the opportunity in our country otherwise they would be working in restaurants, hotels. In the private sectors…well, the pay would be really low.

I prompted further about what estimation the respondent would give to university matriculation rates and those entering the work force from university, they said:

Respondent 1
Every year, there would be probably around 14,000 students who finishes, high school…And out of 14,000 only around 1,500 has the chance to go for the further study. So around let's say around 12 to 13,000 students end up nowhere. So, they have to do, they have to go, to be in this part of the world, they have to (pursue) the farthest study you know. That's why people are taking out loans from the banks. Do you know as…but this, that's (what you) need to do to fulfill it, that is what you need to do before going. They do the English exam and fly out to other countries, like most of them goes to Australia and Canada, I think.

In my first interview, a prevailing notion emerged: success and fulfillment for Bhutanese youth today often hinge on a lottery system for some and a fiercely competitive environment for others. The education system operates as a meritocracy, where only a select few can thrive while remaining in-country, especially with degrees that are not as in-demand for Bhutan's transitioning economy. For those with some means, the best alternative appears to be emigration, facilitated by access to bank loans or savings. This is particularly evident given that the average wage in Australia, even for menial work, surpasses that of individuals earned by Bhutanese with a college degree domestically. However, this testimony hints at a dual drain, or pull, on Bhutan's human capital. Not only might those with humanities degrees struggle to find opportunities domestically and opt to emigrate, but even those with desirable degrees like engineering or architecture may still find better compensation abroad. Thus, the allure of destinations like Australia affects both high-demand and low-demand graduates from Bhutan.

Hope of Return

The subsequent interview was done as a joint interview at the request of the initial respondent with whom I had contact through WhatsApp. The following segment of the first joint interview with a female CLCS undergraduate (2), pursuing in B.A. Dzongkha and Culture Studies and an additional male friend who was a recent graduate from the RUB College of Natural Resources (CNR) with a degree in Sustainable Development (3), illustrates the push factors related to Bhutanese emigrating to Australia.

Me
Do you feel that there is maybe an attitude amongst Bhutanese youth that things and wealth are more important than loyalty to the community and staying with the community? Either of you can answer, whichever…
Respondent 3
If you look at the olden days, there was no such trend of going outside, but recently, the display of going outside has started. I don't think that people are going down there just for the money and the positions. I think they are going down there for their high education as well because in Bhutan, we don't have many universities where they provide master's degrees, and they also don't get more opportunities for their PhDs. I believe that they are going down there for their higher education and also for the money. But the money comes as the second most priority after education, that is what I think. That is what I heard from my friends.
Respondent 2
Okay. Can I share my opinion? Okay. Okay, I think like when they want to go outside, it doesn't mean that they don't have loyalty toward the country and the community because they just go there to study and to

> explore the world and experience a better world than Bhutan because Bhutan is very small and underdeveloped, kind of developing, yea…but the opportunities are more there, and they want to explore their experience and have more growth from there, so that's why they go and I really don't think that they just care about the world and the materialistic things, but they just want to go there, then uh, and experience there and get back to the country and help them develop more. That's my opinion.

The female respondent previously elaborated that she has had friends go abroad to not just Perth, but Brisbane and Canberra for master's studies. She told me that these friends have expressed their desire to return and thus, she holds the view that "*They will come back and work here, and they will come back more innovative, and they will help the country to grow more, as I think like that. We can't stop them from going, but I think that they will come back here*." This particular perception represents the internal hope and logic of brain circulists. The hope that those who wish to go to Australia with the purposes of education will return to help the country's efforts to innovate is conditional on reciprocity and that individual-level factors, like finances, does not tether the migrants to their new destination. Their general optimism regarding this trend intrigued me to ask a follow-up on how the media or general public relays concern:

> **Me**
> Do you think that this is talked about in Bhutanese media, is this really shared in a lot of public spaces, or is this something more just talked about on a person-to-person level?
> **Respondent 2**
> Yes, yes, it is the most recent, the media also, and because you know the migration rate is inflating and it's surging up at an alarming rate, and like you see there is a brain drain, and people like say, and, and, we can see people here, we can hear people say like they are afraid to go to a hospital also because most of the doctors and the staff here have been going outside looking for better opportunities outside and that's why the hospital quality has also been weakened. I, and it's not. Good like before and they say that they are afraid to go to hospital for check-ups and even in the educational level, most of the teachers have left for Australia, mostly input like attending information before. And so, the education quality has also been dropped down. Yeah, that's the major concern and this is what most people are talking about nowadays. Okay. And you know even the old people are worrying about this and maybe because you know when the youth leave all can see is like you're talking addresses like youth or the future of the nation, but what they do is they just leave the country and look for better opportunities. So. The ones living here are economically and not productive and they can't contribute much to the economy of the country and that's what the old people are concerned about. But however, I can foresee them coming back and after all I believe in them that they would do must below. Loving their country as much as I do, and they will come back and help our country grow more. Then, right now, yeah. That's all. Okay.
> **Respondent 3**
> I have no comments on this.

The major implication of this response by the female respondent is that it speaks to 'brain drain' touching two primary sectors hypothesized: education and healthcare. The 'alarm' generated from people fearing the quality of health services in country is grave indeed. For human capital shortages to begin affecting public perception of the quality of services, healthcare attrition must be higher than the replacement rate, showcasing brain drain. It appears from the responses that the media is relatively open about current social issues which suppresses my initial hunch that the underrepresentation of HCF in Bhutan may have, in some part, to do with media censorship. However, the average informed Bhutanese citizen appears to be discussing the matter of young people leaving for Australia openly. The mention of the elderly's concern speaks to the broader impact of a country drained of its youth. Those left behind can only lie in hope of their return. This finding helped me to revise my further questioning of responses to probe more into perceptions of *who* is leaving and what experiences are commonplace for emigrants.

While the previous respondent painted a dismal picture of post-graduate outlooks as someone in a position neither to excel at home or gain from going to Australia, the female respondent was of the mind that the trend of those going outside will reverse engineer itself for the love of the homeland and its people. I asked whether the area of study might affect those who elect to emigrate, wondering if there is a link between humanities students going abroad or humanities students perceiving the brain drain as worse. The response I received from the male interviewee was such:

> **Respondent 3**
> Hmm. It is true that people who have taken the study, taken the degree in the STEM subjects have more opportunities compared to others. But I don't think that what they study would affect the thinking on whether they want to come back or not. Because even if there are more opportunities for this time, that doesn't mean that the other field of studies doesn't have opportunities. We do have the opportunities but the people who are undertaking the degree in the STEM subjects have a little bit more opportunities. And the people who go outside, the people who continue going outside even if, how do I put it, where it's now… Basically, I'm saying that it does not matter what kind of studies they are taking, they will come back, and I am sure of it.

After asking to consult with her roommate, who would later join the interview as a full participant, the female's respondent afterward was such:

> **Respondent 2**
> Oh, so. Based on your question… So, I want I just want to share my opinion that of course, the preferences of the students are impacted by the people's and society's perspective. Because here in our country we had, we can see that many people that are leaving for Australia who are to be trained in the arts because here in our country, many people are pushing, many people are trying to opt for the medical or design stream because they have a better future in our country. However, as students, they have been overshadowed by the science team. So even the media have raised the concern that now the art students have limited opportunities, so they are opting for going abroad. So, however, because the concern was raised, now the government is trying to help them by giving many slots as teachers and other opportunities. So that's my opinion.

One of the few times in the interview, the male and female participant's views conflicted, but still remained optimistic on outlooks and the 'hope of return'. The male participant held the perception that area of study was of little consequence in the decision-making to go abroad whereas the female respondent felt it definitively contributed to *who* was leaving. It is worthy to note that the male respondent graduated from the CNR, which does offer limited Master's and one of the few PhD programs in the country whereas the female, attending CLCS, is simply not in the same position and perhaps this explains her reluctancy to agree that degree does not play a role in decision-making. Without prompting, the female respondents touched on one of my structured questions about how the media and government have responded to the "surge" of Bhutanese going abroad. The government is supposedly opening up "slots" for teaching positions around the country for the humanities majors, however, this initiative supposes a superficial solution. The ability for the government to offer teaching positions at the primary and secondary levels is likely a result of the high teacher attrition. Therefore, the macro-trends of Bhutanese leaving indicates that rather than the government improving prospects for humanities graduates, they are using them as patchwork in areas of human capital shortage, which is likely to continue.

Before continuing on the next set of interviewees, an interesting paradox was brought up in conversation with the female respondent (3) and her roommate (4), who took the place of the male respondent halfway through the hour interview. In asking about whether it is fair for

foreigners to criticize GNH when they are conflicted seeing the departure of Bhutanese to Australia, the following rebuttal was offered:

> **Me**
> Do you think it's fair that foreigners criticize it? You know when there are economic policies that focus on wealth whereas GNH is more holistic? Do you think it's fair?
> **Respondent 2**
> No, no, no, they are wrong to criticize GNH, you know. In this case, I don't think they can question our GNH because, you know, that's their choice to study outside and that's also one of the pillars of the Gross National Happiness, you know, because they find happiness in doing that, you know. And that's also one of the fundamental rights of humans. And they can do whatever they want, but what, what, whatever they want and that's one of the pillars of Gross National Happiness. I think. So there, I think it's unfair for foreigners to criticize about GNH in this case because, you know, that's their choice and we respect that.
> **Respondent 4**
> Yeah, I do agree with [Respondent 2]. That like if you stop them from going outside so they're still…there's no reason…there's no reason to address, because we would be making them unhappy. So, because GNH one of the main purposes of the GNH is to make the people happy and to measure the happiness of the country. So that's why we can't stop them from leaving our country.

These respondents do not feel that the principles of GNH are being undermined by HCF and in fact, the ability for so many to pursue their studies or opportunity abroad demonstrates GNH's commitment to happiness promotion. It begs the question of whether GNH is especially permissible to HCF? However, this supposition is based on the idea that people are going abroad to find "happiness". However, GNH happiness is different from individualistic happiness and the departure of students and skilled professionals from Bhutan's education and healthcare sector lowers the quality of life and services for those who remain, as testified by these respondents. Therefore, whose happiness matters? Does GNH allow for the liberty of the individual at the cost of whole? These contentions do not constitute the primary findings of the case study but are worth mentioning for further exploration of HCF in Bhutan.

The Prospect of Happiness

When I spoke with a recent emigrant to Perth, Australia pursuing a master's degree in international development, my aim was to complement previous respondents' perspectives on Bhutan's HCF. The emigrant's unique perspective is valuable as they can directly attest to the process of securing funding and the experience of living outside of Bhutan, rather than speculating about it. While it's natural to assume that those who choose to leave their country have reservations about its conditions, this respondent provided profound insights into how Bhutanese migrants adapt to their new countries.

Our dialogue revealed a recurring theme of 'the prospect of happiness.' Previous respondents suggested that every Bhutanese has the right to pursue happiness, even if it means going abroad, as Bhutan, as a GNH country, allows for that. However, the emigrant disagreed, suggesting that happiness or GNH happiness is not a primary factor influencing Bhutanese emigration.

> **Me**
> Yeah. And do you think those that are making money, they're making dividends in Australia with the Australian dollar and then they transfer that either through the form of remittances or just simply investing in assets back in Bhutan? Do you think that'll lead... do you think that'll lead to a swing back to Bhutan or do you think more often than not now, people are just choosing to settle in Australia, almost permanently?
> **Emigrated Respondent**

Yes. So, the thing here is that from about 90% of my interactions with all the Bhutanese people here is they are hoping to settle here in Australia. Right? To be able to get, what's the technical term?, permanent residency. Right? So that they could come back to Australia, you know, make a little bit of money, then go back potentially. It's just a back-and-forth process essentially, but Australian permanent residency is preferred to going back to Bhutan. So that was one conversation I've had, and you know it's it's, I don't mean to generalize, but every single Bhutanese I've met, the conversation has been essentially the same. So that has, you know, I think that essentially comes to the focus when they actually you start to notice that education and the procedure of graduate studies becomes secondary in relation to that, so that that's something I've noticed. That's why. Yeah.

Me

But on the same token, the same people you're talking to, would they say overall, their absolute standard of living has improved now being in Australia? Maybe it's different than a Bhutan, but they've reprioritized making money making a living and they would say overall they're "happier" quote unquote in Australia or is it not really about happiness? It's about survival?

Emigrated Respondent

Yes, yes, that is an interesting question because, yeah, I really wanted to talk about that as well because it is not about happiness. So, it's more about monetary means as opposed to being happy and content. Right? The idea here is, to accumulate as much as, well as possible, and then go back to Bhutan. So, Bhutan is nothing more than a near retirement home for them. So, in Australia with the essentially, you know, what the Bhutanese people do is work, you know, around 12 to 13 hours a day and about more than 48 to you know almost 72 hours in in about 2 weeks, right? So, they work nonstop. So, there's no leisure. Right? So. It's more of a retirement home. Right? So, it has nothing to do with the prospect of pursuing your career or anything else. So, it is quite ironic for me as being a citizen of, and you know, essentially a follower of the philosophy of GNH to pursue money as opposed to happiness. And then you know it is there right because what does happiness mean actually in Bhutan, right?

Me

Yeah. Yeah.

Emigrated Respondent

So, I think that is. That is something that should be regarded as well, right? Because then what happens is that Bhutan does not in itself becomes, hey, please, invest for the sake of the people and for the community but rather for your own selfish ends. Right. And I'm not trying to cast dispersions on these people who are trying to do that. But Bhutan has merely become reservoir of the prospect of retirement essentially for everyone. And one thing, if you've read about if you've seen the, recently Australia has changed their migration policy, right, has altered their migration policy, right?

Me

Yeah.

Emigrated Respondent

So, what that does is that people who are above or somewhere, you know, between the age ranges of about 33 to 36 cannot apply for an extension of visa or study visa. Right? So that is. One of the discouragements. Yeah…

The insights provided by this respondent shed light on the dynamics of HCF. Their observation that "90% of my interactions with all the Bhutanese people here is they are hoping to settle here in Australia" contrasts sharply with the sentiments of those in Bhutan who express a "hope of return." While some Bhutanese may initially plan to return home after accumulating savings or making investments, thus illustrating the concept of brain gain, prolonged stays abroad often lead to a decision to remain. Students, constrained by visa timelines, are typically compelled to return. However, working-age Bhutanese in their 20s and 30s find the allure of the strong Australian dollar compelling, even if it means working demanding hours—up to 12-13 hours a day. This is further reflected in the CBS Youth Survey which found 39.3% of respondents preferred Australia as their emigration destination. Once there, the Australian government has estimated that 60% of emigrees will apply for permanent residency prior to the end of their student visa tenure (Rizvi 2023). Despite economic gains made by possible diasporic investments or remittances, the overall net-drain from students and working-age settling in Australia offsets these gains.

On the matter of GNH as an inhibitor or exacerbator of the decision to go abroad, the respondent had the following thoughts:

> **Emigrated Respondent**
> From a Western perspective, our current prime minister is essentially considered as the pioneer of GNH and for me, all I see is nothing more than a, what would you call it? A guise, right? To essentially, it's a form of marketing for Bhutan. It has nothing to do with GNH, whatsoever. That is my belief though. So, you know. But it's exclusively the government's responsibility to maintain its own capital, you know, human capital at the same time as well. So, I would see the GNH which is merely a guise to hide what's actually happening in Bhutan. So, it's not very, how would I put this now? I would not see that it is, to a certain degree, is what drives human capital flight at the same time because when you when people come to Australia, essentially Bhutanese people. Australia has everything you need. Like you have access to essentially everything. Right? And now compare that with Bhutan. Essentially, there's nothing in Bhutan. You don't get a lot of things, right? I mean, basic necessities are, you know, mandatory. Everyone has that, but that is, I think, the lack of choice, number one, the lack of employment opportunities because I'm sure you've read about if you've seen the unemployment, to use unemployment. It is very high. Especially for a country that has, you know. a very small population. Right, so who do we actually blame for this particular predicament, right? Should we blame the people? Do we blame the government? And my answer is that we should blame the latter, right? The government, essentially. Right, so, you know. I would have to say that GNH, to a certain degree… It's nothing more than a guise, a veil.

This quotation brings out several key aspects of the brain drain framework. Firstly, it emphasizes the government's role in managing human capital. The emigrated respondent sees the government's promotion of GNH as a 'guise' or 'marketing' strategy, suggesting a lack of genuine commitment to improving citizens' well-being. The assertion that GNH is "nothing more than a guise, a veil" raises questions about whether GNH is used strategically to conceal HCF or whether it simply conflicts with the reality of those choosing to leave. This perception suggests that the government's policies may contribute to the migration of skilled individuals. Additionally, the respondent highlights pull factors that attract individuals to emigrate to Australia, contrasting the abundance of opportunities and resources there with the limitations in Bhutan, such as a lack of choice and employment opportunities.

The emigrated respondent's overall thematic findings present a narrative of HCF distinguishable from previous respondents' answers in three-ways: 1) those who come to Australia prefer to settle rather than return; 2) motivations for going abroad are rooted in materialistic pursuits rather than happiness; and 3) the government bears responsibility for maintaining its human capital but has not provided the correct material conditions for retaining it.

Regarding the third distinction, the respondent also shared thoughts on the Megacity and the foreseeable trend of the 'exodus'. Regarding the Megacity, he suggested that it might improve circumstances but remains to be seen due to a lack of information. On the matter of the 'exodus', he believes a "dip" is likely to occur; however, this dip will not be due to improving domestic conditions but rather a change in the policy of receiving countries, citing Canada's 2-year restriction on international students and Australia's recent adjustment to qualifications for worker and student visas.

The Promise of the Megacity

The announcement of the Megacity project is one of the latest and most prominent examples of the Bhutanese government responding to the ongoing departure of its human capital. The fifth King of Bhutan (*Druk Gyalpo*), Jigme Khesar Namgyel Wangchuck, has spearheaded the Bhutanese government’s planned development initiative to construct a large economic hub in

the southern region of the country in Gelephu. While information on the specifics of this mega project are not yet made publicly available, it has been stated that the purpose of the city is generate job opportunities for Bhutanese youth and to entice those who have gone abroad to return and work in the new city.

The Megacity was an unexpected but recurring theme in the beginning of my interview rounds. By the fourth interview round which constituted two female students (5 & 6) also pursuing a B.A. in Dzongkha & Culture Studies, the Megacity was willfully brought up despite a general prompt about the government's response to the previous theme- lack of opportunity. After this interview, I chose to explicitly ask about student perceptions of the Megacity in hopes of gathering a clearer picture of how the Megacity factors into considerations of going abroad or predictions about what those who are abroad will do.

> **Me**
> And you mentioned "lack of opportunity". Do you think that the government is addressing this and is responding to a lack of opportunity? Are they creating opportunity?
> **Respondent 5**
> Yes, they are planning. Let's see, mindfulness, you know, you heard about mindfulness?
> **Me**
> Yes.
> **Respondent 5**
> The government is planning. So, I think after mindfulness, that the government view will give more opportunities to you.
> **Me**
> Do you think that these opportunities will help students who study things that they do at CLCS or is it going to help students who are studying environmental science, sustainability, engineering? Do you think the Megacity will help everyone or just only some?
> **Respondent 6**
> It will help everyone. But I think more…I think it will be more opportunity to other college. Because I think CLCS will not get more opportunities, as it is mainly, on culture, language and religion. The "Mindfulness City" mainly focusing on the technical, science, economic…

This insight underscores how brain drain is prompting the government to take radical action. The marketing of the Megacity as a "Mindfulness" city is intriguing and reflects the influence of the GNH regime on the government's policy approach to human capital shortages. The Megacity is promoted as a hub for economic collaboration and "spiritual rejuvenation," showcasing Bhutan's commitment to sustainability and cultural preservation. Concerns have been raised about the fate of Gelephu's current 10,000 inhabitants and whether their land will be used for the city's ambitious GNH-themed design. The allure of what the Megacity offers to graduates, both within and outside the country, is significant, yet the prevailing feeling among students is that while the Megacity will create opportunities, it may not reverse the trend of brain drain. Respondent eight briefly mentioned the Megacity as an initiative by the King to "engage the youth" and "create a lot of opportunities." This interview highlighted a key aspect found in all other interviews: uncertainty about the government officials' competence to successfully execute the project. However, what was consistent among all interviewees was the King's practical role in addressing the lack of opportunity in the country, as demonstrated by respondent seven:

> **Me**
> So, you mentioned the king and his Megacity project, and the king sees the issue, but what about politicians, government officials, individuals in government?
> **Respondent 7**

> Hmm. I'm not, like political or…but our government of Bhutan, they have to deal with the king because it's about the Megacity. It's all pushed by our king. So, they don't have any, they don't have need to interfere in our Megacity because it's planned by…it was not pushed by government but it's what headed by his majesty for their youth and for their Buddhist people, because they don't have any rights to get in their work. But one thing is that they have to help during the work on the city, to build the city. But they don't have the right to say no to the work. So, it's all held by and run by the king. So, the king is the head of their country, so they don't…don't have anything to say on that.
>
> **Me**
>
> Has the government, talked about or addressed people leaving for Australia, or is it really just the king?
>
> **Respondent 7**
>
> I think it's just, you know, during the national day, that king had mentioned that our new youth and our businesspeople leaving to the Australia or in the foreign country. So due to that, he had decided to make a Megacity for that. So, about government, I didn't see anything saying about the youth and the leaving to the other country, but our king has mentioned it.

These rounds of interviews revealed significant perspectives on the Megacity, suggesting it could be a problematic solution for the drain of human capital. First, there is a mismatch between the city's focus on STEM careers and the prospects for non-STEM graduates, failing to address the reasons why humanities majors, in particular, go abroad. Secondly, there seems to be a misalignment in Bhutan's leadership. Interviews suggest that while the monarchy has actively acknowledged and called for addressing HCF, the government appears passive. This misalignment is evident in the implementation of the Megacity project, which, despite being a government initiative, is spearheaded by the monarchy, even though the monarch no longer holds absolute rule. This perceived misalignment with the Megacity's leadership direction and offerings raises questions about its effectiveness in enticing back those who have left for Australia. I decided to explore this idea further with my ninth respondent.

Interestingly, my ninth respondent serves as the "GNH Secretary" at CLCS, meaning and is pursuing a B.A. in Language & Literature. His perspective on the Megacity and its relation to GNH is as follows:

> **Me**
>
> Actually, this will be my last question. As you know, the biggest thing that's been revealed to me in these interviews is the Megacity project and the announcement and the motivation of the king to institute a Megacity project. Would you say fundamentally the Megacity project is a GNH motivated kind of program?
>
> **Respondent 9**
>
> The Megacity can be a program request. Unfortunately, before that, before he introduced the Megacity, they were already planning to have an airport…and I think they are coming to an end to of making that. And so, the Megacity might be one aspect of change as it serves…as it serves some people of which are engaging so many job opportunities. So, they don't have to worry about applying for, getting visas from our country and when they reach that particular destination they have to worry about their jobs and not getting jobs in that place or where to sleep. So, I think a Megacity is one aspect of GNH because they don't have to worry about it all. That the body of getting some Those passports…I think. It costs about 14 to 20,000 nu like that, so they don't have to search for the money. And also, you can…if there is a Megacity project, so I said this gonna be a big city, so they don't have to worry about not getting any jobs because there's gonna be a couple of jobs and it's still, I think, those people who are leaving the country, there might be some jobs [for them]. Because in the past, previously there wasn't any jobs as we can hear from our seniors. But, right now, as most of the people are leaving the country, most people are resigning, so currently, I guess we kind of have some opportunities of having some jobs but after that Megacity project has been fulfilled. I don't think that you would have any problem of not getting jobs like everyone else and going airport and working there [Australia] day and night like that.

This respondent is of the opinion that the Megacity will successfully provide job opportunities to graduates, making note that previous graduates found a lack of opportunity grounds for going

abroad. Additionally, my interpretation of the respondent's view of GNH in relation to brain drain is that GNH is about promoting happiness for the people and if happiness is brought about by job opportunity, then the Megacity fulfills that. Another insight gleaned from this interviewee was that those who choose to emigrate bare a significant cost to obtaining visas and the proper paperwork and that those who may normally consider taking on those cost burdens will in future, reconsider given that the opportunities they perceive abroad will be transplanted back home.

Summary of Interview Findings

The interviews with ten total respondents, broken into five rounds of separate interviewing sessions elicited four major themes that each hold implications for how we understand HCF in the case of Bhutan.

The first theme, "lack of opportunity," is the primary reason cited for emigrating. There is a noticeable divide between STEM and humanities majors regarding the availability of opportunities for new graduates. The consensus is that regardless of degree, the absence of master's and PhD programs in Bhutan motivates graduates to seek opportunities in Australia. The second theme, "Hope of Return," explores the optimistic belief that those who leave will return to improve their country, potentially enticed by the Megacity project. However, the emigrated respondent is more skeptical about this. The third theme, "Promise of the Megacity," reflects the belief that the Megacity will improve conditions and address the lack of opportunities in Bhutan. This belief is closely tied to trust in the King's commitment to provide opportunities and engage youth in the "Mindfulness City," with the government seen as playing a largely passive role. The logic that the city will make use of innovative technology and expertise gleaned from foreign consultants and engineers also signals a "catch-up" effect. Lastly, the theme of the "Prospect of Happiness" considers the role of happiness in the decision to emigrate and stay abroad. While most interviewees see GNH happiness as enabling individuals to pursue fulfilling opportunities, the emigrated respondent separates happiness from materialistic aspirations, viewing it as distinct from the main drivers of emigration.

The first two themes have implications for both brain drain and brain circulation in Bhutan. Brain drain involves push and pull factors. Respondents cited a lack of opportunity, aligning with Bhutan's push factors that drive brain drain. Conversely, the hope of return suggests a reciprocal relationship, where expatriates returning from Australia contribute to Bhutan's economy. This notion extends to Bhutanese students studying abroad, who are expected to bring back skills and innovation, further enriching the economy and society upon their return. Brain gain is evident in the use of the strong Australian dollar, compared to Bhutan's ngultrum, to drive inward remittances. The diaspora, including the emigrated respondent, send money back through investments for retirement plans in Bhutan. If a considerable proportion of those who settle in Australia intend to return once they have obtained financial capital which surpasses lifelong earnings earned domestically, then this implies the emigration to Australia is not due to prospective happiness, but in pursuit of monetary gains. Moreover, the trend toward settlement overseas indicates a predominance of brain drain. Despite some optimism, significant improvement will be dependent on external factors such as changes in migration policies of receiving countries or the promises of the Megacity's benefits.

CONCLUSION

This case study examined the emergence of human capital flight in Bhutan, placing it in context with the human capital flows and development literature. As Bhutan continues to hold a

position of influence in the international space on sustainable development and environmental conservation, its domestic institutions have been destabilizing from an escalated depletion of qualified and highly skilled professions as well as their future graduate replacements. To understand this worrying phenomenon, this research chronicled and analyzed the historic and modern policy and diplomatic initiatives which have led Bhutan's bid to modernize its education system and public administrations.

Furthermore, I argue that the evolution of Bhutan's human capital enhancement programming can be partitioned into three phases: 1. The Globalizing of Education, 2. The Outpacing of Bhutan's Baccalaureate Institutions, and 3. The Rise of Expatriation. Moreover, I assert that these phases can be characterized by one or more of the human capital flow paradigms, these being brain gain, brain circulation, and brain drain. The contribution of this research is thus not only attending to the underrepresented issue of human capital flight in Bhutan but also providing a framework or paradigmatic lens through which to understand human capital flows in Bhutan as they've advanced into the present outflow of human capital. While a specific paradigm might dominate a particular period in time, human capital mobility is ultimately ambivalent and multifaceted. The individual-level decision-making which propels migration between sending and receiving countries is largely relevant to elucidating often hazy accounts of nascent trends. Thus, this case study is coupled with a purposeful sample of interviews with Bhutanese college students, recent graduates, and an emigrant to Australia. The findings of these interviews corroborate available macro-data; however, further investigation by a centralized and authoritative source in Bhutan is needed to explore the contours and appendages of human capital flight.

The argument for the first phase is founded upon the exemplary multilateral relationships established between Bhutan, India, and Australia. The Colombo Plan, as one of the first and most significant regional cooperation pacts in the Asia-Pacific, provided Bhutan early on in its break from isolationism to diversify its foreign relations, inviting in investment and aid aimed at building its internal human capital capacity. Because Bhutan early in its assent to the Colombo Plan was mainly a recipient country of "catch-up" effects. The catch-up effects manifested as imported curricula, school materials, and most importantly, educators. These curricula and educators built up and expanded primary and secondary education access in Bhutan which had previously been relegated to informal or monastic education, paving the way for tertiary institutions. As an addendum to the domestic programming instituting through the Colombo Plan, select students and officials were sent abroad to institutions in India, Australia, Canada, the United Kingdom, and the United States to receive doctoral degrees. Upon their return, they replaced expatriate or foreign heads of schools, signifying a shift from brain gain to brain circulation. Therefore, brain gain and brain circulation are both present in this first stage, which can be identified from the periods of early modernization in the 1960s to the bulk of education reform, such as NAPE, in the 1980s-1990s. Because Bhutan is still expanding its international presence and launching its internal capacity to seed a knowledge economy, reception of aid and human capital resources is largely one way, though the legacy of the Colombo Plan carries through into the next phase.

The second phase is argued on the basis of a normative choice among Bhutanese student and professionals to substitute or continue post-secondary education overseas. The thickening of human capital linkages in the form of bilateral, government-sponsored exchange programs and scholarships, focusing on those between Australia and Bhutan, has created a throughway of human capital migration. This second phase is characterized by the outpacing of Bhutan's baccalaureate institutions, comprising the Royal University of Bhutan and partner institutions of higher learning. The establishment of the RUB expanded access to tertiary education to Bhutanese youth on a merit

basis. This meritocracy has made matriculation to these fully funded colleges competitive. Those who successfully complete a course of study in in-demand sectors like engineering, design, resource management, and other technical fields are better absorbed into the transitioning economy than humanities or liberal arts majors. Thus, there has been an observable mismatch in the labor market between a new generation of domestically credited graduates and the availability of well-paying positions. Therefore, students since the establishment of the RUB are faced with the alternative of overseas education and employment whereby they can return enriched and credentialed. The back-and-forth programs which have been endorsed by both Bhutanese and Australian officials signify a brain circulation. However, the continued mismatch between labor demand and labor supply has pushed mid-level and senior officials, practitioners, and prospective students to make a choice of protracted settlement abroad, giving rise to the third stage.

The third phase represents the most recent and troubling trend, dubbed the "exodus" in popular Bhutanese media circles. The exodus is accurate, however, given that increased attrition rates in key sectors like education, healthcare, and the Civil Service have exponentially increased in the last three to five years as well as education and personal loan applications. A noticeable dip during the pandemic was due to tight border restrictions, but now, despite being on the other side of economic recovery, Bhutan's human capital is continuing to depart for Australia. This phase has moved squarely in the brain drain direction as an increasing number of students, i.e. future human capital, are choosing to apply for permanent residency, thus the rise of expatriation.

While this trend continues to worry the general public of Bhutan, it has remained a passive issue by the government. At the bureaucratic level, efforts have begun to curtail the high attrition rates in the Civil Service, healthcare, and education sectors. Both the King of Bhutan and recently re-elected PM, Tshering Tobgay, have called attention to the struggle to retain youth. As a radical move to rejuvenate the stagnating economy, the Megacity project, or "Mindfulness City" was announced by the King in December of 2023 on the National Day (Zam 2024). The construction of a sustainable, green city in the south of the country has disrupted the doom spiral of youth looking to jump ship. However, the pilot stages of this project remain to be seen if it affects the currently abroad Bhutanese. Though this mega project was announced amid concerns for the exodus, the intention behind constructing this city has been framed around the spectacle of Bhutan's diplomatic export of being a sustainable development and eco-conscious state. Therefore, the prevalence of the GNH regime in the context of what is arguably a desperate attempt to reverse the tide of Bhutanese migration, begs further investigation.

Brain circulation has a chance to reemerge if the diaspora in Western Australia, which hosts the largest population of Bhutanese migrants outside of Bhutan's neighboring regions. If this diaspora can be strengthened and form robust lobbyist networks and send back capital in the form of remittances, which has seen a slight decrease in the last two years, Bhutan can offset the economic productivity originally provided by these workers.

The interviews shed light on the nuanced factors and perceptions regarding human capital flight. Every interviewee respondent cited 'brain drain', the 'exodus', or the act of youth 'leaving' as the major preoccupation. Perceptions contracted through a recent Centre for Bhutan Studies strongly reflect on a wider scale, the same thematic findings of the purposeful sample conducted for this research. The thematic findings were the following: lack of opportunity, hope of return, the prospect of happiness, and the promise of the Megacity.

Each of these themes reflects the internal logic or flow of human capital of the three theoretical paradigms. The lack of opportunity repeatedly mentioned by respondents signifies the push effects associated with low-income, sending countries and vice versa, the perceived

abundance of opportunity in Australia shows the pull effects associated with high-income, receiving countries. The hope of return was a thematic sentiment shared by some of the more optimistic respondents that felt the Megacity or an innate loyalty to country and people will be enough to entice emigrees back home. The further hope is that those that spent time overseas for further study or employment will contribute to Bhutan's innovation and internal spheres of development, reflecting the logic of brain circulation. The promise of the Megacity itself could be seen in one of two ways, either as a brain gain, catch-up development scheme or as the impetus for rekindled brain circulation. Lastly, the prospect of happiness from journeying abroad, invoking the "Australian Dream," remains a philosophical and sociological quandary. The superficial contradiction of a nation which especially cultivates and evaluates the collective happiness and well-being for its people and the rising exodus appeals to the wider literature on Gross National Happiness and well-being measurement.

In conclusion, the case of human capital flight in Bhutan provides a unique example of the interplay of three theoretical paradigms. In conclusion, the case of human capital flight in Bhutan offers a unique example of the interplay of three theoretical paradigms. The evidence presented in the case sections detailing phase one and phase two affirms Hypothesis I, as well as Hypotheses II A and B. However, Hypothesis III requires further exemplification through future trends in Bhutanese migration patterns, which will depend on the emerging influence of diasporic networks abroad. While there are intermittent stages of brain circulation acting as a transition between brain gain and brain drain, these do not seem significant enough to distinctly characterize the progression of human capital flight during a specific period or moment. Bhutan would need to increase reciprocity in education or human capital-intensive industry with regional actors to exhibit circulation as theorized by advocates for regional cooperation in human capital enhancement. In the future, the outflow of human capital to Australia might force the Himalayan kingdom to rethink its approach to sustainable development or once again triumph over this obstacle through judicious internal reform and strategic international partnerships.

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