

Gross National Happiness – Bhutan’s Vision of Development and its Challenges

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1. Introduction:

This paper consists of two parts, which are conceptually only loosely interconnected. Proceeding from an impressionistic comparison of Bhutanese development in the late 1950s and in the late 1990s, Part I of this essay explores the missing link, the question of why development has taken the shape it did and why certain policy priorities were adopted, while others were neglected. It is concerned with the vision of Bhutanese development and its determining factors rather than with the technicalities of the actual development process. It will be argued that the Bhutanese development concept evolved from the country’s unique socio-economic, historic and political circumstances, thus being one of the last truly indigenous development approaches. As such, the first part of the paper suggests a model of Gross National Happiness, which is based on empirical research.¹ It is important to emphasise this, considering that the current discourse on Gross National Happiness seems dominated by various opinions and ad hoc interpretations, which assume a certain meaning of the concept as the starting point for assessment or commentary.

Concluding that Gross National Happiness – a vision *sui generis* – has led to an astonishingly smooth and undistorted process of change, Part II of the paper (6. The Crossroads) outlines three imminent challenges, which can be expected to put increasing pressure on the concept and call for an early adjustment of development priorities. As such, the second

part of the essay is intended to be a policy-oriented concept paper rather than a research paper.

PART I

2. Forty Years of History – A World Apart

For the visitor to Bhutan at the end of the 1990s it is hard to imagine how different a place Bhutan was as recently as four decades ago. In fact, forty years back “except for a minute proportion of the elite, the social structure, value system and life style of the Bhutanese did not differ very much from that of their ancestors around 1500”.² The vast majority of the population spent their lives as subsistence farmers, almost totally dependent on the yield of some acres of agricultural land and the adjoining forests. Where a small surplus was achieved it was bartered, since money was virtually unknown.³ Due to the entire absence of motorable roads, all goods had to be transported on mule tracks. The health infrastructure of the whole country consisted of four hospitals staffed with two trained doctors, a handful of dispensaries and a leper colony. Epidemics, which sometimes wiped out whole villages, reduced the life expectancy to an estimated average of 38 years in 1960. Under these circumstances education was considered a luxury unnecessary for survival. Thus, the end of the 1950s saw only 440 children enrolled in the country’s formal education system, consisting of 11 primary schools.

It is difficult to deny that the Kingdom's contemporary developmental situation is unrecognisably different. While 85% of the population still live in rural areas, modernisation has reached the most remote corners of the country. An extensive network of agricultural and livestock extension centres, catering to many inaccessible areas of Bhutan, has resulted in substantively increased yields, more diversified farming and improved cattle breeding. 3000 km of roads, hundreds of suspension bridges, and in some parts electricity and modern telecommunication facilities have brought the

districts of Bhutan closer together. Increased income generation activities have raised the per capita income to \$510, exceeding the income of its South Asian neighbours. However, Bhutan's most impressive development achievement is its social infrastructure, with both health and educational services generally free of cost to the population. Apart from 26 hospitals and 145 Basic Health Units a network of some 450 outreach clinics⁴ cater to otherwise inaccessible areas, resulting in a basic health coverage of 90% of the population and in a dramatic increase of average life expectancy, which presently stands at 66 years. Similarly, the education system is booming. In 1998, more than 100,000 students enrolled in some 300 schools benefit from formal education. The gross primary enrolment rate has reached 72%, and the literacy rate grew from 17% to 47.5% in the last two decades.

Other areas of development, which are considered essential features of conventional development approaches, such as public sector reform and private sector development, have received less attention in Bhutan. As maybe the most popular example, tourism has been restricted in order to minimise social and environmental damage.

3. The Bhutanese Development Approach

Obviously, a variety of factors determine the success or failure of development processes, and it would be simplistic to overemphasise any one aspect. It is widely recognised that Bhutan has fared well in terms of development. However, development circumstances were simply too different to rate Bhutan's development performance in comparison with neighbouring countries. While Bhutan embarked later on modern development than its neighbours, thereby starting *prima facie* from a lower literacy rate, life expectancy and per capita income, its undertaking to develop was more manageable due to a much lower population density. While Bhutan's rugged terrain complicated the build-up of physical infrastructure, the significantly higher per capita aid flows more than compensated for this disadvantage.

However that may be none of these external factors explains why Bhutanese development was taking place the way and the speed it actually happened. The following paragraphs propose that a major reason for Bhutan's smooth and successful development was that Bhutan possessed a powerful vision, which evolved from the country's unique historical, geopolitical and sociological circumstances and determined the broad framework, how to proceed.

Development with an emphasis on the economic sphere is a relatively recent idea in Bhutan, resulting from the most fundamental shift of paradigm in Bhutanese history, the abandonment of isolationism in 1959.⁵ It is a little surprising that an elaborated statement of the country's development objectives did not accompany the beginning of the new era. In fact, a comprehensive formulation of the national development vision has only recently been included in an official government document. The aims and objectives of development have been outlined as follows: "Apart from the obvious objectives of development: to increase GDP on a national level and incomes at the household level, development in Bhutan includes the achievement of less quantifiable objectives. These include ensuring the emotional well-being of the population, the preservation of Bhutan's cultural heritage and its rich and varied natural resources."⁶ This declaration builds upon a catchphrase, "Gross National Happiness", which was introduced by the king in the late 1980s and has rapidly evolved into the accepted label for the distinct Bhutanese development concept. In spite of its seemingly recent origin, the term is really a popularisation of the distinct Bhutanese perception of the fundamental purpose of development, which can be traced throughout the period of development.⁷

The simple reason is that the approach is not an intellectual construct detached from practical experience, but rather the translation of a cultural and social consciousness into development priorities. Thus the concept of Gross National

Happiness has organically evolved from the constituent features of Bhutanese society before 1959, a socio-economic system based on a Buddhist and feudal set of values. This naturally does not contradict the fact that the substance of Gross National Happiness might have changed over time or might have been supplemented by outside concepts.

4. Happiness as an Objective

Due to the scarcity of written sources, indications of a development philosophy with the objective of happiness are difficult to detect in the first two decades of Bhutanese development. On the one hand, the National Assembly, the legislative organ, seems to have been more concerned about specific interventions and local subjects than about conceptual issues or broad guidelines.⁸ On the other hand, the Planning Commission, as the main body responsible for the implementation of development projects, had not yet incorporated well-being as an explicit goal. Early evidence on the Bhutanese perception of the purpose of development is furnished by the highest policy-making level, the king. In his major statements (and in those of senior officials)⁹ and decrees the notion of “happiness” was a recurrent term whenever the objective of development was outlined.

Already in the late 1960s, a period during which Bhutan’s development policy is generally considered to have followed conventional patterns of rapid modernisation¹⁰, Late King Jigme Dorji Wangchuck expressed his view on the goal of development as making “the people prosperous and happy.”¹¹ Similarly, the prominence of “prosperity and happiness” is highlighted in the king’s address on the occasion of Bhutan’s admission to the UN in 1971, one of the most important events in the country’s recent history. This vision, first articulated by the late king was elaborated by the present king, Jigme Singye Wangchuck, who declared in the first years of his reign that “our country’s policy is to consolidate our sovereignty to achieve economic self-reliance, prosperity and happiness for our country and people.” While the emphasis is

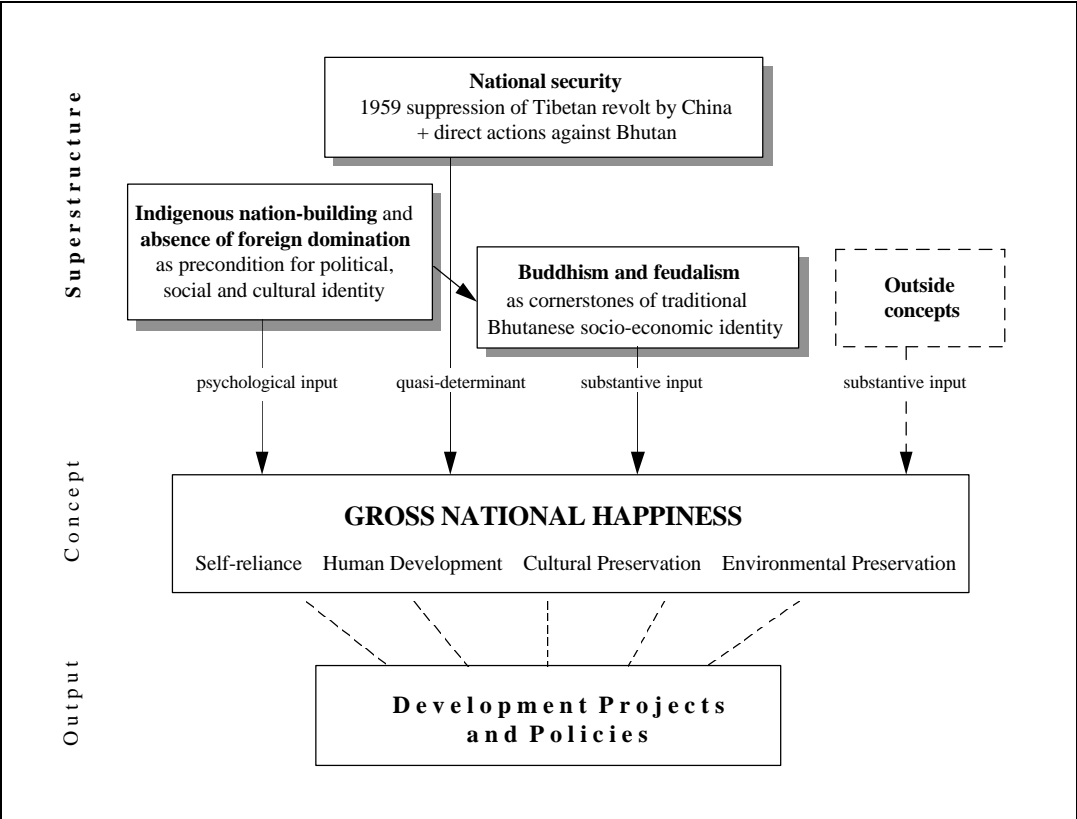
placed on both, prosperity and happiness, the latter is considered of more significance. For Bhutan “Gross National Happiness is more important than Gross National Product”.

5. The Determinants of Gross National Happiness

Concluding that the yardstick of Bhutanese development has always been emotional well-being rather than mere economic progress, this section explores the influencing and determining factors of the concept. Their configuration and the interrelations of the dimensions of Bhutanese development are schematically demonstrated in the figure below.

Conceptual building blocks are arranged in three levels according to their position in a cause-and-effect hierarchy. The uppermost level, here called the level of superstructure, contains the ‘input’ components (the influencing and determining factors) for the Bhutanese development concept. While the conceptual elements (people-centred or human development, self-reliance, cultural preservation and environmental preservation) of Gross National Happiness are a reflection of these determinants, they constituted at the same time the set of inputs for the operational level of Bhutanese development i. e. the level of policies and projects. Since this paper is primarily concerned with the vision of Bhutanese development the issues to be explored are

- which were the conceptual inputs of Gross National Happiness and
- how are they reflected in the vision.



Conceptual Levels of Bhutanese Development

5.1 Geopolitical Realities/National Security Concerns

Development, particularly in the first years, was a function of national security concerns triggered by a fundamental shift in the regional balance of power.¹² The decision to open the country toward the south and to embark on economic development was thus not based on a change of ideological conviction. The physical result of the paradigm shift was the first road-link to India, which changed Bhutan's fate irreversibly and had crucial implications on its path to development. Topographical barriers were the primary reason for the country's centuries-long isolation in terms of knowledge, information and values. Their removal gave way to interdependence and outside influence.

However, this was not always considered beneficial but rather seen as a danger to the functioning parts of the social structure. The fact that modernisation was triggered by external factors rather than by a shift in Bhutanese political conviction explains the inherent conservativeness of Gross National Happiness. It often resulted in the renunciation of decisions in favour of more rapid economic or social change. More recently, it led to counter measures and the adoption of cultural preservation as a positive policy concept.

The course of historical events substantiates that Bhutan's decision to embark on modern development was not voluntary. Despite several reforms which had taken place in the 1950s, "Bhutan was the last physically isolated state in the modern world, the only political entity that was almost totally ignored by the world"¹³ when the Indian Prime Minister Nehru visited Bhutan in September 1958.¹⁴ During his visit Nehru expressed his concerns about Bhutan's security and emphasised the need of a road link between Bhutan and India,¹⁵ offering at the same time financial and technical assistance. Shortly after Nehru's visit the issue was discussed in the National Assembly, and although the

construction of a road was endorsed in principle, it was not deemed of the utmost urgency. Hence it was decided to forego the most evident source of assistance – India – in order to avoid increased dependence. Instead, it was resolved to seek financial assistance from third countries, a cumbersome task without formal diplomatic relations.

Bhutan's attitude changed during the year 1959 as a clear consequence of events in Tibet. In the spring of 1959 the Tibetan revolt was suppressed by the Chinese, which resulted in the flow of several thousand Tibetan refugees into Bhutan. By autumn of the same year Chinese actions began to be directed against Bhutan. Revolutionary propaganda material was sent into the country and the Chumbi valley, a triangular-shaped part of Tibetan territory between Sikkim and Bhutan,¹⁶ through which the most important trade route from Bhutan to India was running, was sealed off. In the following National Assembly session, the construction of roads became the main issue of discussion. Due to the entire absence of diplomatic relations with third countries, India was considered the only possible source of aid.¹⁷ The dice were cast. Bhutan had decided to change its fate irreversibly.

Undeniably the events of 1959 critically compromised the King's original intention to transform the country gradually and keep outside influence at a minimal level.¹⁸ However, the set of attitudes and fears that had sustained the isolationist orientation for centuries did not die out over night. This is illustrated by the fact that the first Five Year Plan concentrated development activities not in the capital, but in the adjoining valley of Paro «to keep the influx of outsiders at some distance from the heart of the country.»¹⁹ Thus the abrupt end of political seclusion and the high degree of Indian penetration in the first years of modernisation were perceived as the inevitable price of maintaining independence. Bhutan, no different from any other rationally acting state, addressed the security dimension with higher immediacy than the development dimension.²⁰

As soon as the fear of possible Chinese aggression declined, the *shaping* of development regained priority. Measures of cultural preservation were soon adopted to contain and counter-balance the negative effects of modernisation. The paradox in the Bhutanese case is that not the measures to restore the *status quo ante* were the new concept of domestic politics, but economic development was. After all the preservation of the social and cultural framework had been the defining factor of the country's internal affairs until 1959.

5.2 The Impact of Nation-building and Independence

Through a combination of geopolitical circumstances and deliberate isolationist policies the political framework of Bhutan provided the organisational foundation for an ever self-assuring value base, which resulted in an exceptionally strong consciousness of political, social and cultural identity. Three historical factors appear to have been of crucial importance for this development.

Bhutan's national identity is rooted in the first half of the 17th century when Ngawang Namgyal (Shabdrung), a leading abbot of the Tibetan Drukpa sect, eliminated all his rivals and unified the country. Henceforth Bhutan was governed from a network of *Dzongs*, impregnable fortresses, which not only prevented further Tibetan incursions into the Bhutanese heartland, but also served as religious political centres in each district. Bhutan's political identity is thus closely intertwined with its religious history.²¹ Indeed, the state's primary function was to support the religious establishment, which in turn promoted humanistic morality and ethics among the lay population.²² Thus the dominance of the *Drukpa* religious and cultural patterns, which stems from this fundamentally important period in Bhutan's history, has been perpetuated through national policy. By the same token Buddhism served as an integrating factor when the assertion of centralised power gave way to

increased political fragmentation in the latter half of the 19th century. As such, two dimensions of nation building, namely the identity of the territory (the state, which survived primarily due to its topographical barriers) and the identity of the subjects in this space (the nation, which was defined by Buddhism) were reasonably well established by 1900. It was the merit of the monarchical system to strengthen the third dimension, the link between leadership and the subjects through government and administration.

The establishment of the monarchy in 1907 did not trigger fundamental structural changes, but it reversed the trend toward political fragmentation, which had dominated the 19th century and rapidly concentrated all powers in the hands of the Wangchuck dynasty. All political positions, which could potentially challenge the monarchy, were abolished²³, but the basic administrative structure was retained.²⁴ Proceeding from a consolidated monarchical system the third king Jigme Dorji Wangchuck launched a number of far-reaching reforms²⁵ in the 1950s. With the society characterised by «almost total political apathy»²⁶, these reforms were not demanded by the people, but they were overwhelmingly accepted as enlightened and progressive by the aristocracy. In 1958, on the eve of the paradigm shift, the third King had achieved consensus among the vast majority of the Bhutanese that the existing system was good²⁷ and the King was the ultimate and incontestable source of authority. With both the state as delivery system and the society as receiving mechanism functioning, the third dimension of nation building was largely completed.

The extent to which the Bhutanese state provided a framework for self-reinforcing social values was supported by the almost utter absence of outside contacts. Bhutan offers an example of isolation approximating the ideal type.²⁸ Since Tibetan intrusions failed to gain control in Bhutan after the establishment of the dzong system, the contact with Tibet in the north was confined to trade relations. In the south,

interaction with British India was very limited. Neither economic nor strategic considerations made Bhutan's occupation a compelling necessity²⁹, and interaction was hampered by the fact that the British Indian Government faced difficulties in establishing communication with the legitimate authority³⁰ of a country in almost perpetual civil strife during the 19th century. In the whole 19th century only three British missions were sent to Bhutan. Moreover, Bhutan never agreed to the establishment of a British representation in the country. Thus the country's persistent isolation in the twentieth century was the result of a deliberate foreign policy strategy rather than a mere function of formidable physical barriers. In spite of a Treaty in 1910 between the newly established monarchy and British India, in which the former agreed to accept guidance in foreign policy matters in exchange for the latter's recognition of Bhutanese independence, the intensity of interaction between the unequal neighbours remained low. After Indian independence the 1910 Treaty was renewed with minor adjustments between India and Bhutan in 1949, but Bhutan further resisted Indian offers to deepen relations.³¹ It required a geopolitical earthquake and Nehru's visit before Bhutan decided to terminate its isolationism.

The aggregate impact of undistorted nation building, of low intensity of interdependence with alien cultures and of the absence of a dominant alien power on the Bhutanese cannot be sufficiently emphasised. It resulted in an incomparably stronger sense of identity than in western societies, which in turn was the key determinant for the assertiveness of policy-makers on the one hand and the ability of the common population to cope with rapid change on the other. In contrast to peoples exposed to colonial domination, who were gradually alienated from their own culture and adopted an "inferior, watered-down, partial version of the majority culture"³² the Bhutanese proceeded from a well-defined set of values, which provided them with pride and self-confidence during the process of change and enabled them to establish clear policy priorities bearing the stamp of

Bhutanese perceptions. In fact, self-confidence and assertiveness are predominant characteristics of the interaction between Bhutanese policy-makers and their foreign counterparts. Bhutanese are firmly in the driver's seat of development, while foreign experts are strictly considered advisors with no influence on decision-making. Similarly, it is not uncommon that development aid is rejected because of attached «strings» set by donor agencies.

This strong sense of identity also served as the primary reason for the survival of “Gross National Happiness” to date. Despite the onslaught of mainstream development concepts delivered and advocated by scores of foreign professionals, experts and pundits, development in Bhutan is still distinctly Bhutanese.

5.3 Buddhism and Bhutan's Traditional Socio-economic System

While undistorted nation-building and independence formed the «enabling environment» of the development of a *distinct* concept, the *substance* of the concept was determined by the traditional cultural and socio-economic system. Despite considerable disparities in Bhutan's 'fascinatingly complex and eclectic'³³ society, there can be no doubt that the common denominator of traditional Bhutanese society was the Buddhist³⁴ ethic and moral cosmology. In fact, most constituent elements of the approach are derived from this background.

- Well-being as Objective

Since Buddhist philosophy lacks a period such as European Enlightenment, resulting in the schism of science and religion, economic thinking and all other indigenous sciences are an integral part of Buddhism. As such, the overarching goal of every aspect of life, including economics, is not seen in the multiplication of material wants, which can be satisfied by consumption, but in the purification of the

human character.³⁵ The objectives of market economics, i.e. increasing consumption and accelerating growth are thus only relevant as means to an entirely different end – human well-being. Buddhism turns the formula of western economic thinking which views all pre- and non-capitalist values as instrumental to either enabling or impeding economic growth, on its head.³⁶ Besides, Buddhist moral philosophy provides a definition of happiness, suggesting that well being be drawn from the harmonisation of spiritual and material aspects of life.³⁷

Hence Buddhism as the single most important determinant for the Bhutanese value base furnished the core concept for “Gross National Happiness”, the perception of human well being as the fundamental objective of economic activity. This also turns the criticism of western economists, who smile about the economic inefficiency of «Gross National Happiness», highly irrational. They miss the point – the aim is not economic efficiency, but a maximization of happiness.

The human orientation of development largely explains Bhutan’s commitment to the rapid enhancement of the population’s health and education with the availability of financial assistance after 1959. It was Bhutan’s perception that development ought to be people-centred, which resulted in decisions to invest scarce resources in social facilities rather than in industrialisation or the diversification of the economy to generate growth. Broadening its understanding of development by fostering modern social services, Bhutan essentially anticipated the approach of human development, which was propagated three decades later as a revolution in development thinking.³⁸

- **Environmental Preservation**

Buddhist philosophy provides various strong arguments for the adoption of an environmentally sensitive development strategy. First, the relationship between human beings and the environment is seen in a fundamentally different way

than the western approach. While the latter is based on the Christian instrumental view «that nature exists solely for the benefit of mankind»,³⁹ the Buddhist concept of *sunyata* holds that no subject or object has an independent existence; rather it dissolves into a web of relationships⁴⁰ with all dimensions of its environment. These relationships are non-hierarchical, since Buddhist moral philosophy does not differentiate between species i.e. humans and non-humans. Secondly, Buddhism perceives reality as circular (rather than linear such as the western worldview) with human lives regarded as a stage in an eternal cycle of reincarnation. This naturally alters the relationship to the environment, since sustainable development is in everybody's self-interest instead of in the interest of future generations.

Bhutan's indigenous conservation ethic provided a major input for "Gross National Happiness" and was perhaps the most consistently applied aspect of the concept. Here only some examples can be given. As early as 1961 the National Assembly resolved that trees in the ground should be exempted from taxation to discourage felling "in keeping with the Government's conservation policy."⁴¹ The same rationale led to legislation such as the Forest Act of 1969 (and the Land Act of 1979), which contains the peculiar provision that the government owns all trees, including those growing on private land.⁴² In 1974 preservation policy was underscored by declaring vast sanctuaries, parks and forest reserves as protected areas. Today, protected areas constitute about 26 per cent of Bhutan's territory. Elsewhere, Bhutan never exploited its natural resources on grounds of commercial profitability.⁴³

- **Self-reliance and Paternalism**

Bhutan's traditional socio-economic system was based on the principle of communal self-reliance. The population lived in scattered villages, hamlets and isolated farms while urban settlements were non-existent. This corresponds to Buddhist

doctrine, which points to the benevolent nature of small-scale communities. Topographic constraints and the entire lack of infrastructure limited the interaction between the communities settled in the river valleys of the Inner Himalayas with those in the southern foothills and the outside world. In the absence of marketable surpluses trans-Himalayan and Indo-Bhutanese trade was reduced to a few necessities exchanged by barter. However, among the valley communities there was vigorous exchange of goods «facilitated by the migration of livestock and people from temperate settlements in summer to subtropical settlements in winter».⁴⁴ As a result groups of neighbouring communities formed self-sufficient units for most purposes. Due to the lack of foreign influences and the extremely stable social environment, indigenous institutions and systems of knowledge could evolve. Particularly in the field of local conflict resolution and the allocation of collective resources (e.g. rules about irrigation, use of community grazing land⁴⁵ etc.) effective customary rules have developed over the centuries.

With the exception of the collection of tax resources for the maintenance of the religious establishment, the officials and aristocracy and occasionally the militia, these socio-economic institutions and interactions on grassroots-level faced very limited systematic intervention from the state. The society at its base, used to an economy of scarcity and to a paternalistic political system without any grassroots participation, had very few demands beyond their subsistence needs. With interaction between the state and the society at a low level, the system was rather characterised by feudal paternalism (e.g. between landlord and tenant farmer) than state paternalism.

As a concept deeply rooted in the country's traditional system, self-reliance did not have to be implanted by outsiders after 1959. Although on an empirical level Bhutan fell short of almost every aspect of economic self-reliance in the first decades of modernisation (lacking both financial

resources and manpower requirement), the goal to achieve (or regain) self-reliance has been intimately intertwined with the Bhutanese vision of development. In fact, self-reliance was the first explicitly emphasised development objective. The National Assembly stated in 1959 that “to maintain the sovereignty of the kingdom through economic self-reliance” was among its primary tasks. Since then, many policies bear the stamp of the centrality of self-reliance, i.e. the gradual shift to decentralisation of development decision-making, the reluctance to give up food self-sufficiency in favour of cash-crop agriculture until recently, the macroeconomic prudence to avoid dependency on external loans, etc.⁴⁶

5.4 Preliminary Conclusions

"Gross National Happiness" evolved organically from the unique historical, cultural and socio-economic framework of the pre-1959 period. First, it was argued that the adoption of planned development was not the result of an ideological paradigm shift, and therefore the concept of **cultural preservation** was the mere prolongation of the dominating paradigm of the traditional system. Second, it was demonstrated that the **concept's survival** to date was due to the deeply imprinted sense of identity, which equipped the Bhutanese to define development priorities according to their cultural perceptions. Finally, it was suggested that additional substantive elements of Gross National Happiness, i.e. the general objective of **well-being** and the goal of **environmental conservation**, was drawn from Buddhist normative values, while the principles of **self-reliance** and **paternalism** were the constituent structural features of the traditional society. We are facing a genuinely non-western development approach, which considers non-economic goals more important than economic ones. With mainstream development and economic *zeitgeist* creating an ever-accelerating momentum toward interdependence and globalisation, is it doomed to vanish?

PART II

6. The Crossroads

Viewed from the western perspective of development as an unalloyed good, i.e. the progress toward higher per capita income and other selected quantifiable indicators, the achievements of Bhutanese development are indisputable. They are even more impressive, if development is seen as a "two-edged sword, simultaneously creating and destroying values"⁴⁷, a perception, which corresponds better to Bhutan's multidimensional approach. Whereas mainstream economic development was frequently taking place at the expense of "externalities" such as social coherence, cultural diversity and environmental integrity, Gross National Happiness limited the social, cultural, ecological and human costs.

However, as Bhutan departs from its former socio-economic structures, the Bhutanese development concept is bound to be challenged by an increasing number of conceptual inconsistencies and inadequacies in the near future. For the sake of clarity, the following imminent challenges are discussed in three distinct sections:

- The pressure on the redefinition of " cultural preservation" (6.1.)
- The challenge to the concept by imminent socio-economic problems (6.2.)
- The supersession of Gross National Happiness by mainstream concepts (6.3.)

This should, however, not contradict the fact that the conceptual challenges are closely interrelated, threatening to unsettle what is at the core of Gross National Happiness: the equilibrium of economic and non-economic goals of development.

6.1 The Pressure on Cultural Preservation

Traditionally, cultural preservation in the Bhutanese context meant the containment of negative outside influences. It mainly consisted in the renunciation of policies towards more rapid economic development, as has been most famously exemplified by Bhutan's restrictive tourism strategy. However, in the latter half of the 1980s cultural preservation was reinterpreted as a positive policy concept serving as an essential means to safeguard national security. This resulted in regulative interventions, which interpreted "culture" in a narrow and static way. Measures such as the formal adoption of the dress code (to wear *gho* and *kira* at certain occasions) and the code of conduct (Driglam Namzha) were a reaction to the perceived erosion of cultural values. Yet, it addressed only the most mundane, visible layer of Bhutanese culture rather than capturing a more complex dimension. As any regulation with a sanction it tackled symptoms, but failed to cure root causes.

For sustainable results strategies to *promote* culture will have to be adopted, utilising the evident delivery mechanisms of education and participation. For the time being, promotional activities only comprise narrow segments. As was pointed out earlier, education has been a priority issue of the first four decades of Bhutanese development. However, the government was more concerned with the rapid expansion of the educational system than with the cultural impact of Indian (western) curricula.⁴⁸ In spite of attempts to adjust the programs to the needs of the Bhutanese students (e.g. NAPE, the New Approach to Primary Education attempts to provide primary students with a useful package of skills), this has to date hardly comprised the teaching of "culture". In a teaching environment, which is largely based on the scientific worldview and on western philosophy, culture has been confined to some mythological aspects of Bhutan's history, in which Buddhism played an important role. Thus it seems essential to revise the curricula with a view on broadening the instruction of "culture", enhancing the emphasis on the Buddhist value base and philosophy to provide the educated generation with the foundation of the

Bhutanese *Weltanschauung* in a timely manner.

With a Hindu population of around 25 percent, cultural promotion in Bhutan should also include embarking on a dialogue on commonalities between Buddhism and (non-orthodox, as is commonly the case in Bhutan) Hinduism, instead of constantly emphasising the cultural and religious differences. Indeed, common ground exists⁴⁹ with regard to values and concepts rather than on the level of rituals and formalisms.

It is perhaps the biggest challenge of Gross National Happiness to give sufficient attention to the preservation of Bhutan's unique culture and by the same token redefine the concept dynamically in order to attract the young generation and serve nation building.

6.2 Socio-economic Challenges

Recently, Bhutan introduced several economic liberalisation policies to spur private sector development. As the public sector can no longer absorb the rapidly growing educated work force, private sector development is a compelling necessity to address Bhutan's primary upcoming socio-economic challenges - unemployment and urbanisation. However, since a private sector (apart from agriculture, of course) was virtually non-existent throughout Bhutan's history, the concept of private sector development and its promoting policies are alien to Gross National Happiness. More importantly, they are also contradictory to several assumptions of the Bhutanese approach. According to market economy precepts a thriving private sector requires an entirely different "enabling environment" than the one prevailing in Bhutan.

First, the current role of the state contradicts a flourishing private sector. Rather than a paternalistic state, which directly interferes in all parts of development, private sector development calls for the retreat of the state to the

position of a monitoring agent backed by a transparent legal framework. Second, to promote private business effectively, the government is compelled to restructure its development priorities towards an increased centrality of economic concerns. Third, private sector development requires (and therefore empirically leads to) a reorientation of people's attitudes towards saving, consumption, work, time, and profit from traditional values to the rules of the market. Notwithstanding the state's capacity to correct market failures, these structural pressures will possibly jeopardise the non-economic objectives of Bhutanese development such as cultural and environmental preservation.

Essentially, the two competing western paradigms are potential sources for inspirations to synthesise Gross National Happiness with other concepts: The American model of free market economics with its Asian variants and the European welfare state model. It appears that the influence of consultants, the conditionalities of development bank loans, the current *Zeitgeist* in favour of liberalism and the (until recently) seemingly successful adoption of the liberal economic paradigm by the Asian "tigers" make the American model a persuasive option. However, the European welfare state paradigm is structurally by far more compatible with the Bhutanese approach. With a history of viewing economic objectives in the larger context of social and environmental dimensions, the European model tends to be more sensitive and flexible towards non-economic goals than its American counterpart with its centrality of economic concerns.

Bhutanese friends and colleagues tend to strongly believe that their Buddhist/Hindu background will mitigate the negative externalities of market forces. This may be true to some extent, but if one takes the example of Buddhist Thailand, it is hardly supported by the experience of other countries. To incorporate concepts such as private sector development Bhutan certainly cannot ignore any longer the structural contexts in which it operates both domestic and

international. But it is an illusion to believe that the adoption of full-scale market economic precepts will not lead to total societal change.⁵⁰

6.3 The Superimposition of Gross National Happiness

Finally, the perhaps most subtle challenge is to avoid the erosion or degeneration of Gross National Happiness to a merely rhetorical level. As was argued earlier the concept has been a reflection of a particular cultural consciousness rather than an academic construct. This was the concept's strength in the past, when all policy-makers were products of the traditional Bhutanese system with a strong consciousness of this identity. It may, however, rapidly become a weakness, once civil servants with primarily western education begin to lose this intuitive link to the indigenous set of values. As the consciousness is bound to come under increasing pressure, its "reflection" is doomed to fade as well.

The problem seems even more evident on the operational level. To date Gross National Happiness has survived in spite of the lack of indigenous guidelines for policy implementation. However, in present-day Bhutan change is critically determined by the aggregate output of planned development and deliberate government policies. As 300 projects are the primary vehicles through which change is transmitted,⁵¹ aggregate output depends on the formulation and implementation of bureaucrats and policy-makers. In the late 1990s western-educated people who evaluate the projects in terms of profitability and efficiency formulate projects.

Two decades ago it was observed that "most Bhutanese, even the young educated elite,⁵² were still the products of a traditional social system with a well-defined set of values and a particularistic world-view."⁵³ Today this certainly applies only to the older generation. Since modernisation and urbanisation have taken place in the last three and a half

decades, most persons who currently occupy senior positions in the government therefore have a close connection to rural traditional life and to its cultural perceptions.⁵⁴ In the case of the younger generation of this educated elite, however, the factor that needs to be emphasised most is perhaps the extent of discontinuity with traditional culture. A large proportion of this class has had a very limited experience of traditional life, as they were sent to school abroad or enrolled in boarding schools away from their parents at an early age. Consequently, although there might still be directives from the senior government level in the spirit of the traditional Bhutanese *Weltanschauung*, the implementation level of government policies is completely westernised.⁵⁵ Thus the bottleneck seems to be the translation of the vision of development, which is still strongly influenced by the distinct Bhutanese set of values, onto the project level. The failure occurs on the level of technocratic implementation, which is itself a western concept

Therefore, a co-ordinated effort is urgently needed to reflect about and reassess Gross National Happiness both on a vision and an operational level. This should ideally take place on different educational levels as well as on academic and professional level.⁵⁶ If no countermeasures are taken, the future is not difficult to predict. As the current mid-level bureaucrats move into higher ranks, also the broad policy guidelines will be determined by officials with an essentially western worldview. The vision of Gross National Happiness will degenerate to mere magniloquence.

7. Conclusion:

This endeavour to outline and systematise the configurations of and interrelations among the conceptual building blocks of the Bhutanese development approach can only serve as the first step of a more profound analysis of the concept. As such, it has a twofold purpose.

First, it seeks to draw attention to a highly original, truly non-western approach, at a time when mainstream development concepts increasingly divert their foci from the mere generation of economic growth. It was as recent as 1990 that the United Nations Development Programme (UNDP) proposed to remove the economic dimension from the centre to the means-level. The notion of human development “weaves development around people, not people around development”.⁵⁷ Bhutan possessed a people-centred development concept long before that.

Secondly, this essay emphasises the tremendously pressing need of debate and discussion among policy-makers and intellectuals to elaborate on the existing Bhutanese vision of development, taking into account the opportunities and constraints of the contemporary situation. Some Bhutanese tend to think that the concept is “engrained” in their cultural value base and thus cannot be challenged. However, as cultures are subject to change through altered circumstances and increased interdependence with alien cultural patterns so is an indigenous development approach, being nothing but translated cultural perceptions. Consequently, it is a crucial task for Bhutan’s development thinkers and decision-makers to make every effort to explore the contents, dimensions and contradictions of Gross National Happiness and to translate it to the operational level. A successful development strategy requires both: a vision of the performance which is needed or desired on the one hand and a cause and effect-analysis to effectively implement the concept on the other. Only if both aspects are met can Gross National Happiness challenge the sophisticated persuasion of conventional approaches in a meaningful way and leave its imprint on Bhutan’s future path of development.

¹ Most of the findings are based on the research for my thesis “*Gross National Happiness – The Dimensions of Bhutan’s Unique Development Concept*”, which I wrote for The Johns Hopkins University in 1996.

Sometimes, they have been supplemented by more recent insights.

² Rose, Leo E. *Politics in Bhutan*, p. 211

³ Due to the lack of income generating activities the frequently quoted *per capita* income of \$51 in 1960 is an entirely meaningless yardstick for the comparison with other countries.

⁴ These are health facilities in remote areas, which are normally visited once a month by medically trained staff. Thus preventive and therapeutic measures can be taken on the spot rather than having to resort to far-away hospitals.

⁵ The beginning of the 1st Five Year Plan in 1961 is usually considered to be the starting point of Bhutanese development. Since this essay discusses the vision of development rather than its technical implementation the turning point has to be the major foreign policy shift in 1959, which is discussed in section 5.1.

⁶ Royal Government of Bhutan, *Seventh Five Year Plan, Main Plan Document (1991)*, p. 22

⁷ According to *Kuensel (Supplement p. 1, June 2, 1990)* Gross National Happiness «has been reflected in the Royal Government's priorities and is the foundation of the kingdom's development planning.»

⁸ This becomes clear from the studying of National Assembly resolutions. (*Proceedings of the National Assembly*, Vol. I, 1952-1977) See also Rose, Leo. *The Politics of Bhutan*, pp. 162 f.

⁹ These are recorded in *Kuensel*, which was introduced as an official government bulletin in 1967 and transformed into the country's only newspaper in 1986.

¹⁰ Basu, Gautam K., *Bhutan. The Political Economy of Development*, p. 106

¹¹ *Kuensel Vol. 2, No. 9 (May 1-15, 1968)* p.7

¹² On the country's northern border the Chinese had seized the opportunity of a historical power vacuum after Indian decolonization and had occupied Tibet in 1950.

¹³ Holsti, Kalevi J., *Why Nations Realign: Foreign Policy Restructuring in the Postwar World*, p. 21

¹⁴ Nehru needed 6 days to travel to Bhutan by jeep, on pony and on yak.

¹⁵ Rustomji, Nari. *Enchanted Frontiers*, p. 231

¹⁶ New York Times, Aug. 24, 1959

¹⁷ National Assembly, 13th Session (Oct./Nov. 1959), Resoluton 14: «...national revenue would not suffice for the construction of the motor road from India to Bhutan. Thus in the absence of other alternatives", the Prime Minister Jigme Pelden Dorji was sent to "India to seek financial aid from the government of India, which agreed to provide the required aid,

both in terms of finance and personnel, under the auspices of Indo-Bhutan friendship.

¹⁸ Holsti, Kalevi J., *Why Nations Realign: Foreign Policy Restructuring in the Postwar World*, pp. 38 ff.

¹⁹ Rustomji, Nari. *Bhutan. The Dragon Kingdom in Crisis*, p. 31

²⁰ Manor, James (ed.). *Rethinking Third World Politics*, pp. 15 ff.

²¹ Rose, Leo. *The Politics of Bhutan*, pp. 24 ff.

²² Ura, Karma. *Development and Decentralization in Medieval and Modern Bhutan*, p. 2

²³ Rose, Leo. *The Politics of Bhutan*, pp. 37 ff.

²⁴ Many features of the form of government set up by the Shabdrung have persisted until today. The contemporary Bhutanese system is still characterized by an administrative dichotomy with the *Je Khenpo* as the head of the Buddhist establishment. Equally important was the retention of the country's traditional administrative patterns. Bhutan is still divided into districts with Dzongs as administrative headquarters. Furthermore the institution of the Dzong has retained its dual function as administrative and religious center of a district accommodating civil servants as well as monks.

²⁵ Perhaps the most important of these reforms were the establishment of the National Assembly in 1953 and the abolishment of serfdom in 1956.

²⁶ Rose, Leo. *The Politics of Bhutan*, p. 123

²⁷ This was emphasized to me in several interviews, particularly in those with Dasho Ugyen Tshering, Karma Ura and Tenzing Thinley.

²⁸ Holsti, Kalevi J., *Why Nations Realign: Foreign Policy Restructuring in the Postwar World*, p. 23

²⁹ Rose, Leo. *The Politics of Bhutan*, p. 23

³⁰ White, Claude. *Sikhim & Bhutan. Twenty-one Years on the North-east Frontier (1887-1908)*, p. 190

³¹ Holsti, Kalevi J., *Why Nations Realign: Foreign Policy Restructuring in the Postwar World*, p. 24

³² Mead, Margaret. «The Right of Primitive Peoples», p. 312

³³ Rose, Leo. *The Politics of Bhutan*, p.40

³⁴ Although a considerable share of Bhutanese are Hindus today, «Gross National Happiness» undoubtedly evolved in the Bhutanese heartland, where Hinduism had hardly any influence.

³⁵ Schumacher, E. F. «Buddhist Economics», pp. 63 ff.

³⁶ Zadek, Simon. "The Practice of Buddhist Economics?", p. 442

³⁷ Happiness as the ultimate purpose of societal change is not a new concept. In Europe of the 19th century the economic-philosophical school

of classical utilitarianism reflected on the maximization of happiness. The main idea was that a society was rightly ordered, when the greatest *sum* of happiness was achieved. Eventually however, the influence of utilitarianism declined particularly because of two reasons: First, while utilitarian theory was concerned about the level of happiness of the entire society, it was less interested in the distribution of happiness among individuals, which for most had unacceptable moral implications. Second, there was considerable debate about the proper account of happiness, thus failing to agree on a common standard to measure progress.

³⁸ By UNDP in 1990 through the introduction of the "Human Development Report".

³⁹ Bunting, Bruce and Tashi Wangchuk. *Bhutan: An Environmental Ethic for the 21st Century*, p. 3

⁴⁰ Norberg-Hodge, Helena. *Ancient Futures. Learning from Ladakh*, p. 73

⁴¹ 16th Session of the National Assembly (July 1961), Resolution 10

⁴² Royal Government of Bhutan, *The Bhutan Forest Act, 1969*. Chapter III, 10. The use of trees (fruit trees in orchards are not government-owned) is restricted to bona fide firewood consumption.

⁴³ An illustration that non-economic benefits frequently were deemed more important than economic profitability is provided by the Gedu-plywood factory case. The plywood plant was built with the financial support of a loan of the Kuwait fund. However, the Forest Department restricted the amount of wood felling to such a low level that the plant could not be sustained in a profitable way. Eventually the Dutch Government took over the loan commitment and the factory was closed.

⁴⁴ Ura, Karma. *Development and Decentralization in Medieval and Modern Bhutan*, p. 3

⁴⁵ Ura, Karma. «The Nomad's Gamble», pp. 81 ff.

⁴⁶ The emphasis on individual self-reliance applies also to the household level. For a country which has traditionally lived on subsistence agriculture the ownership of land is vital for the self-reliance of most households. Hence the Land Act 1979 declares every transaction of land which reduces one household's land holding to below 5 acres null and void (Royal Government of Bhutan. *Land Act 1979*, Ka 5.6)

⁴⁷ Goulet, Denis. "Development: Creator and Destroyer of Values", pp. 467 ff.

⁴⁸ Obviously, the adoption of English as the first language in schools in 1964, which was of immense importance from a development standpoint, tremendously complicated Bhutan's endeavor to preserve its culture.

⁴⁹ At a recent workshop on the "Bhutanese legal system and terminology" (22-26 February 1999) the Chief Justice Lyonpo Sonam Tobgye explained

that seven Buddhist principles fundamentally underlie the Bhutanese dispute resolution (judicial) system. He also mentioned that Hindu principles are almost identical.

⁵⁰ Apart from this it is hard to conceive the comparative advantage of Bhutan vis a vis the thousandfold larger Indian market with considerably lower labour and capita costs.

⁵¹ Interview Karma Ura, Ministry of Planning, July 29, 1996

⁵² Until a few years ago virtually the whole educated elite was recruited by the Government.

⁵³ Rose, Leo. *The Politics of Bhutan*, p. 38

⁵⁴ Wikan, Unni and Fredrik Barth. *Bhutan Report: Results of Fact-finding Mission*, pp. 37 ff.

⁵⁵ Interview Karma Ura, Ministry of Planning, Thimphu, July 29, 1996

⁵⁶ The recently published *Introductory Economics, A Course Book for Class X*, which encourages class debates on the subject (see p. 65) is a positive example in this regard.

⁵⁷ UNDP. *Human Development Report 1992*, p. 2

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