

STATE, ECONOMY AND SPACE IN BHUTAN IN THE EARLY PART OF THE 19TH CENTURY

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This is an exploratory paper about the geography and history of space in Bhutan. It investigates space in relation to the reach, power and influence of the state and how this has related to state formation processes and social relations. There are two related levels of analysis. At the more macro level we look at Bhutan as an entity within a wider historical and regional context. The second but related level of analysis considers aspects of the emerging state system in Bhutan and its relations to its people.

It is from the field that we start. In 1999 – 2000 a study of rural livelihoods² in different parts of Bhutan was undertaken in order to gain a better understanding of the nature of rural change over the last thirty years. The study was carried out in seven different locations³ in order to capture regional variability and investigated how different households in each location had constructed their lives and how this was influenced by both their historical and geographical context. Each village had specific characteristics that framed it in relation to its immediate and the outer world

Standing in three of these villages today one cannot but be struck by their location in the presence of significant historical emblems of dimensions of the Bhutanese state⁴, all of which are highly visible. Khangkhu in Paro lies beneath the imposing presence of Rinpung Dzong, which dates back to 1646. In Phobjikha one's attention is inevitably drawn to Gantey Gompa on its knoll above the valley, a monastic establishment founded by Pema Trinley, grandson of Pema Lingpa in the 16th century. In Dungkhar a massive four storey building dating from the *choje* lines established by Pemalingpa and from which the Bhutanese

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³ The villages (with Gewog and dzongkhag in parentheses) were: Khangkhu, (Wangchang Gewog, Paro); Toka & Neylo, (Laya Gewog, Gasa); Ghela, (Gante Gewog) & Gangphey, (Phobje Gewog, both Wangdi-Phodrang); Pangna, (Drugeygang Gewog, Dagana); Thrisa (Shingkar Gewog, Zhemgang); Dungkhar (Kurtoe Gewog, Lhuntsi); Nanong & Woongchiloo (Nanong Gewog, Trashigang)

⁴ We use the term 'state' here as a short hand : it is not to imply any normative meaning in terms of Western conception of the state but merely to reflect the structures of authority, both political and ecclesiastical in Bhutan. Even within Bhutan the very meaning and practice of a 'state' has undergone substantial change, not least from 1950.

monarchy originates, is the central presence of the village. In all these three locations both material and spiritual dimensions have been the ties that have bound households to the location, state institutions and their place within the landscape.

In the four other locations the presence of the historical state is not so directly visible but the traces are there. In Laya, founding history is related to the Zhabdrung Ngawang Namgyal and the Layaps were intimately tied to the Gaspa Dzongpon and his trade to Tibet. Drujegang, a more recent settlement, perhaps 100 years old was originally settled by Khengpas fleeing Zhemgang under conditions of conflict and there was to be subsequent settlement by people of Nepali origin. But the axis of its relations to the outer world lies as much with Dagana dzong two hours away by road, and built in 1655, as with the south. Thrisa in Zhemgang, still remote and a two day walk in either direction to a road, has a tangled history shifting between the Dzongpon of Zhemgang in the early 20th century to the protection of Wangdicholing palace in Bumthang and then back two decades later. At one time the Dungpa for the geog of Shingkhari (in Zhemgang) had been based in Thrisa. Nanong, in Tashigang, at the base of the valley close to the Demri Dang river and now some 3 hours walk from the Tashigang - Samdrup Jonghar road was also the location of the Nanong Dungpa to whom tax was paid. Trade historically was to India. Woongchiloo close by is a more recent village settled from easterners who moved south reportedly to escape tax and find more land.

All of these villages and their inhabitants were therefore tied in different ways to various dimensions of the historical Bhutanese state. Underpinning this has been their agro-ecological setting, which has influenced the extent that households have potentially been able or not to secure livelihoods based exclusively on agricultural production. Population densities and socio-economic relations have in addition been a conditioning factor with respect to access to land. However as we shall see the reach or fetch of, and the nature of the state presence has been highly variable, over both space and time and therefore rather than viewing households in a fixed setting, the location specific context of geography and history needs to be understood.

It is already clear from the examples of both Drujegang and Thrisa, households and villages have had the ability to shape their own world, even if only by various means of protest through shifting allegiances or flight. Contention and negotiation and human agency are a key facet of Bhutanese history (Pain & Pema, 2000). Equally the nature and presence of the state at the local level have not been immutable and

has been shaped both from below and by the wider context at the national level and beyond.

In considering the power of the state one needs to distinguish between areas where the state has exercised authority and control (for example by direct taxation systems) and areas where it has exerted influence⁵ and this is one of the themes of this paper. An example of this is to be seen in the nature of the relaxed tributary relations that functioned between Bhutan and Tibet that defined a spiritual authority but not a material control. The more specific issues of the nature of taxation systems and trade and what they tell us about the world and state household relations in which the study villages and their households have historically lived will be addressed later. But there are wider sets of questions and issues that are needed to frame our understanding of their world. These relate to the regional world in which Bhutan as a country has been situated and the shaping of Bhutan's historical and current identity.

Comparative work experience in the Himalayan and Hindu Kush region⁶ has not only provided a rich insight along a longitudinal transect which encompasses states with strongly differing religious foundations (Islamic, Hinduism and Buddhist) but has suggested that regional geographies and state formation processes show both interesting similarities and differences and a useful lens through which to view Bhutan. Afghanistan has in the past as now occupied a key geopolitical position in relation to trading system to the east and west. It has had a deeply problematic state history for both internal and external reasons and the ability of a strong central state has been limited by the extent to which a state has been able to extract and establish a strong tax space in a country where there are corridors of production surplus (along the river and irrigated valleys) and large intervening spaces where the state has had little control.

Nepal as a Hindu state, although with strong Buddhist antecedents, has also occupied a varied but key position in relation to its location. The opportunities to tax trans Himalayan trade between Tibet and India has been an important source of revenue at particular stages of state formation, combined with a taxation base drawn from its own resources. To understand the history and nature of the state in both Afghanistan

⁵ One is reminded of the memorable phrase of Norman Lamont in his resignation speech at Chancellor of the Exchequer of John Major's Conservative government as 'in office but not in power' *Economist*, May 17, 2003, p.36

⁶ One of us (Adam Paine) since 2001 has been working and travelling extensively in Afghanistan, Pakistan and Nepal

and Nepal, an appreciation of their geopolitical position and its historical specificity is essential. So it is with Bhutan.

Yet much of the writing on Bhutan pays little attention except in a synthetic or descriptive sense to the wider context of Bhutan's historical experience. Economic history hardly features, the notion of the state remains largely unproblematized and trade and trading systems hardly investigated. As Pommaret (2000,p30) has put it ' Western writers have often projected the image of an isolated country, a kind of autarchic mountainous island'. This has often been the external view and approach to Bhutan as well. And it should be added, to villages within Bhutan that have often been regarded as unchanging unmonetized isolated, subsistence communities. This has been compounded by the fact that historical studies have tended to focus on the descriptive elements of the theocratic and monarchical systems and paid little attention to their material base. The focus too has been on 'the state' and there has been almost no attention to non-state history - or the 'subaltern' perspective that has so successfully challenged the notion of history in the Indian context.

We must also pay attentions to issues of scale and location specific interactions of geography with history. It is one matter to talk of Bhutan in relation to trade and political systems within the Himalayan context. It is quite another to trace down the influence of those (and vice versa) to district, valley, village and household level. This paper is largely concerned with Bhutan and its locational history and geography, but as will be clear by so doing this raises interesting issues to relations at a finer scale within the country.

There are of course great difficulties in constructing history in Bhutan either of the state or of its people because the documentary and written record appears so thin. The repositories of key documents (*dzong*) have burned down so frequently (Punakha in the 19th century burned down at least three times) or key records⁷ have been lost or destroyed. Yet there are fragments⁸ that put together begin to raise at the very least interesting questions about the nature of the historical and geographical context, and if this paper sparks a greater emphasis on tracking down and investigating the historical record then it will more than have achieved its purpose.

⁷ The dispositions collected in Eastern Bhutan on taxation systems prior to the monetization of tax were sadly destroyed after the information had been collected (Dasho Shinkhar Lam, personal communication, 2000)

⁸ An outstanding exception is the translation by Ardussi and Ura (2000) of the documentary record in relation to enthronement of Zhabdrung Jigme Dragpa),

This paper is not entirely speculative but it is tentative and exploratory given the scope and depth of material that we are dealing with. It is centred on a number of key issues, not all of which can be satisfactorily addressed at present. They relate to building an understanding of the material world in which the study villages and their households inhabited and how that has changed and why; to considering how experience differed between locations and the extent to which individuals and households shaped their own history in their interactions with the state institutions that they have lived with. It is concerned with understanding the reach of the state and the nature of its control. It is interested in the wider world that Bhutan has inhabited, shaped and been shaped by through the combination of its historical experience and geographical position in the Himalayas. In that sense it seeks to lay the background to rural change since the 1970s.

Bhutan and Its Historical Regional Setting

Regional Trade System

It is with the wider world that we start and this section attempts to sketch in outline the world that Bhutan has occupied. It should be noted that the way in which we would look now at Bhutan as a specific political and geographical entity with cartographically defined boundaries (even if there is remaining contention over some of these) is not its historical identity. Boundaries (and what they imply) are a creation of the modern nation state and Bhutan's boundaries (as with both Afghanistan and Nepal) were created by *force majeure* of the imperial powers. Prior to the British annexation of the duars, Bhutan's authority over this region can probably be expressed more in terms of a sphere of influence (from which it extracted revenue and slaves) rather than an area that it controlled. These were Bhutan's borderlands.

In considering Bhutan's historical position in the region two points stand out clearly. First its wider world has to be understood in terms of the ebb and flow of the Himalayan region with respect to the dynamics of power between Tibet and India, of which trade was the key element. In turn Tibet and India cannot be understood without reference to Tibetan relations to the wider world, most notably China and the balance of power between it and the expanding influence of the British in India from the 18th century onwards. Second, and at first reading, the evidence points to a coincidence at the very least of phases in Bhutan's history with some of the trends that can be identified in its regional setting.

This is not surprising since after all, as we are constantly reminded, Bhutan is a small country and in the geopolitics of the 17th - 20th century

it has hardly been in the position to be a leader in regional affairs and its politics then had to blend a careful blend of opportunism and allegiances with periods of invisibility in the hope that it might be overlooked in the grander play of affairs. With the rise of the nation state during the 20th century its identity has become more secure but one should not forget how recent the absorption of Sikkim into India (1973) has been, an event that has resonance with the loss of the Duars to the British in 1864.

The starting point for discussion must be Tibet because Bhutan has always been a part of the wider geo-cultural world of Tibet although at times a marginal one. As Amundsen notes (2001, p9.) in the 7th century Bhutan was very much the badlands on the border and defensive towers along the Tibetan border are testimony to the fear and risk of predatory behaviour by the Bhutanese in more recent times⁹. Indeed the origin of the name 'Bhutan' may come from the Indian term *Bhotanta* (Pommaret, 1991, p53) which refers to the border regions of Tibet. Be that as it may, Bhutan's political origins and its foundation history are built on the flight of the Zhabdrung from Tibet in 1616 and his unification of Bhutan into a Buddhist state over the following thirty years. Continuing religious and trade relations with Tibet kept Bhutan firmly as part of the Tibetan world, and one should remember the ownership of the monastic estates at Darchen around Mount Kailash in Tibet (Bray, 1997) which date back to the 17th century and which in 1958 were still under discussion in the National assembly¹⁰ firmly linked Bhutan to Tibet through historical relations. They were of course diminished (at least at State level) with the takeover of Tibet by China at the end of the 1950s.

Prior to the Zhabdrung's arrival though it is clear that there was a significant connection through Bhutan as part of a trade axis between Cooch Behar and Tibet. Deb (1973) comments on the accounts of a British merchant on the Cooch Behar trade to Tibet through Bhutan. Cacella and Cabral (Baillie, 1999, p31) also noted the trade with Tibet through Bhutan, connecting both to Bengal and the plains of Assam. What we do not know is the extent to which Bhutan was simply a conduit for trade

⁹ As Amundsen notes, the Bhutanese in 1959 shared similar sentiments towards the Tibetans.

¹⁰ It was learnt that the territorial of Toe Gangri (Mount Kailas) was initially gifted to Bhutan since the reign of King Jamyang Tenzin and his son Singye Namgay of Ladag with all the ecclesiastical properties. And accordingly the Gangri Lam was appointed periodically from Bhutan to administer Toe Gangri. Since some years ago the Administrative power for the Administration of Toe Gangri was granted to the Trade Agent (Boidel) of Bhutan in Lhasa (Tibet) by the Royal Government. As such, Toe Gangri being of Bhutan's colony, the Assembly has suggested that the appointment of Gangri Lam or Dzungpon would have to be re-considered for proper administration of the Toe Gangri, because of the possible benefits that may accrue from it in future. (Minute 7, Part IV, 1st National Assembly, 1952)

although Rhodes (2000, p.86) points to evidence of currency production in Cooch Behar for the nascent state of Bhutan which is indicative of a more active role in trade for Bhutan.

From the mid 17th century however there appears to have been a decline in trade south of Bhutan and much of the Tibetan – Indian trade went through Nepal. Rhodes (op.cit) notes that during the late part of the 17th century very few coins were struck in Cooch Behar, again supportive of a view of a decline in Bhutanese engagement in trade activities (at least cash based).

During the 18th century there were a number of important shifts of power and influence. In the early part (1700 – 25) there was considerable disorder in Tibet with because of a strong Chinese presence that discouraged relations to the south. Bray (1997) notes the decline in trade activities in Darchen at the beginning of 1700. Indeed it is worth stressing that at this time the major trading partner of Tibet was China rather than the south (van Spengen, 2000). However during the mid 18th century Tibet again opened out to trade from the south and this combined with the rise of the Ghorka state (1740 – 1768) which led to a closing down of the Nepalese routes from Tibet, again opened up opportunities for trade via the Chumbi valley through Bhutan. Deb (1973, p81) notes ‘ [by 1765] . Bhutan’s trade in the plains extended to Rangpur and annual Bhutanese caravans to that place were already ancient custom’. Ardussi and Ura’s preliminary analysis (2000) of the distribution of gifts at the time of the 1747 enthronement of Zhabdrung Jigme Dragpa also points to a significant cash component (about 26% of tax paying households in western Bhutan, p52) in the tax payment at that time. This information combined with the growth in coinage both from Cooch Behar and Tibet (Rhodes, 2000) is consistent with the picture of a Bhutanese state with the ability to capture significant revenues (and disperse them as the *man*g *gyed* ceremony shows). Turner’s 1783 list (1971) of trade from Tibet to Bhutan included details on the flow of tea and gold dust from Tibet to Bhutan and from Bhutan English cloth.

However as the 18th century neared its end the dynamics of regional trade were again shifting. The growing British influence in India led to the annexure of Cooch Behar by the East India Company in 1772 and a formal treaty of dependence which was to lead to the closure of the Cooch Behar mint in 1788 (Rhodes, 2000). The 1792 Sino – Nepalese war and a rise in Chinese influence in Tibet caused a new closure on Tibet with its wider world.

The 19th century can be characterised by the ever-growing influence of the British in the Himalayan region. In 1814 – 16 the Anglo – Nepalese

war led to territorial losses by Nepal and also in Sikkim. In 1826 the British annexed Assam and by 1835 had gained control of Darjeeling. In the western Himalayas Ladakh (1842) had lost its independence and became a subordinate state to Jammu under the Dogra chieftain Gulab Singh although it continued to conduct tributary relations with Tibet (van Spengen, 2000) a point to which we shall return. The capture of power by the Rana government in Nepal in 1846 was to lead to a retreat from external engagement with the world, even though it may have exercised no more than nominal control over its border areas.

For Bhutan the experience of the 19th century was increasing contention with the British and deteriorating relations. By 1835 the debasing of the Bhutan currency (Rhodes, 2000, p91.) was indicative of a retreat from market based external trade relations as trading conditions with the south became increasingly difficult. By the early 1860s there was an effective economic blockage by the British on Bhutan trade at Rangpur and many of the trading privileges established in the 1774 Anglo-Bhutan treaty were removed. Ultimately of course Bhutan was to lose its *duar* territories and the signing of the Sinchula treaty in 1865 and the receipt of an annual subsidy of Rs 50,000 from the British was to place Bhutan firmly within the orbit of British influence.

In Tibet as a result of the long-term decline in trade with China as the Chinese empire (van Spengen, 2000) gradually imploded there was a more significant orientation of its market to the south and India and in particular the export of wool both to India and international markets. The period from 1850 to 1950 saw a relatively independent Tibet and the trading opportunities that arose saw the emergence of substantial Tibetan trading networks into India. A significant transition took place as a result of the Younghusband military incursion to Lhasa in 1904 and the formal establishment of a trade office in Tibet. This led to the consolidation of the Chumbi valley as the major trade route through the Himalayas to India and was to transform trade opportunities in this area. It was into these of course that the first Bhutanese traders tapped during 20th century¹¹.

So much for the general shifts in trade and Tibet - India relations from the 17th century and how they affected Bhutan. The key issue though is what our understanding of trade and trade relations can tell us about the nature of the state and how it has changed. We again focus on Tibet before turning to explore in more detail the nature of the state in Bhutan.

¹¹ One notable example of course is the Dorji family, Aris, (1994).

The Tibetan State

We draw here on the work of van Spengen (2000) to summarise a set of arguments in relation to the nature of the Tibetan state, and we take our starting point as the beginning of the eleventh century, following the long drawn out collapse of the early Tibetan empire under Trhisong Detsen (756 – 797). From the early 11th century there was a resurgence of monastic life organised around what has been termed ‘ecclesiastical principalities’ (Stein 1987, quoted in van Spengen, 2000, p26). These were to provide a focus around which economic and political activity was organised and over the coming century with the rise of the Kagyu sect and their increasing wealth there was a melding of the political with spiritual authority. As Dowman (1988 p18, quoted in van Spengen, 2000, p24) noted: ‘due to the increasing and eventually predominant wealth of the monasteries, temporal power became synonymous with the spiritual authority: thus theocracy was born’.

With the ascendancy of the Gelukpas from the beginning of the 15th century a more centralised monastic system emerged with a centralised administrative structure under the authority of the Dalai Lama. As van Spengen suggests (2000, p25) ‘in terms of political geography integrated theocracy gained political control of the country’. Whether this was a true state or not (in the western sense of a monopoly of force) is open to dispute. Rudolph has argued (1987) for greater attention to the ritual nature of the state and ritual sovereignty, based on ‘the cosmological conception of kingship’ (van Spengen, 2000, p26). However this denies the more material and calculating dimension to organisation and van Spengen prefers the term ‘ecclesiastical state’ to describe Tibet. He goes on: (*ibid*, p26)

‘With the development of government after the rise of the Dalai Lamas, this ecclesiastical state assumed a dual character, in which lay officials of the central government, as well as the more independent states in other parts of Tibet, had monastic counterparts. This administrative set-up ensured a lasting counterbalance of politically minded prelates to an all too aspiring aristocracy. However the dominance of one religious order over the others, in one way prevented growth of a real national unity. .. the whole of Tibet may be best described as a spiritual, but politically fragmented federation. Thus the Tibetan state in the strict ‘European’ sense of the term, and based on a monopoly of force, did not exist. Though the idea of a measure of ritual sovereignty nowadays facilitates the idea of a ‘cultural’ Tibet, the political integration of all its parts was never fully realized.’

van Spengen concludes (*ibid*, p94) that despite the achievement of a coherent cultural identity, Tibetan state formation essentially failed because of the 'fragmented nature of its internal economic relations'. A coherent economic entity failed to develop in part because of the largely self-sufficient nature of monasteries and that the 'major clusters of population were generally too small and too far apart to allow for meaningful economic exchange at the level of daily necessities'. The extent to which this epitaph could be applied to Bhutan we return to later.

However at this point the nature of trade needs greater elaboration and this can only be understood on the basis of Tibet's ago-ecology. Although largely characterised as a high altitude plateau (above 3500m) in which livestock predominated, there were significant areas, at least in the east where grain surplus could be generated. As a whole therefore while surplus in livestock products it was deficient in grain and therefore trade systems based on exchange both within country and to the south developed, supported by Tibet's other significant export commodity, salt for which there was a major demand in the Himalayan region.

From these exchanges, and with a strong supply of pack animals for transport systems, and given its geo-political position, Tibet emerged in the 17th century as a major trading nation (Boulnois, 2003) and the rise of Lhasa as a key staging post for the transcontinental trade (between India, central Asia and China) in various luxuries (amber, musk, coral, turquoise, silk and cotton) combined with a major trade in tea and wool, was combined with the emergence of the Lhasa based trading communities comprised of both Nepalese Newari and the Indian Kashmiri. Besides these merchants however, monastic establishments were major traders in their own right financing and mounting trading expeditions and it was this that was a key to their prosperity.(van Spengen, 2000, p135).

Bhutan and State Formation

State Formation and Trade

Against this picture of state formation processes and trade systems in Tibet, where does Bhutan stand? It is evident from the account of Fitch (Deb, 1973) that trade through Bhutan from Cooch Behar to Lhasa was flourishing in the late 16th century, prior to the arrival of the Zhabdrung in 1616. But it is clear, not least from the programme of construction of Dzongs that took place from 1630 onwards, that state formation processes in Bhutan were qualitatively of a very different order from those in Tibet

at this time. The construction of at least 13 of Bhutan's 16¹² historical dzongs over a 35 year period (from Simthokha Dzong in 1629 to Lingshi in 1667) year period is testimony to the ability of the Zhabdrung and the emerging Bhutanese state both militarily and otherwise to exert his authority over Bhutanese space in a remarkably short time¹³. As Amundsen has noted (2001) in contrast with Tibet, the Bhutanese Dzongs represented a combination of the integration of both religious and political power, while in Tibet the dzongs largely fulfil administrative functions with the religious (and political) centres contained within the separate monastic buildings.

There is an important question to be asked as to where the material resources – most significantly of labour and food to feed it – came from in the construction of these dzongs. There is an interesting parallel with the mobilisation of labour for road construction in the 1960s in Bhutan and the minutes of the national assembly¹⁴ indicate just what a mammoth task this was and reveal what the difficulties may have been in organising civil works in a labour scarce context. The ability to command labour has historically been a crucial element to state formation in Bhutan and while conscripted labour must have been required, it is likely that the capture of slaves, particularly from the duars, must have been essential for the Dzong construction.

The construction of the *dzong* is perhaps the most visible sign of state formation processes during the 17th century and the ability to combine the religious or spiritual command with political authority stands in contrast to that of Tibet. There was a clear material underpinning to this and this is reflected in the Bhutan legal code of 1729¹⁵. Key parts of this document relate to issues of taxation and what are legitimate and illegitimate taxes. This is not the place to discuss these in detail but the significant point is that by the 18th century a national system of taxation based on product taxes, labour requirements supported by detailed documentary records was in place. Nowhere is this more clearly exemplified than in the record of the enthronement ceremony of Zhabdrung Jigme Dragpa 1 in 1747 (Ardussi and Ura, 2000) which

¹² The list of 13 excludes Dobji Dzong, Singye Dzong and Shonghar Dzong since the dates of foundation either precede the Zhabdrung's arrival, or are later than the 13 year period or not yet tracked down

¹³ There is a Geography of the spatial distribution of these *dzong* yet to be written in relation to the balance between border control and external threats and the establishment of internal state authority

¹⁴ Labour requirement for construction of *dzong*

¹⁵ Aris, 1986, Text III. Text and translation of *dPal 'brug-pa rin-po-che mthu-chen ngag-gi dband-po'i bka'-khrims phyogs thams-cad-las nram rgyal-ba'i gtam*. Author bsTan-'dzin Chos-rgyal. Date 1979

essentially is a census of the population. Each tax-paying household has been counted and the nature of the taxes paid described so that an assessment of a monetary gift according to the household's tax status could be made.

A number of points arise in relation to the taxation system and here we are entering uncertain ground because of the lack of information. Key issues relate to the nature and size of the state apparatus and the size of the tax base. Ardussi and Ura (2000) estimate a population of somewhere in the region of 260,000 based on an assessment of the number of tax paying households, assumptions over household size and the number of non-tax paying households. Collecting goods in kind were, we assume largely for the purposes of supporting the monk body and the civil administration but we have limited information on what the size of the monk body was during the 17th century.

Aris (1979, p221) states that Punakha dzong 'was designed to accommodate six hundred monks .. that by the end of the Zhabdrung's reign the state monks who lived there numbered more than 360 .. the original target seems to have been reached about 50 years later and has remained fairly constant ever since'. This should be contrasted with Samuel Turner's estimates (1783) of some 1500 monks in Tashicho dzong in 1783, a figure which Amundsen notes (2001, p.22) is roughly the present figure. Ardussi and Ura (2000) on the other hand on the basis of the investiture ceremony records have a very precise set of statistics to offer (p42) 'the work begins by tallying the gifts provided to each of the 1821 chief celebrants and other participants in the ceremony itself. This included 661 monastic officials, monks and novices, 11 leading religious officials of state and 1149 ministers, lower officials and their servants'. The 661 monastic officials comprised of 560 ordained monks and 101 novices. Ardussi and Ura (p44) consider that the number of state officials or functionaries is large in relation to the presumed population size, and supply comparative figures from the 20th century from oral sources to support this. In contrast, van Spengen (op.cit. p76) quotes figures for the size of monastic institutions in Tibet in the thousands, indicating a rather high absolute figure for the monastic establishment in Tibet than in Bhutan although what that is relatively in relation to the overall population remains an unknown.

An even more interesting set of question relates to value of the gifts by the state. Ardussi and Ura (2000) state the following: 'The total value of gifts distributed in the ceremony .. exceeded 47,000 silver *ma-tam*. At least half of this amount was given in the form of either whole *ma-tam* coins or the half *ma-tam* called *chetam* (*phyed-tam*), the balance being in

gifts whose value was expressed in *ma-tam*. The magnitude of this and similar distributions in the 18th century Bhutan ‘has implications for the study of wealth recirculation and monetization of the public economy’.

How could the state come by the means to be able to afford the ceremony and to give away such substantial sums? Was this generated entirely through internal taxation and what contribution did external trade or transit trade contribute to this? These are unanswerable questions although note should be made of a number of issues. First the small size of the country and population clearly limited any realizable surplus, however hard the taxes. While Bhutan, in contrast to Tibet, could clearly be relatively self sufficient in most food stuffs reflecting its diverse agro-ecological base, and exported rice and other commodities both north and south, the value of that trade and the degree to which it was monetized and its scale are unknown. Moreover, as Ardussi and Ura draw our attention to, the state was keen to keep taxation in kind rather than in cash because they suggest it led to a reduction in taxes collected by the state – but possibly also illustrated the imperative to secure basic provisions for the state bureaucracy in a surplus scarce context.

Part of the trade clearly must have been monetized – how else could the 26% of tax paying households in Western Bhutan who paid in cash (Ardussi and Ura, 2000, p52) secured this money other than through personal trade? Bogle (1774) on the other hand cites the role of the Deb Raja and the provincial governors in carrying out trade between Bhutan and Rangpur, exporting tangerines, musk, cow-tails, red blankets and woollen cloth, trading broadcloth, spices, dyes and Malda cloth to Tibet and importing tea, salt and wool to Bhutan. The state was then clearly an important player in trade relations. But what of other monasteries or religious institutions that were not part of the formal state bureaucracy? It is not clear whether or not they traded in their own right although households based on a significant religious lineage, as in the case of the Chumi Zhelngo (Pain and Pema, 2000) did hold *kashos* which gave them the right to require corvée labour to transport loads to and from Tibet in summer and winter. The Chumi Naktsang is also recorded as being a long term trader in salt. The scale of monastic trading and the degree to which it led to the accumulation of wealth we have no information on.

As discussed in II the 18th century was a time of relative prosperity both for Tibet and Bhutan yet from north in the 19th century Tibetan trade with the south was in decline and the expanding British influence in India was threatening the Himalayas. Deb quotes from observations by Krishnakanta Bose in 1815 on Bhutanese trade systems and in particular notes how government officials monopolised trade with Tibet. In 1838

Pemberton also noted the restriction of trade to a few principal routes, with limitations apparently being imposed by the Deb Raja and the Paro Penlop on Kashmiri trade in Lhasa to trade through Bhutan to Bengal. While Bose noted the substantial trade between Bhutan and Cooch Behar, by the mid 19th century British restrictions on this trade were leading to a decline (Pemberton, 1837 p225). What is cause and effect is difficult to entangle but the descent of Bhutan into relative political disorder, the loss of clear central authority and the emergence of regional power bases within the country coincides with a period when regional trade systems and the opportunities to generate significant revenues were in decline. A reading of the line of secular and religious rulers up to 1907 and the installation of a monarchy from that date might be taken to indicate a certain stability, unity and stability of scope of state geography, albeit with a few blips of contestation for position as secular ruler. Aris (1994) though draws our attention to out 12 of the 26 secular rulers from 1822 to 1903 (an average of 3 years per rule) failed to complete their term either through forced removal or assassination.

The significance of the British subsidy of Rs 50,000 per year from 1864 onwards to Bhutan and the contention over its distribution (see Aris, 1994) are testimony perhaps to the limited revenue base that Bhutan had to offer and the limited opportunities for revenue and surplus to be generated through regional trade. However the establishment of the Bhutan monarchy in 1907, building on the role that Ugyen Wangchuk (Aris, 1994) had played in the Younghusband expedition to Lhasa clearly repositioned Bhutan with respect to the expanded trade that flowed through the Chumbi valley post 1904, and this was followed in 1914 with an increase in the annual subsidy to Bhutan of Rs 100,000.

Vertical Trade – Regional Economies

The paper has covered so far what might be termed the 'horizontal' trade that Bhutan carried out with its neighbours. There might be the temptation, not least because of its size to focus on Bhutan at a national scale rather than to consider the detail and locality of regional geographies within it. Recognition needs also to be given to the importance of what might be termed the internal 'vertical' trade systems and movement on which there is little quantitative information but a substantial legacy of evidence remains in the landscape. It is structured around the geography of localised surplus and deficit of essential commodities including grain and animal products.

Bhutan is a landscape of movement driven by meso variation in agro-ecological conditions which give rise to localised areas of surplus and deficit. Two key features indicate that the details matter and they are related. The first is landscape and the distribution of river valleys, valley shapes and altitudinal differences between valleys and the pattern of settlement in relation to these valley systems. The second is the absence of any lowlands similar to the terai of Nepal: Bhutan is all mountains, although this is relatively recent and dates from the British annexation of the duars.

Bhutan's physical landscape can most conveniently be simplified into the contrast between high altitude ridges, often to 4000 m. asl that run on a north south axis with intervening river valley systems that penetrate deep into northern Bhutan rising from almost sea level at the border to altitudes at their most northerly cultivable reach of 1400 - 1700 m. asl. It follows that lines of communication more naturally followed the north south axis rather than a west - east axis and where lateral communication occurred it tended to happen to the north where distances between ridge and valley bottom were least, rivers more crossable and where valley sides were more easily negotiable.

Five main river systems (from west to east the Amo Chuu, the Wang Chuu, the Sankosh Chuu, the Manas Chuu, the Mangde Chuu and the Nyera Amm Chuu) dissect the landscape. To the west the valleys of Paro, Thimphu and Pungkha-Wangdi, respectively at 2350, 2400 and 1500 m.asl on average, are relatively broad with valley floors up to a kilometre wide covered in paddy tracts watered through river sourced irrigation systems. In the central regions drained by the Mangde Chuu and the Chamkhar Chuu and at average altitudes of about 2000 m. asl in Tongsa and 1800 in Zhemgang narrower valley bottoms and an extensive range of higher (above 2400 m. asl) altitude lands which reach into the south, restricts both the paddy area and its cultivation to stream sourced hillsides where valley sides are less steep. To the east higher altitude lands are less extensive and continuous and although lower altitude cultivable land for both maize and paddy is proportionately more abundant than in other regions, as with central Bhutan narrow river valleys bottoms limit river sourced paddy cultivation and restrict it to stream based cultivable slopes.

An understanding of contrasts of areas of paddy surplus and deficits, and of high and low altitude contrasts is a key to the understanding of traditional patterns of resource management, ownership and the seasonal movement of people. Table 2 summarises some of the key features of these movements, which are primarily

concentrated in the western and central parts of Bhutan. Seasonal movement was primarily geared around either livestock and from high to lower altitude, from summer to winter pasturage or around grain cultivation, lower to higher altitude to escape high summer temperatures in low lying paddy lands.

For livestock movement, contrasts can be made between the movement of high altitude semi-nomadic yak herding people (see Lingshi, Laya, Sephu, Merak-Sagten) who moved down into lower latitudes both for winter grazing and to trade livestock products for grain, and those who maintained a permanent residence in one location but the household divided with the livestock herd moving down to lower altitude lands over which they had grazing rights (see Haa, Paro, Bumthang, Pemagatshel).

Table 2. Summary of Major Traditional Transhumance Patterns

Location Dzongkhag	Summer Location	Altitude	Resource	Winter Location	Altitude	Resource	Paddy Status	Surplus
Western Bhutan								
Lingshi & Paro	Lingshi	4000+	Pasture	Paro	3000	Pasture	-	Yak
Paro & Chukha	Paro	2300	Paddy	Chukha	1500	Dryland, Pasture	-	
Haa & Samchi	Haa	2800+	Dryland	Samchi	1000+	Paddy(S), Pasture	-	Dairy
Thimphu & Dagana	Thimphu	2400	Paddy	Dagana	1600	Dryland, Pasture	=?	Livestock
Wang: Punakha & Thimphu	Thimphu	2400	Paddy, Dryland, Pasture	Punakha	1300	Paddy(S), Dryland, Fodder	+ +	Paddy
Laya & Punakha	Laya	4000	Dryland, Livestock	Punakha	1300	Exchange	-	
Shaa: Wangdi & Phobjikha	Phobjikha	2800+	Dryland, Pasture	Wangdi	1500	Paddy(S), Dryland	+	Paddy
Ada & Phobjikha	Phobjikha	2800+	Dryland, Pasture	Ada	1200	Paddy(S), Fodder	+	
Tshirang	Tshirang	1400	Paddy/Dryland	Tshirang	1400	Dryland	=	?
Central Bhutan								
Bumthang & Tongsa/Zhemg ang	Bumthang	2700	Dryland, Pasture	Tongsa	1800	Paddy, Dryland	=	Livestock

Location Dzongkhag	Summer Location	Altitude	Resource	Winter Location	Altitude	Resource	Paddy Status	Surplus
				Zhemgan g	1600	Pasture		
Bumthang & Lhuntse/ Zhemgang	Tang	2700	Dryland, Pasture	Lhuntse	1400	Paddy, Dryland	=	
	Ura	2800	Pasture	Zhemgan g	1600	Pasture		
Kurtoe (Lhuntse)	Kurtoe	1500	Paddy, Dryland	Kurtoe	1500	Dryland	+	Paddy/ Chilli
Ura & Lhuntse/Mong ar	Ura	3000	Dryland	Lhuntse/ Mongar	2000	Pasture	-	
Zhemgang	Zhemgang	1600	Paddy/Dryland	Zhemgan g	1600	Forest	-	Livestock
Eastern Bhutan								
Mongar/Pema gatshel	Mongar	1500+	Paddy/Dryland	Mongar	1500		-	
Tashigang	Tashigang	1200+	Paddy/Dryland	Assam Tashigang	<1000 1200+	Pasture		Livestock Livestock
Merak-Sagten & Tashigang	Merak- Sagteng	3500+	Dryland/Pastur e	Tashigang	2000	Exchange	/+	
Samdrup- Jongkhar	S/Jongkhar	1000+	Paddy/Dryland	Samdrup Jongkhar	1000+		=	Livestock

The movement of people associated with the cultivation of land at different altitudes not surprisingly is coincident with areas of paddy surplus and the ownership of paddy land and houses in two locations. Thus the people of Wang moved between Punakha in winter and Thimphu in summer, in Shaa from Wangdi-Phodrang either to parts of Thimphu or to higher altitude regions in Wangdi such as Phobjikha. From Bumthang people either moved south to Trongsa in winter or across to parts of Lhuntshi.

Inevitably with the management of cultivation of lands in two locations household labour was at a premium and these are the areas in which dependency either in the form of share-cropping or outright slavery was to be found. The location of these forms of social order and structure and their linkage with paddy surplus areas is revealing about the nature of state spaces.

Of course not everyone moved, even in those valleys where seasonal movements were common. In Kurtoe in Lhuntshi and in many parts of Tashigang more accommodating climate throughout the year combined with adequate agricultural resources removed the need to do so. Others in Zhemgang, Mongar and Pemagatshel survived with limited movement.

The importance of locality and limitations of scale of movement (but evidence also of movement in the past) are in part reflected by the mosaic of languages that are to be found in Bhutan (Pommaret, 1997). While there is still contention amongst linguists about the root and source of certain language groups, the pattern, geographical boundaries and distinctness of local language (or dialect) are not disputed. The discrete pockets of language in Sephu geog in Wangdi, amongst the Mong in lower Trongsa, by the Kurteps in upper Lhuntshi, of the inhabitants of Chali in Mongar and in upper Tashiyangtse and eastern Lhuntshi amongst others reveal the limited effects (and therefore probably limited nature) of external forces in removing individual identity. Overlying autochthonous cultures and readily identified by distinctive language is evidence of movement of peoples driven either to escape taxation regimes (Pain & Pema, 2000) local disturbance as in the case of Kengpas who migrated to many parts of eastern Bhutan during the 19th century, to Dagana at the beginning of the 20th century and more recently to western Bhutan for Dzong reconstruction as in the case of Punakha.

The persistence of linguistic diversity leads us back to the issue of state space. As Allan (2001, p546) has noted mountains regions are characterised by extreme linguistic diversity and in this Bhutan is no different. What was the nature of state influence if on the one hand there appear to have been taxation systems that were omnipresent but on the

other there are communities who have managed to maintain very distinct cultural identities. What does this say about the limits of state influence? It cannot all be put down to remoteness and isolation although in some cases – for example the Mong in lower Trongsa, relative isolation may have been a contributory factor. Chali in Mongar is accessible in the main Kuri Chu valley and contains substantial areas of wetland. Equally the divide that bisects Phobjikha between Gantey and Phobji geog is one dividing the *dzongkha* speakers in the north of the valley and the *hjenke* speakers in the south of the valley. There are no obvious geographical determinants even though the northern households migrate during winter over into Bjena geog in Wangdi and the Phobjips migrate south to Ada. We cannot as matters stand then fully explain the persistence and locality of this linguistic diversity although what it reveals about the persistence of local identity is interesting. The persistence of linguistic identity could be seen as much as a refusal to accept a wider identity (and therefore a maintenance of cultural space) even though other aspects of life had been subsumed under a wider authority.

The Bhutanese State 1907 – 1952

There is much to indicate that until the second king began to gradually gather in reins of power, although he never apparently travelled in Bhutan outside his power base in the centre (Bumthang), power and state spaces were very localised and limited being centred around control of the rice valleys of Paro, Punakha and Wangdi, Trongsa, Lhuntshi and Tashigang. Possibly only Punakha & Wangdi, Trongsa and Lhuntshi produced realisable surpluses for external trade. In between the valleys were the higher altitudes from which tribute might be paid. As Scott (1998) would put it the landscape and people were largely illegible, a fact reflected in household systems of taxation, a confusion of names that allowed neither gender or lineage identification, a diversity of taxation regimes compounded by household movement, multiplicities of methods of weighing and measuring and of opportunities to negotiate and contest (Pain & Pema, 2000)

The taxation system is well summarised by Dorji (1933) although his description fails to capture either the diversity of status of different types of tax payers (Pain and Pema, 2000) or the various labour taxes.

‘From time immemorial it has been the custom which is still followed in its entirety to collect the tax only in kind – thus falling no cash into the state coffers. The tax in kind consists of (a) cereals, (b) butter, (c) meat, (d) firewood, (e) grass and (f) free labour.

In the case of (a) above, the quantity collected varies according to the size and area of the fields the tax payer is able to bring under cultivation. In the case of (b) and (c) above, the quantity collected varies according to the number of cattle the tax payer is able to rear and keep on his farm. No distinction is maintained in the case of (d), (e) and (f). It may, in passing, be mentioned that altogether there are 14 Dzongs (districts) in the upper zone of Bhutan, viz Ha, Paro, Thimbu, Punakha, Wangdi-Phodrang, Daga, Tongsa, Shel Gang, Bya-ga, Lhun-tsi, Tash Gang, Dungsa, Yang Tsi, Shong-kar.

The Dzongpons of each Dzong collect the taxes referred to above from the people and store them in the Dzongs. Such collections are used for the maintenance of themselves and their establishments, ponies and mules belonging to the Dzongs and the various monasteries in their districts. Nothing goes to the store go-down of His Highness the Maharaja, the Head of the Central Government.

From the people of eastern-most districts, some cloth and a little cash comes, but the quantity in either case is always negligible.¹

Raja Dorji's note was written in support of a request by the 2nd King of Bhutan to have the annual subsidy of Rs 200,000 paid by the British Government increased. Part of the argument presented was that from the existing subsidy the bulk of it had to be paid out to various monasteries and heads of districts- as Williamson (1933) saw it "the position of the Maharajah is by no means secure. He is at present little more than the overlord of a confederation of chiefs who are bound to him by personal interest".

There was therefore little surplus to support a powerful and commanding state. Indeed it would appear that the recorded trade¹ between Bhutan and India, that was probably largely private and untaxed between 1910 and 1924 averaged Rs. 2 million per year, over 10 times the annual subsidy to the king.

Taxation regimes and as indicated above were also highly localised. A report by Morris (1934) who entered Bhutan in 1933 to try and recruit Gurkhas from the Nepali settlers for the Indian Army is revealing. He narrates the different history of Nepali settlers in Samchi and Tshirang and how those settlers in Samchi paid tax in cash through a local Gurung agent to the Paro Penlop while the settlers in Tshirang paid tax in cash to Raja Dorji in Kalimpong who apparently fulfilled multiple roles both as assistant to the British Political Officer as well as the Agent for the King.

¹ Abstracted from the annual reports of the Political Officers from 1911-12 to 1946-47 (OIOC L/P&S/12/2223, File 2) Note that these official records of trade are likely to significantly underestimate total trade

A further indication of multiplicity of taxation regimes and competing authorities is to be found in the practice of households relocating themselves into more favourable (or less oppressive) taxation regimes either en masse or individually (Pain & Pema *op.cit.*). In *extremis* household migrated and there are many examples of households and even of villages migrating and re-settling.

The range of taxation authorities is mirrored in the range of products that were taxed and a reading of the early resolutions of the national assembly meeting during the 1950s give some indication of these and the variability of taxation between different villages and regions. Thus in addition to the grain and livestock taxes referred to by Raja Dorji we find taxes paid in the form of salt, grass, labour, bamboo, butter containers, incense, leather bags, paper, cloth, wool, baskets and buckets, shingles for roofing and timber (Pain & Pema, *op.cit.*). Taxation systems were based on households or communities and measurement of agricultural produce was primarily volumetric and the variability of these was that one was still finding pleas in the records of the National assembly until the 1970s that these should be standardised. Land area was measured in either volume of seed or for the time taken to plough and the equivalents of these to metric measurement still continue to vex those seeking to describe, simplify and make legible the rural economy. In short all the ingredients that Scott (1998) has identified that made it very difficult for those without local knowledge to actually understand what was going on, let alone tax it efficiently. That this variability should give rise to constant dispute and negotiation is well illustrated in the records of the early national assembly meetings (Pain & Pema, *op.cit.*).

In sum, although the second king began to initiate steps to reform and systematise taxation systems and to gradually establish central control, not least by the expediency of failing to appoint new local and regional governors once posts had fallen vacant ², all the evidence is that prior to the accession of the 3rd King to the throne in 1952, the territory and inhabitants of Bhutan had limited legibility to its notional ruler and provided limited revenue for a central authority to establish itself. That was to quickly change with the accession to power of the third King.

Evidence from the National Assembly Minutes, 1952 – 1979

We return in the final section to consider briefly the development of the state since 1952 but we wish here to use the minutes of the National Assembly to provide more detail with respect to the pre 1950 context and then to explore the issue of labour post 1950. Pain and Pema (2000)

² Gould in a letter dated August 26th 1938, p5 (OIOC L/P&S/12/2222)

presented a selection of evidence from the national assembly minutes in support of the general argument of debate and contestation over taxation and what it revealed about state household relations. We return to this source to tease out some more general issues, not least in that in the early years of these assembly minutes allow a retrospective assessment of how matters were in the past. Three general points of caution should be made with a respect to a reading of the (translated) minutes. First it is not always clear what the distinction is between a tax being paid and an offering being made. That in itself is revealing about the ambiguity of tax in the past and it relates to the second issue of being able to clearly divide taxes (or offerings) being made between the government (seen as a central state), the district dzong (as representative of central government but also a tax authority in its own right in relation to dzong maintenance and support) and the monastic establishment (as part of the Dzong but also with separate claims for support). Thirdly it is revealing that the references and discussion on tax relate almost exclusively to western Bhutan, at first sight consistent with the observation of Raja Dorji (1933) that the people of Eastern Bhutan provided little by way of tax, either in kind or cash.

That the process of monetization and standardisation of tax should have started in the east in Tashiyangtse (Ura, 1995, p218) and uncovered a multiplicity of diverse and oppressive taxation regimes is suggestive of local power centres operating on the margins of state influence. Intriguingly there is reference in the first National Assembly minutes (1952, minute 3) to a previous bond agreement restricting the people of the eastern province from migrating to the west³ that had then been lifted. Why migration from the east should have been restricted is unclear but it hints at problematic historical dimensions to west-east relations within Bhutan (and the reach of state influence). Minute 2 of Part 11 of the same assembly further notes 'with a view to stemming the migration of Eastern Bhutanese to India, it is suggested that an efficient Dzongda and Dungpa be posted to the border areas, who could advise the people and tackle the situation diplomatically. In 1973 (42nd National Assembly, 1975, minute 4) there is discussion on the traditional migration of

³ 'The government desired to bring interested landless people of the eastern province to settle in the western province. Despite the existence of a bond agreement restricting the people of the eastern province to migrate to the west, His Majesty the King was pleased to observe that, whereas the eastern province was suffering from scarcity of land, there were large areas of uncultivated land in the western province. As such, the existing restriction on the migration of eastern people to the western province had now been lifted and they were hereafter permitted to migrate to the western province and settle at Punakha, Thimphu and Wangdiphodrang' (Minute 3, 1st. National Assembly, 1952).

households from Dungsam Shumar in eastern Bhutan to Tsoki in India for the winter period and returning with rice and other commodities. By the next session also in 1975 (43rd session, minute 13) these household were reported to have submitted a bond agreement to the effect that they would stop this seasonal migration and travel in future only for trade purposes.

There are also some tantalizing references to trade. The first session (1st National Assembly, 1952, minute 1(e)) refers to 'in the previous years it was obligatory for the people to carry 280 loads for the Tshongpon (Trade agent of Tongsa District). It was decided to reduce the same to 200 loads only'. Each district apparently had its own trade agent who was responsible for conducting trade on behalf of the Dzung with (it is presumed) primarily Tibet in order to meet the Dzung requirements for salt, butter, wool and other commodities and presumably this would have continued until the end of the 1950s with corvee labour required for load carrying, as described earlier with respect to the Chumi *Zhelngo*. Reference to the importance of trade of Bhutan with Tibet are also to be found (1st National Assembly, 1952, minute 2), trade between Tashigang and Tewang and the requirement for route permits (20th National Assembly, 1964, minute 7) and of course reference to the trading of households from Shumar Dungsam to India.

There are a number of general themes that emerge from these minutes in addition to the whole dimension of debate and contestation. These relate to the nature of the state, the fact that government faced a critical shortage of cash and that command of labour supply was a critical dimension of social and economic relations.

We first highlight some of the glimpses offered with respect to the monastic estates. There are a number of references to the landed property and cattle holdings of individual monasteries and the monk body (see below). These extracted minutes are essentially fragments of a wider picture and one must be extremely careful not to build a grand narrative around them. They have to be seen with respect to the fact that the government took over responsibility for the monk body and that substantial parts of the monastic estates of the central monk body had been distributed (sold?) to individual households or used after the freeing of serfs for settling these and other landless groups. They do, despite only referring to the official monk body, confirm a picture of substantial monastic estates, both in the past and during this period. But they also illuminate a changing relationship between the civil administration and the monastic body (including the payment of tax by

monasteries to government), although the ties that bind the political and the spiritual are also evident.

Selection of minutes from the 1st to 50th sessions of the national assembly relating to monastic issues

1. The taking over by the government of the important temples and monasteries (16th National Assembly, 1961, minute 4) and the cessation of offerings by the government to temples and monasteries that would not be taken over;
2. The allowable livestock holdings of the Central Monk body (540 cattle and 350 yaks), the larger Rabdeys of Paro, Wangdiphodrang and Tongsa (150 cattle and 100 yaks each) and of the smaller rabdeys of Tashigang, Daga and Lhuntshi (100 cattle including yaks) (16th National Assembly, 1961, minute 13); the minute add 'if it was discovered that any Monk Body was keeping cattle belonging to the public to fulfil the above required numbers, the same would be confiscated by government;
3. The landed property and cattle of the Tshengipa which were to be taken care of by the Lama of the Taktsang Monastery (16th National Assembly, 1961, minute 20);
4. Land belonging to the Central Monk body at Gasa (19th National Assembly, 1963, minute 35) which had been washed away and on which household were still paying tax to the monk body - they were relieved of this tax payment;
5. Details on the livestock farms at both high and low altitude (20th National Assembly, 1964, minute 12) held by each of the Dzongkhag monk bodies and for which the herdsman would be exempted compulsory labour;
6. The use of earnings by Punakha and Punakha monastic communities for seasonal pujas (22nd National Assembly, 1965, minute 1);
7. The carrying of over 600 loads for the Central Monk body during its seasonal movement between Thimphu and Punakha for which households in Punakha and Wangdi were responsible (22nd National Assembly, 1965, minute 5). The road at this time had reached Tinleygang and although government vehicles would be responsible for the transport to this point, the households would remain responsible for paying for the fuel;
8. The exemption of important monasteries from paying butter tax to the government (24th National Assembly, 1966, minute 4) from their own livestock farms. The butter was used for butter lamps and the

decision was that the exemption would remain in those Dzongkhags where taxation was not levied in cash;

9. The categorisation of monasteries by class and allowable cattle holdings (29th National Assembly, 1968, minute 15) with respect to exemption from cattle tax;
10. The supply of firewood to the central monk body (31st National Assembly, 1969, minute 12) by the public of Punakha and Wangdi; this emerged again in the 50th National Assembly (1979, minute 8) on account of the difficulties households were facing in supplying the wood because of Forestry regulations and it was decided that the Department of Forests would take this function over where it has logging activities;
11. A decision to allow the Central Monk Body to possess their own lands because of the costs to government of supporting them (33rd National Assembly, 1970, minute 13);
12. The exemption from government tax and labour works (34th National Assembly, 1971, minute 21) for those households settled in the vicinity of monasteries (whether government or public) so that traditional requirements to maintain the monasteries could be upheld;
13. The traditional offering of one drey (or 1 sang of butter) to the monk bodies and Rabdeys as Thogphi (38th National Assembly, 1973, minute 17) and the difficulties of offering it in the absence of representatives of these bodies;

The risks to households of cultivating lands for the Mongar Rabdey (30th National Assembly, 1973, minute 5) under a Thojab basis and the agreement to change to a share crop basis;

In this light, although a strictly material interpretation would regard the giving of labour and grain by households as a tax, this has to be seen as part of the much wider spiritual attachments of individuals and households to religious institutions. It is no accident that the term 'offerings' and 'patrons'⁴ are often used to describe by all parties the relationship between the individual and the monastic establishment. There are a substantial number of references to the taxes needed to support the Dzong and government servants at the district level and a selection of these are given below.

⁴ See the 1729 *bka' khrims*, Aris, 1988

However the key issue that stands out about state and household relations in the first two decades from 1950 is the issue of labour in relation to government efforts to build a road system in Bhutan. In 1959 (12th Session National Assembly, 1959, minute 2) the start of the building of a road from Bhutan to India a system of compulsory labour (*dudom*, 1 man per group of six adults between the age of 17 and 55) would be conscripted for a seven month period for road construction. The numbers were considerable. Minute 5 of the 13th Session (1959) referred to the need for 200 labourers (from the east) to work on the road alignment of Samdrupjongkhar and the need for 2500 would also be needed from Eastern Bhutan to winter road work.

Not only was labour required but also transport: house owners in Tashigang had to provide 600 horses for Samdrupjongkhar for the first two months of 1963 (17th National Assembly, 1962, minute 17) and then at the rate of 200 horses per month. Households from central Bhutan (Shemgang, Bumthang and Tongsa) were required to provide 600 horses for the first two months and then 200 horses per month; from the west, 1200 horses were required and again 200 per month after the first two months. 2600 labourers were needed for the Simthokha to Wangdi road (18th National Assembly, 1962, minute 8).

Selection of minutes from the 1st to 50th sessions of the national assembly relating to dzong and district taxation

1. The collection of meat and butter etc., from the public as *shitsugpa* by the newly appointed officers at various Dzongkhags was decided to be discontinued forthwith. (16th National Assembly, 1961, minute 3)
2. The system of recruiting *Zimpon* (Attendants) from Sha, Wang and Punakha was abolished. Regarding the supply of firewood from Sha and Punakha, it was decided to supply the actual requirement for the Dzong with an additional 100 loads to the Nyerchen. However, the payment of rice collected in lieu of firewood was decided to be discontinued forthwith. Further, the firewood from Tshochen would be supplied by the conscripted labour force whereas the residents of Sha and Punakha would equally share the supply of rice in lieu of firewood as per the customary practice. The districts of Lingshi, Gasa, Tongsa, Jakar, Lhunsi, Shemgang, Mongar and Dagana would be required to supply only firewood, while other related taxes would be exempted. (16th National Assembly, 1961, minute 3)
3. In connection with the supply of *Tshorey* (extra people from each village to serve as waiter) to Punakha Dzong by the public, the

Assembly decided that henceforth it would not longer be required to supply Tshorey. (17th National Assembly, 1961, minute 7).

4. The public of Gyen, Laya, Shung Jasup supplied 130 bags of salt to Punakha Dzong and 51 bags to Gasa Dzong. This caused them great problems. Therefore, it was decided that they would be allowed to supply only half of the existing quantities. (17th National Assembly, 1961, minute 11).
5. The public residing in the lower altitude of Wangdi were to provide rice in lieu of 'Shingthrel' for the Punakha and Wangdi Dzongs, and the people residing in the high altitudes were to provide "Dey" and bamboo products in lieu of 'Shingthrel'. The previous system whereby the people of both the higher and lower altitudes supplied rice and other products stood abolished, and was to be henceforth replaced by the supply of timber, dey and bamboo products under Dudom. This amendment would also apply to the people of Punakha district. (17th National Assembly, 1961, minute 14).
6. As regards the roofing of Punakha Dzong, it was decided to distribute the task of collecting shingles among the residents of Sha, Wang and Paro this year. The number and size of shingles to be provided by individuals would be decided by the respective Thrimpons and the roofing would be carried out next year. (18th National Assembly, 1961, minute 4).
7. It was learnt that the public of Toep, who carried wooden roof drains for Punakha Dzong, were also required to carry shingles in the interests of uniformity. However, the Assembly decided to exempt them from the supply of shingles in view of their involvement in the supply of wooden roof drains. (22nd National Assembly, 1965, minute 4).
8. As per the past decision of the National Assembly the people themselves would carry out the renovation of Dzongs without wages in their respective Dzongkhags. The Assembly decided that the people should donate free labour for this purpose as they believed that Dzongs were the centre of their spiritual and cultural heritage, besides being the seat of the civil administration. ((28th National Assembly, 1968, minute 19).
9. In view of the change in the system of collecting taxes from kind to cash, all the monks and members of the Royal family including His Majesty the King, were now paid in cash only. As such, it had been decided to abolish the post of Nyerchen of Dzongs with effect from the first month of the Earth Bird Year. (29th National Assembly, 1968, minute 2)

The Assembly felt that the people of these Dzongkhags (Daga & Lhuntshi) were overloaded with the renovation works of the Dzongs. As such, though there was no system of wages in Shaptolayme, it was decided to pay the labourers for the time being at half the government rate of daily wages, i.e. Nu. 3/- per male and Nu. 2.50 per female. However, the labourers would be paid wages of the full government rate when the country's revenue was sufficient enough to meet its expenditure. (36th National Assembly, 1972, minute 5)

The 16th National Assembly (1961) has a substantial discussion (minute 21, 15 points) on the conditions of recruitment and exemptions. Those exempted by age were required for other work - 'a conscripted labour force system was formed of persons in the age group 15-16 and 56-60 for the purpose of husking rice in Dzongs' (minute 21.15) and in addition 1000 labourers were needed from the national labour force for river bank works in Punakha, and those with horses would be responsible for transporting government materials.

By 1964 however it was planned that the *dudom* system would be reduced to a *chunidom* system (1 male for 12 adults, 21st National Assembly, 1964, minute 1) and the continuing need by government for labour meant that in 1969 when the matter was discussed (31st National Assembly, 1969, minute 11) a decision to abolish *chunidom* was put off for several years. Various forms of labour continued to be required by either by government or dzongs to the present day. This includes the *Shaptolayme* system for Dzong maintenance. However in 1963 the terms and conditions under which labour was recruited changed and these are worth quoting in full (Box 3).

Terms and Conditions of Compulsory Labour (Minutes 30-32, 19th National Assembly, 1963)

30. MATTER RELATING TO THE LABOURERS

In earlier times, the people were compulsorily made to work for the government without wages and rations, and they were known as 'Woorlapa'. Since this practice had been abolished and the people now were made to work only on payment of necessary wages, they would henceforth be called 'Leymi' (hired labourers). Calling them 'Worrlapa' was prohibited.

31. MATTER RELATING TO THE PAYMENT OF WAGES

Until now, the public carried luggages belonging to government officials or to the government without payment of any carrying charges, and as such they were called 'Deopa' (load carrier). It was decided that

henceforth the public would be paid for goods carried by them, and as such they would be known as 'Ladeo Bagmi'.

32. MATTER RELATING TO THE HIRE CHARGES OF PACK & RIDING PONY

In earlier times, the public were compulsorily made to supply their horses for riding and carrying of goods for the government without payment of hiring charges, and this practice was known as 'Taw Khelma'. Henceforth the engagement of public horses would not be allowed without the payment of hiring charges, and they would now be known as 'Tala' (horses on hire)."

In 1967 labour recruited for the Gaylephug – Shemgang road (200 in all) were paid at the rate of Nu 5 per day (25th National Assembly, 1967, minute 5). In 1973 porter charges were increased to Nu 6/- per day (39th National Assembly, 1973, minute 12). By the 17th Session (1962) the reconstruction of Thimphu Dzong was on the agenda (minute 8) for which labour would be required under the *Dudom* system. Labour was also to be provided for the construction of the first high schools (minute 15)The Changing World of Bhutan

We have argued that the historical evidence indicates a central engagement of Bhutan in a wider world primarily as a conduit for trade and trade relations between the Himalayas and the varying historical contingencies of Tibet to the north and India to the south. By virtue of its size Bhutan has necessarily been a follower rather than a leader in the dynamics of trade and state relations across the Himalayas.

In times of prosperous and extensive trade relations across the Himalayas, particularly during parts of the 17th century and during the 18th century Bhutan has been engaged extensively in trade and this has been coincident with, but not necessarily a key causal factor of the state formation processes under the *Zhabdrung* and his immediate successors. At other times when external factors had reduced trans Himalayan trade opportunities that a Bhutanese state could capture, there has been a retreat of Bhutan from an engagement in the wider world. In that sense it became essentially a non-nation space in the Himalayas and being small certainly helped maintain invisibility. For the Tibetans and the British it became the border lands which in their eyes was a refuge for banditry and lawlessness.

The British were the first to impose boundaries on Bhutan with the drawing of the line between the Duars and the Himalayas and subsequently in the post 1948 dispensation with a newly independent India and from 1959 a threatening Chinese presence to the north boundaries and state authority and influence was further refined. The

two decades from the 1950s were a period of careful negotiation with the wider world⁵ in order to establish not only a geographical integrity but also a political identity as an independent nation state under an entirely new set of regional relations and an entirely new constellation of trade relations.

There can be no doubt, and this has been the second aspect of the paper, that the state forming tendencies of the *Zhabdrung*, as exemplified in the construction of dzongs, a national law and a taxation system were powerful influences on binding a people to a state. What is also impressive is the persistence of the historical systems, not least of recordation of land records, that has lasted over the centuries which provides a thread of evidence of state existence through this period. In this light it is absolutely evident that many processes established by the *Zhabdrung*, both spiritual and material are part of the historical cord of Bhutan's identity.

But we must also look to the other side – what did the state not control or to return to the contrast raised at the beginning of the paper, what did the state have control of and what did it have influence over and what did it have neither control or influence over. The key to this is revenue raised either through taxation or trade although the central issues of being able to command labour should not be forgotten. We largely do not know the size of the state apparatus other than the extraordinarily rich source of the record of enthronement of the *Zhabdrung* Jigme Dragpa in 1747 (Ardussi and Ura, 2000). But it is clear that the balance between the maintenance requirements for the state and supply were extraordinarily finely balanced. How else can one interpret the reluctance to allow taxes paid in kind to be commuted to tax paid in cash evident in the 1729 legal code (Aris, 1986). Equally in the 20th century the need for state revenue is to be found 'with reference to the donation of land to monasteries as per section (ka) 7-4 of the law was clarified that the persons donating land would require to pay taxes on the same during their own-life time but that their children and descendants would be exempted from taxation on the donated land' (13th National Assembly, 1959, Part IV, minute 2).

But as we have argued the very nature of taxation – taxation in kind compounded by the movement of people that in many ways made

⁵ See the National Assembly minutes for evidence of perceptions of the relations with India during this period

both the landscape and people relatively illegible to the state. The extent to which this was the case during the 17th and 18th century is not clear but during the 19th century and well into the 20th century when there was what can only be described as a loosening of control of a central civil authority even if spiritual authority continued to bind the country, there was a retreat into regionalism, valley economies and localised political regimes from which households could rebel and escape and transfer their allegiance if necessary. As the documentary record shows (Pain and Pema, 2000) challenges to and negotiation with authority is a persistent theme.

The evidence then of non-state spaces in Bhutan is one of the key defining elements in the historical experience and memory of the villages under study. Location specific history and geography give that meaning at the village level and it is clear that many of these dimensions persisted even into the early 1970s. The reach of the Bhutanese state has changed of course in fairly substantial ways from the 1960s onwards but one cannot understand the trajectories of change or household histories without recognition of their specific historical experience.

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