

THE BHUTANESE DEVELOPMENT STORY

In this simple guide on the topic, Karma Ura discusses Bhutan's vision for the Gross National Happiness (GNH) development strategy and the five causes of rapid development. Ura also provides an account of the phases of transformation and guiding principles of GNH development planning.

Vision of Development of a GNH Society

Among the Bhutanese people there are growing expectations, rising steadily like Bhutan's forest cover, for more consumption and possession. Expectations may be ideally moulded to fit a lifestyle that reflects a balance between tradition and modernisation, between materialism and spiritualism, and between commodity wealth and quality of life. Bhutanese policy makers aim for such a balance, and pursue Gross National Happiness (GNH). This article attempts to give a brief account of how and why Bhutan strives toward a GNH state and towards maintaining a balance between tradition and modernisation, although the homogenising impact of the West and globalisation is ever increasing. It is possible that a GNH state is analytically different from socialist, liberal or free market states. The creation of a GNH state will entail a political and economic programme that requires a different set of tools and instruments to facilitate its birth, because it means creating a different kind of polity and economy. To operationalise the concept of GNH, the country's planners and policy makers continue to reflect further, and challenge the value of accepted theories and practices of development, which may be set in different legal, political and economic context abroad.

In both developed and developing countries, planning is concerned mainly with the creation of the material basis of 'good life', while its content is to be defined by individuals. By conventional definition of development as well as ranking of countries by per capita income, both high levels of material possession and consumption that make it possible for developing countries to 'catch-up' with the developed, are necessary criterion. However, this notion of development planning is at odds with the vision of a future for Bhutan that is not focused only on material or external development, but also on ecological and cultural integrity. In any case, conventional development theories do not specify happiness as the goal of development; happiness is seen as a possible by-product of development. Equally, conventional development theories see the problem of happiness as an individual concern, not a primary policy concern of the state. The term subjective well-being, by which happiness is known in western literature, is telling.

In the Bhutanese cultural context, the original meaning of development of the state, and the individuals within it, meant observance largely of enlightenment education with respect to ethics, intellect and wisdom by its

population in order to reach happiness (*dewa*). And the function of the GNH state is to remove conditions and constraints, both physical and mental, to achieving it.

In the concept of Gross National Happiness promulgated by His Majesty the King, social welfare accrues not only from material goods but also from unquantifiable spiritual and emotional well-being. GNH raises happiness as the most important value that should guide policies. A proximate concept is *deljor* (abbreviated form of *delwa-jorpa*). Wealth (*jorpa*) is necessary but only to the degree that it helps attain freedom from want and allows people to pursue fulfilling activities and avoid inflated expectations damaging to their true happiness. Accumulation of wealth (*jorpa*) appears hollow if all of human effort is concentrated in its pursuit, leaving little freedom (*delwa*) and happiness (*dewa* or *ga kid*).

Five Causes of Rapid Development

The transformation of Bhutan has occurred most rapidly since 1961, when the Third King launched the five-year plans. To give a picture of conditions prevailing before 1961, the first historic batch of 20 Bhutanese pupils completed high school only as late as 1968. This is not to say that there were no education or health services: the monastic education system flourished, as it does today, as a parallel system to Western education. The achievements are particularly remarkable given the modest base levels from which the process began. But a broad framework provided by GNH to guide and evaluate national choices and decisions that could move the country in different directions had to wait for the accession of the Fourth King in 1971.

The rapid development of Bhutan can be attributed to several distinct causes. The first and the most important impetus was the activism and dynamic leadership of the kings of Bhutan, who had a central role in national policies in pre-1998 polity. A visionary, the present King could consummate his farsightedness with his immense energy and capacity for hard work. During a phase of rapid transformation, strong coordination and clear directions are prerequisites. Policy drifts that could arise from party political cycles have been prevented because of the existence of a disciplined vertical command structure. Continuity and cohesiveness in policies probably could not have been maintained without the benign but decisive authority of the king. People have internalized the value of monarchy as an active agency of development as well as tradition. However, His Majesty has increasingly transferred power and authority from the Throne to other institutions in the long-term interest of the nation.

The second powerful cause of rapid transformation is that Bhutan possesses rich resource endowments such as hydropower and environmental biodiversity, combined, unlike many other developing nations, with a low population density. Hydropower is the main area of commercial investment and exploitation, and the rocket-engine of the economy. With a population of

600,000 people, there is no labour surplus, contrary to the situation in many developing countries. Research shows that Bhutan had about 2,60,000 people in 1747, so the dynamics of the demographic was such that it created a stable population over the last 250 years. Primary health services, combined with water and sanitation programmes, have improved public health. Owing to these and other factors, the population growth rate was already 3% in the early 1990s, but was reduced to 2.5% by 2000 due to successful family planning campaigns.

A well-functioning administrative machine and community organization are not usually acknowledged as important factors of development, but the presence of well-developed administration and cohesive community organization is the third cause of rapid development. Their calibre and integrity are essential conditions for rapid development to occur. The former is an instrument of delivering goods and services, the latter one of receiving and utilizing them, at the initial stage of development. Later, community organisations should progress to being author and subject of their own development. The 2002 DYT and GYT Acts point to such community organisations as bodies which can determine the nature and scope of transformation, including certain regulatory autonomy, within the community.

The fourth crucial cause of rapid development has been the long-term support of various donors. Not a single donor, whether multi-lateral or bilateral, who has come to participate in Bhutan's development has so far quit the country. This has to do with the transparent utilization of aid, and the realization of intended purposes.

The last cause, also often insufficiently stressed, is the primacy of Bhutanese culture. As a country whose experience remained different from that of historical trends in both the sub-continent, and in Tibet and China, Bhutanese culture and ethos evolved in relative continuity. This culture has been a source of defining development strategies of one's own choice and pace. Largely, the adoption of stereotypical ruling strategies and policies has been averted, and the decision making process in Bhutan has insisted on its own terms of development collaboration. Culture as a criterion of evaluation and perception has been embedded in the mores of high officials. Its unifying grip may, however, be weakened as new generations move up the official hierarchy and as the administrators, professionals, business people, and industrialists do not necessarily have the same mooring in culture and traditions. This only reinforces the need for strengthening the intellectual and research bases rooted in the values and culture of GNH that can support Bhutan's search for a path away from dominating influences and dogma and a means towards homogenization. Cultural distinctiveness is seen as defensible for its intrinsic value as well as for the preservation of the sovereignty of a nation faced with asymmetry of power with its neighbours.

Five Phases of Change

Looking briefly at investment patterns since 1961, it is possible to delineate some key features of transformation. The years between 1961 and 1973 can be characterized as the first phase, which concentrated on road construction and internationalization of relations. Investment was focused on building a single axis motor road across the country. In spite of the extensive layout of motor roads stretching over 3,300 km, the network is still sparse. During the same period, a broadening of international relationships between Bhutan and other countries took place. An old country, whose ancient independence had until then existed without diplomatic links and participation in the international community, Bhutan conducted deft maneuvers, which led to international recognition of its sovereignty as a state, and included admission to the UN in 1971. Diplomatic relations with many nations followed, contributing substantially to the sense of collateral security as well as to the diversification of sources of development assistance.

After the problems of inaccessibility were partly overcome and the delivery of goods and services made more cost-effective, the establishment of health, education and agricultural extension services expanded rapidly between 1973 and 1983. This second phase is marked by drastic expansion of services. This period also led to the growth of personnel to man facilities, which further resulted in the escalation of maintenance budget.

The need to augment revenue naturally led to the third phase of development - from 1983 to 1987 - concentrating on revenue-generating investment in hydro-electric and mineral based projects. During this period, the economy grew at a hyper rate, fuelled by the construction of the 336-megawatt Chukha hydropower station. This was the biggest lump sum investment until the Tala project began. The output of electricity from Chukha started a chain of industrial enterprises like cement factories and a pattern of growth dependent on construction of hydro-stations; subsequent energy intensive industries have become the main characteristic of the economy. Commissioning of a big hydro-power project shifts the growth curve upward by inducing a structural shift.

The fourth phase, roughly stretching from 1988 to 1998, is characterized by expansion of air-links and digital telecommunications networks in what was once an isolated, hidden and unapproachable land. The spread of faxes, telephones, satellite TVs, computers and Internet have driven Bhutan towards globalization; the distance between Bhutan and the outside world has diminished. With the introduction of satellite TV in 1999, the Bhutanese people can view mass entertainment with the rest of the world and be sedated as well as stimulated.

The dominant features of the period after 1998 appear to be democratization and globalisation. Devolution of authorities to local bodies began in 1981. This process was enhanced, in 1998, by devolution of full executive powers

to the Council of Ministers who are elected by the National Assembly. A draft constitution was drawn up in 2002 and awaits public debate and adoption. In the same period, Bhutan signed SAPTA and began the WTO accession process. The country has become increasingly integrated into regional and global economies.

Five Guiding Principles of Development

The first guiding principle is economic self-reliance. The progress towards this goal is broadly indicated by an increase in domestic saving over investment, revenue over expenditure, and export over imports. There has been steady progress with respect to all of these financial indicators. But there is still a long way to go before total government expenditure can be financed completely out of domestic revenue, although the generation of revenue from the export of electricity from new power projects in the near future may change the outlook significantly.

The main reason for the inability to meet budgetary self-efficiency is the baby boom that occurred from the 1970s to the 1990s. It led to an increase in government expenditure in social services, in addition to the cost of the steady expansion of infrastructure. Despite the reduction in birth rate, taking a twenty-year perspective, the population of Bhutan is likely to grow from the current 6,00,000 to 9,00,000 in 2020 when it can probably be stabilized.

Concern for the potentially adverse impact of increased economic activities and increased population on the fragile mountain ecosystem has led Bhutan to raise the preservation of environment as second important guiding principle. But in Buddhist political theory, a state exists not only for the welfare of human beings, but it also exists for the welfare of all sentient beings. It therefore has an intrinsic duty to preserve the environment. Bhutan is normally regarded as an environmental leader with its rich biodiversity; its soil, water and air are not yet contaminated by harmful emissions and pollution.

Bhutan's environmental legacy can be explained by the presence of the following three favourable factors: (a) indigenous institutions for managing common property resources like irrigation water, sacred groves and mountains of local deities; wood lots and grazing land; (b) a strong culture of conservation and Buddhist ethics; and (c) enforcement of important legislation enacted mostly between 1969 and 1981. These elements reflect Bhutan's conservationist ethos and are mainly responsible for adherence to sustainable resource use, although a greater coherence between (a) and (c) needs to be forged. Modernisation is compared by some to a march towards an industrial and technological society that generates serious and often irreversible impact on the environment. The strategy of development in Bhutan tries to take the country from being a late starter in modernization directly to a sustainable society - which is post-modern or post-industrial - hopefully with Buddhist welfare characteristics.

The third guiding principle is regionally balanced development. Regional imbalance is theoretically considered as a short-term dis-equilibrium, which free movements of factors of production can remove in the long run. If competitive market conditions are obtained, growth is diffused. But such free movement of factors of production is far from reality, hence, disparities do emerge without deliberate policies to correct them. The objective of balanced development provides for equitable services and infrastructure throughout the country, in order also to discourage migration and urbanization.

The fourth guiding principle is decentralization and community empowerment through stimulation of local institutions of decision-making. Bhutan strives to maintain local institutions' autonomy in natural resource regulation, collective work relationships and in conflict resolution. In villages, where social and economic institutions are deeply rooted, there are unwritten and internalised rules governing collective life. These institutions form the glue that bond people together as a community. Such institutions, lying between the state and the family, are true indicators of the self-organizational capacity of a community. They are self-regulated through competition, cooperation and control within the community. When elements of cooperation, competition and control are present in a balanced way in a community, one may consider a community democratic.

On an administrative and political level, a systematic decentralization of authority began in 1981 initiated by the present King to devolve decision-making authority to the district and block (*gewog*) levels. In 2002 and 2003, the heads of Block Development Committees were elected by one-person one-vote secret ballots.

By far the most ambitious guiding principle is the fifth. It is concerned with cultural preservation. Globally, lifestyles may be imploding or converging rather than diversifying. The Bhutanese are also becoming oriented to the global culture. Signs of homogenisation and blurred cultural identities are increasingly visible with the rise of imports of both artifacts and ideas. The diffusion of a trans-national culture can set in motion forces of silent dissolution of local languages, knowledge, beliefs, customs, skills, trades and institutions, and even species of crops and plants. These changes subdue rather than enhance the cultural distinctiveness of Bhutan. During a period of cultural absorption, a society delves into its heritage in search of cultural specificity. Culture is cultivated and revived as an anchor in a sea of change. The anchor consists of values and institutions deemed desirable for the solidarity of a nation, despite its diverse sub-cultures. In order to reconstruct or reconceptualise selfhood, it becomes necessary to find out what constitutes individuals as a people, a community, or a nation, in terms of our respective identities in a quest to define ourselves in a as a historical context.

Despite the emphasis on cultural preservation, there are inherent obstacles in planning for it. Technocratic planners, who are increasingly in charge of the course of the nation, usually have a poor grasp of the cultural setting, as well as a dimly imagined vision of the cultural shape of the future society. Less is known about local symbols, beliefs, values, ideology and ethno-histories than about trends, statistics on income, nutrition, health, trade, stock prices and so forth. The dynamic relationship between changes in the economic system and the cultural sphere is not easy either to understand or to predict. Unlike economic goals to be achieved, it is difficult to envisage a clear image of the future cultural state of affairs to be attained.

Several disjunctions between past and future will make striking a balance between tradition and modernity, and pursuing GNH challenging. Modernity seems to be characterized by technology, pluralism, urbanization and openness to the outside world. Clearly, there is a feeling of ambiguity of being at a cultural crossroad, although successful material development planning is quite close to delivering all Bhutanese from fundamental material needs.

Broadly speaking, it is suggested that all societies are converging towards Western liberal democracy and free market economy, both held as worldwide models. Is there a potential to be a society distinct from one based on borderless free market economy and liberal democracy, blending the spiritual, political and social heritage of Bhutan with elements of technical innovations and progress of the West? Can Bhutan's modernization continue to recreate enlightened and happy individuals instead of ruthless, egocentric ones? The peculiar Bhutanese faculty to follow a holistic path of development of both materialism and spiritualism may perhaps remain alive, but only if we strive hard enough and remain forever diligent.