

# A SHANGRI-LA ECONOMY



**A SHANGRI-LA ECONOMY**  
**Exploring Buddhist Bhutan**

**MAHMOOD ANSARI**



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*A Shangri-la Economy: Exploring Buddhist Bhutan*

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## Preface

It was in the early nineties that I served my first teaching assignment as a lecturer-on-contract in Sherubtse College in Bhutan. I took up this assignment immediately after de-registering from the MPhil/PhD program of Jawaharlal Nehru University, New Delhi. Though my career objectives dictated me to leave the Himalayas within a couple of years, the place left an indelible mark on my mind. This was where my academic and personal interest in the economies and societies of the Himalayas and its rolling foothills surfaced. I noticed that a mountainous economy functioned with a pace and rhythm different from those of the vast plains economy in many observable respects. I started documenting my impressions of Bhutan.

My immediate endeavor took shape when the Indian newspaper, *The Telegraph*, (Calcutta edition) published my short article on the Dragon Country in February 1996 (while I served as a lecturer-on-probation in the department of Economics in Pachhunga University College, Mizoram, India). Although I succeeded in collating quantitative and qualitative information about the dimensions of life of Bhutan's populace and nobility, I felt disappointed in not being able to supplement it with my views. The subsequent publication of my research papers on the Bhutanese problems of landslides, lack of formal education, and political unrest boosted my morale though these were published through the edited volumes of an in-house Journal of Assam University (my parent institution in Silchar, India). This prompted me to compile them with my research papers on labor migration in Bihar province and agrarian capitalism in the northeastern region of India, and send them as a monograph of collected essays to a publishing house in New Delhi, Academic Excellence. It printed the collection as a book titled, ***'Economy and the State: A Political Economy Perspective,'*** in 2010.

My second visit to the Himalayas was during 2007-2009 when I served as a lecturer-on-deputation in Gedu College, Bhutan. This trip enabled me to update my earlier research. Since the year of 2008 until 2011, I published three papers on the themes of agrarian economy, economic growth, and resource asymmetry in Bhutan in a number of South Asian journals. More recently, however, I realized the need to update my earlier work.

The present monograph is, thus, a collection of one substantially extended newspaper article, one unpublished, reworked paper, and three published but modified journal papers. This book contains 36 tables of data. I would modestly claim that there is a unifying theme running through the entire book. It addresses the issues about the status of the so-called 'gross national happiness' and its relation with the agenda of agrarian justice. It also develops a critique of the formulation of a '*Shangri-La* economy' in Buddhist Bhutan. The nation has only recently embraced the democratic system of political governance in introducing ballot box voting by citizens and election of members to the newly constituted Parliament. The monarchy and the royal family, however, continue to survive as a vital complement even after 2008.

I hope this book would prove to be interesting to both young and old readers, from graduate students to researchers. It would provide to teachers of Bhutanese studies a little additional insight about this avowed Buddhist monarchical arrangement in the beautiful landscape of eastern Himalayas in South Asia.

I must not fail to express my gratitude to the people that I met in Bhutan who survive in abject living conditions. I dedicate this book to them. Their wrinkled, sun burnt faces appear in front of my eyes as I recollect the memorable time I spent with them. Such ordinary populace keeps me indebted to them. They were invariably kind, whether I passed by them on a mule track or a coal-tar road, or encountered them in one of the all-purpose stores in remote locations. While I edited and wrote the manuscript, my wife, Sakeena Ansari, and daughter, Amma Rakshanda, showed admirable patience to bear with me. I am thankful to both of them.

**Mahmood Ansari**

### **Abbreviations Used in the Book**

- Food Corporation of Bhutan: Food Corporation
- Planning Commission of Bhutan: planning commission
- Royal Advisory Council: advisory council
- Royal Civil Services Commission: civil services commission
- Royal Government of Bhutan: Government of Bhutan
- Royal Monetary Authority of Bhutan: Monetary Authority
- Royal Secretariat: secretariat
- Statistical Handbook of Bhutan: statistical handbook

## INTRODUCTION

### A Critique of Shangri-La

A heaven on earth and happiness for all are meaningless claims if these are not supplemented with a concern for a reasonable level of equality and justice. We argue in this work that descriptive concepts of the GNH-state (the state of ‘gross national happiness’) and *Shangri-La* economy (a paradise-like economic system), which are so much eulogized by the ruling establishment in the context of a uniquely managed economy of Bhutan, are analytically vacuous. These extolled notions, almost assuming the status of nation-wide slogans, are fallacious descriptions of a least developed, poverty-struck, foreign-aid-dependent and mountainous agricultural economy in South Asia that Bhutan of course is at present. Though the Bhutanese ruling establishments support the claim of a *Shangri-La* in existence with two novel propositions of ‘small is beautiful’ Buddhist economy and a budding GNH-state, we propose to demonstrate otherwise in this monograph. We claim that both claims are merely notorious political jingles that are in reality unmatched by the actual social and economic achievements. The state-actor-propagandists take advantage of poor communication and transport to advance an idealized model (not to mention mythical description), though such a model is built largely on false account. Objective facts and concrete quantitative data support the contention that the nation is in actuality a laggard society.

As we develop an analysis of the facets of economy and society, the nature of terminological slipup becomes clear. An in-depth reading of the dimensions of the middle-east Himalayan economic system of Bhutan, arranged in six chapters in the present monograph, fail to reveal any of the traits of the “paradise” that is claimed it to be. Although the beautiful landscape of the Himalayas within the geographical boundary of this country does not fail to elicit appreciation, it cannot be proxy to the analytical features of the economic system prevalent there. Realistically, it is not viable to trace a *Shangri-La* economy in view of the facts related with the underdeveloped features of this South Asian third-world society, prominent among which is the utterly lacking infrastructure.

Though title of the book is *Shangri-La Economy*, our intention is to demonstrate it as a misnomer. We may but agree to treat the

concept of *Buddhist Bhutan* as a realistic descriptive category. Such phraseology is partially suitable as a subtitle because Buddhism has historically been the religion of choice from the king, including the royal family, courtesans, courtiers, and retainers. The rituals of the state-sponsored religion, if not the doctrinaire philosophical values underpinning them, certainly have a major bearing upon the public dialogue regarding the macro-management of the polity and society here. Though most of the arguments and data supporting the absence of a *Shangri-La* economy and the presence of a Buddhist culture are elaborated in the main text of the book, a brief exposition of the critique is attempted here as introductory remarks to furnish an idea of the spirit that the chapters carry.

The nation is demographically and spatially a small sovereign country, located as a pitched territory between India and China across the eastern Himalayas in South Asia. Thanks to the succession of benevolent and caring monarchs! State actors claim that colonization attempts of the Chinese imperial power and the British Empire consistently failed. The country managed to remain gloriously autonomous from all external political domination. A mountainous country, Bhutan has been veiled from public glare and it has been inaccessible to traveler-tourists due to lack of legal methods of transport and communication for a long time. An oligarchy of war-mongering proto-feudal lords joining hands with fortress chieftains could not find the time and energy to develop the minimal infrastructure in this rugged mountainous topography.

It has but recently unveiled itself to spectacular equipment called the camera. The digital variety has also arrived swiftly in the country. It has a specific attraction for the young. A line of young and skilled Bhutanese, persuaded by the recently discovered power of colored photography, is involved in creating a picturesque portrait of the meandering valleys, lofty mountainous ruggedness, and attractive curves of the river and rivulets. Included also are the manmade bridges and residential structures of the striking misty land of Bhutan.

Such a flourishing enterprise is in addition to enticing advertisements of corporate organizations, which distribute country maps and help organize domestic tours and travels. This newfound preoccupation with color photography has in turn been instrumental in a continuous production of vibrant leaflets, monographs, and books, worth a spot on the coffee table. The endeavor has proved conducive to maintaining the chimera of a landscape frequently described

as “heaven on earth.” A number of enthusiasts portray the country as a remote *Shangri-La* (an abode of gods) with dragon motifs all around.

In this distant so-called ‘heaven’, an absolute paternalistic monarch has ever been depicted as the benign delegate of gods carrying out the divine work of instituting social and cultural virtues and creating idyllic features of economic arrangements for public, not personal, benefit. Under the patronage of a munificent and compassionate monarch and imperial family working tirelessly for the welfare of the populace, the arms of government and bureaucracy pursue the attainment of something called ‘*gross national happiness*’. In this framework, the subsidized public health-care system provides free care in the basic health-care units and subsidized free education is prevalent in monasteries, modern schools, and a university system. Populace is but required to follow the medieval social codes of peaceful and obedient conduct locally called, ‘*driglam-namẓha*,’ (etiquettes and social codes of conduct) and to believe in the public integration ideology of one-nation-one-king-one-people, or, ‘*tsa-wa-sum*.’ Connecting claims regarding bizarre concepts of GNH (meaning ‘gross-national-happiness’), *tsa-wa-sum* (a local phraseology meaning ‘countrywide integration’), and *driglam namẓha* (a local phraseology meaning ‘etiquettes and social codes of conduct’) with those of a *Shangri-La* economy makes it easier to win over the public.

It is even argued in the public domain that the bureaucracy’s pursuit of *gross national happiness* in the ethos of ‘etiquettes and social codes of conduct,’ and the policy of ‘country-wide integration’ would solidify the foundation of a budding *Shangri-La* economy. Courtesans, courtiers, and retainers are involved in the project of canvassing. They argue that it is a small, virtuous Buddhist economy based on the public principles of gift-exchanges and compassion propagated by the royal establishments. In addition, it is a “*Shangri-La Economy*” pursuing the alternative macroeconomic goal of gross happiness (supplementing the goal of enhancing the national income or the net national product at factor cost).

Contrasting all these descriptive features with those of the economic systems variously characterized as archaic peasant, feudal, capitalist, or socialist is a passionate bureaucratic endeavor. It is in this framework of partially substantiated claims regarding the absence of modern social and economic vices that readable material circulates in official corridors. Such claims center on the virtues of a symbiosis between humans and nature, proclaimed to exist by the

ruling establishment. To add to the nationalist glory, the focus seems to be on preserving rich Bhutanese culture while conserving the Himalayan flora and fauna. A popular ellipsis in circulation is the bizarre phrase of so-called gross national happiness, which would need a bit of elaboration.

GNH is the abbreviation of '*gross-national-happiness*'. The fourth king coined this simple acronym in the early seventies during the course of one of his addresses, which was organized immediately after he acceded to the throne in 1972. The immediate purpose appeared to be an attempt to deflect attention from gross national product (GNP), a measure of national income and a signifier of economic growth. The contention was simple: happiness of people and community was to be preferred over societal material progress, measured in terms of gross national product. The popular dictum "*GNH is more important than the GNP*" gained currency later. Fifteen long years intervened before a formal recognition was made in an article on travelogue in late April 1987. John Elliot of the *London Financial Times* wrote a travel piece with the headline '*gross national happiness*', and formally ascribed the phrase to the name of the King (Ura, 1997, p. 250; footnote). The phrase and the maxim had to wait in the cold for another ten years before it found support with the global idea of national wellbeing.

The momentum of GNH project was simultaneous with establishment of the Genuine Progress Index Atlantic in Canada in 1997. There exists today a sort of collaboration between the public research centre of Bhutan and a Nova Scotia based not-for-profit research organization (undertaking the development of a new measure of sustainability, wellbeing, and quality of life). In 1998, bringing the phrase and the maxim to centre stage was a keynote address delivered by a minister of Bhutan at the UNDP Millennium Meeting for Asia and Pacific in Seoul. In 1999, another minister attempted to strike a relation between accountability of bureaucracy and the idea of national happiness in a paper published in the *Bhutan Post*. In 2005, yet another minister organized the first-ever international conference on the theme in the capital town of Bhutan and attempted to formulate the concept of aggregate societal happiness. In 2006, Antigonish, Nova Scotia became the seat of the second international conference on the theme.

The acronym GNH became the principal political slogan. The incumbent Prime Minister of Bhutan enthusiastically propagated the main plank of the would-be ruling political party to win the parlia-



mentary election in 2008. The old central planning body, the Planning Commission, was recently renamed GNH-Commission to attract attention. The happiness phraseology is today not merely a popular political slogan but also a budding national policy paradigm. It has shifted the summative goal of short-run ‘economic self-reliance’, pursued so vehemently throughout the country’s six consecutive plans, to the backseat. The goal of achieving long-run sustainable “economic self-reliance” through achieving the aggregate societal happiness has been pushed to centre stage. It is now the state-sponsored political and economic ideology to pursue the undepreciated (gross) happiness at the individual and community level to attain long-run self-sustaining economic growth. However, it seems achievable only through protecting the vital resources of culture, environment, and political governance. Regardless, the Statistical Bureau of Bhutan continues the public practice of estimating gross national product (GNP) to date because the attainment of high sustainable rate of gross national product is the principal pillar of the public philosophy of nation-wide gross happiness.

It is our contention that the description is poles apart from the analysis. Integrally identified with a specific nature of polity and a definite character of domestic culture, a concrete economic system must be categorized with reference to a well-delineated native population (consumers) over a geographically delimited area (marketplace). An economic system, commonly used as a synonym for a market system, is anyway unfailingly regulated by a supra-organization called the state, within a framework of specific polity articulating it. However, both the economy (synonymous with the exchanges of market) and the state (synonymous with the practices of polity) are inconceivable in concrete details without reference to native population and delimited native geography.

A definite economic structure built upon a system of market (or market-analogs), which a specific nature of polity under a state system always buttresses and regulates, is essentially delimited over a geographical area; this in turn harbors an identifiable native population. This being the concrete observable actuality, a realistic analysis of a polity and economy always necessitates a purposive excursion into demography as well as geography. Based on the characteristics of geography, demography, and polity, each economic system is a distinguished entity with respect to descriptive details. As many sets of descriptive features are possible to delineate, those many describable systems of economy may exist on the globe.

Bhutan is one country that has been worth describing in terms of demographic and geographic details in literature so far. In the present monograph, we attempt to build an analytical economic identity of the country (though attaching due significance to the demographic and spatial details of the Himalayan nation is not ignored). The economic systems must essentially distinguish from each other but with reference to a broad conceptual-analytical scheme of categorization only. An attempt to study the divergences in descriptive details among economic systems does not help in making finer distinctions between economic outcomes such as provision of essential material goods and worthy human lives. Quite often descriptive demographic and geographical details eschew the analytical merits. An analytical scheme to categorize economies helps catalogue the differentiating characteristics of a system within which people produce, earn, and consume. It also looks at the mega-institutions that integrate the economic lives of humans with the inanimate processes of a system, in a demographically and geographically delimited area under a political system of governance.

Analytically, an exercise in the conceptual categorization of an economic system as feudal, for example, is a shorthand description of an economic arrangement. In such an arrangement, a class of feudal lords makes decisions about production and investment but a mass of bonded serfs carries out the actual production. Appropriation of ground rent mediates the production relations. The capitalist economic system is likewise another kind of economic arrangement. A budding class of capitalists makes production and investment decisions while a mass of property-less and free workers carries out the actual production on a mass scale. The continuous cycle of appropriating enterprise profit mars production relations. Similarly, a *Shangri-La* (paradise) economy should be a distinct economic system, or analytically, an economic arrangement. In this system, a king's coterie is generally a parasite class whereas a mass of subordinate producer-workers carries out mass scale production. The existence and division of rent, revenues, taxes, foreign aids, and assistance mediate production relations (because ground rent and profit and/or interest are too meager to mediate).

Concretely, such an economic system must be a manageable economy of a small population spread over a small geographical area and a simple polity regulating a small volume and value of output, input, and exchange of goods and services. Undoubtedly, such an economy by virtue of its nomenclature implies that it is free from

the economic vices of hunger and deprivation, asymmetry and disparity, redundancy and loss of human worth. In other words, it must conceptually be a look-alike of a paradise economy on the roof of the world, characterized by endowment of the economic virtues of selflessness, desire-less-ness and conflict-less-ness. In this land of pristine natural beauty, the following proclamation is fair (though not true, as elaborated in progressing text): there is no air pollution and there are no economic vices such as slum, homelessness, landlessness, starvation, begging, stealing, theft, and robbery in Bhutan. The lackeys of ruling establishment contrast this paradise with the dirt, dust, and filth in the bordering areas of India, Jaigaon (West Bengal) and Rangia (Assam) – the most visited places by an average Bhutanese with modest material means.

There is no denying the fact that the monarchical state once harbored a welfare state. The state machineries in this country undertook a partial tax reform, a scheme of limited land restructuring, a program of educational improvement, and a project of expansion of motor-able road network in the sixties in last century. The “Pre-investment Survey” of 1969 was a milestone. A limited amount of systematic and meaningful quantitative data on population, livestock, and cropped land became available for the first time in the history of Bhutan. In the eighties, the welfare state metamorphosed into a developmental entity. The first-ever estimate of ‘gross national and domestic product’ could be compiled for the year 1980, and the first-ever series of national income aggregates could be published in 1987. This was also the year when planning for human resource development could begin modestly. The first-ever analysis of poverty could be undertaken only in the year 2000. These were certainly symptoms of late awakening of the public bureaucracy.

Completing two and half decades of continued measurement of economic growth, as reflected in the estimates of hardcore categories of gross national and domestic product, the project goes on. It carries forward with the mediation of an overhauled, modern bureaucratic set up of civil servants. Pulling the economy forward is the growth in India-aided hydroelectricity generation, private contracting enterprises in wood logging trade, and businesses of millionaires in Thimphu, the capital of the country, and Pheuntsholing, the Bhutanese town bordering with India. The project of state capitalism within the semi-feudal structures of the society, however, has not performed efficiently. High unemployment, financial shortages, and food deficits continue.

Analytically stating, a number of descriptive features of plans to establish a *GNH-state* does not help construct a model of a *Shangri-La* economy as a distinct system. Further, ideological indoctrination about social conduct, national integration, and GNH preferred over material sustenance presents is a public project that is marred with a number of constraints. First, a metric-scale to measure the “gross” amount of happiness is yet to be invented. Second, to put the concept of ‘*gross national happiness*’ into operation a clear distinction between the ‘gross’ and ‘net’ amount of happiness is necessary (akin to that between ‘gross’ and ‘net’ product) at the unit-enterprise and national level. Such a feat is nearly impossible to achieve since the measurement of ‘depreciation of happiness-producing enterprises, plants, and equipments’ would be a Herculean task. Bhutanese statisticians are still silent on it. In the knowledge about human society, the depreciated or consumed ‘*happiness-enhancing-capital allowance*’ in the process of generating happiness at the local, domestic, and national level is virtually unknown. Third, the problem of conceptually and operationally defining the magnitude of ‘national’ and ‘domestic’ happiness and distinguishing one from the other is not going to be resolved academically in near future. It is our contention that any attempt to differentiate between the two would inevitably result in disappointment because the categories of ‘net happiness-generating factor-income earned from abroad’ is almost non-quantifiable. Fourth, there is another sort of a problem. The problem is: whatever be the method of estimating gross national happiness, the more practical scheme is to calculate the level of ‘unhappiness’ rather than ‘happiness’ because it is comparatively easier to know the societal level factors causing individual unhappiness.

Given such conceptual and operational problems, the overriding practice in the office of the Statistics Bureau is to maintain the tradition of estimating the gross and net national and domestic products. And, this tradition is in fact maintained until date in the country. The attainment of high sustainable rate of national income is still the summative goal, and the estimation of sum total of goods and services produced and consumed in the country continues unabated (Thinley, 2006). Gross happiness aside, the present statistical system is not even able to estimate the gross national product properly. It was during the roundtable meeting with the aid-agencies in 2000 that the Asian Development Bank, Manila, approved the technical assistance to the country to strengthen the statistical system. The objectives of the assistance were multiple: to assist the

Central Statistical Organization (Bhutan) in drafting the statistics law, to reflect the current structure of the statistical system, to upgrade the organizational expertise, and finally, to assist in promoting coordination among the existing data-producing government agencies (involved in disseminating the statistical information in the country).

It was but tragic to observe that the process of revamping the statistics system remained slow until 2006. In effect, proper measurement of material growth is still incomplete. In such a circumstance, the measurement of a reasonable level of happiness of citizens continues to be elusive. Traditionally, Indian statisticians and income experts have continuously helped Bhutan in the project of estimating gross national product. Tragically, India is at present not a partner in the GNH estimation project. Without collaboration with the Indian technical expertise, how far the new project would go is a hanging issue.

Our contention is sharp and backed by quantitative information. Bhutan is actually an economy in transition, from archaic semi-feudalism to laggard state-capitalism. It is yet an economy that regulates by the principles and practices of failed materialism as is prevalent in the Christian or Muslim feudal and/or capitalist societies, and suffers from the well-known negative impacts of materialism found in the flatlands of its neighboring South Asian countries. The state machineries assisted by international aids have been enmeshed in developing the missing goods and services markets for last couple of decades. Achievements are but not satisfactory in terms of performance of sectors of economic activity. Our exploration leads us to argue that this kingdom is still, irrefutably, one of the least-developed economies in the world. It is a sovereign nation-state in South Asia in a third-world setting suffering from the negative economic implications of being landlocked by China and India. It is today one of the leading international aid and assistance recipients in the world.

Bhutan is essentially an agricultural and rural society, not centrally planned for reasons of economic constraints arising from heavy dependence on India for man and material transit. Its mountainous rural pursuits constitute the dominant sector of economic activities, labor-employment, and material livelihood of populace. Thus, the practice of a synergy of crop cultivation practices, pastoral pursuits, and gathering activity in the forest by peasantry and labor has been a forced necessity of survival here. The populace is largely a stock of

peasantries, livestock herders, forest-product gatherers, weavers, cottage workers and agricultural laborers. Nevertheless, a small minority of erstwhile tribal population continues to survive, comprising a baffling mix of economic actors in agriculture. In agriculture, the productivity and yield of principal crops have been stagnant for a long time, thereby declining the surplus generating capacity of this sector over the years. All quantified records indicate a rather decisive dependence of populace upon the food aids and import of grains and livestock products from India.

The Bhutanese society is contemporaneously characterized by the unrelenting phenomena of asymmetric distribution of land ownership, widespread deficit of food production, and mass income and consumption poverty. Hunger and malnutrition are endemic in Bhutan as in other South Asian countries. Mass poverty, chronic food deficit, and lack of access to safe drinking water still dominate the scenario of rural landscape. Such phenomena pose constraints in the nation-wide process of economic growth and development, yet to begin in this tiny Himalayan country. Despite distinctive social and economic agrarian dualism in economic activities across regions, the common minimum deprivation originates from varying but high levels of illiteracy, infant mortality, malnutrition, transport and trade bottlenecks, and low levels of standard of living. All these facts are the antithesis of a *GNH-State* in operation and a *Shangri-La* economy and society in formation. It is quite difficult to trace even a reasonable level of aggregate societal happiness in Bhutan at present, let alone anticipating the establishment of a GNH-state in near future.

Such a South Asian peripheral economy can scarcely be designated *Shangri-La*, or heaven. Anything small does not necessarily become Buddhist. The attribute of smallness may be a compulsion rather than an outcome of choice. Stretching the category of a specific religious society to ascribe its name to a distinct economy can legitimize the claims of any district or village economy to be a Buddhist economy, by virtue of the smallness of its geography and population. Any economic system, which is small in terms of generation of volume of goods and value of capital, can also very legitimately claim to be a Buddhist society if its declared religion is Buddhism.

A GNH-state and a *Shangri-La* economy are descriptive categories of Bhutanese invention. Analytically, they fail to conform to the conceptual parameters of a Buddhist economy as found in global literature. Schumacher in his book *Small Is Beautiful* insists that in an

economy modeled on the principles of Buddhism, a middle way between materialist heedlessness and traditional immobility is to be discovered to generate a right livelihood pattern for the populace, and in turn, a right path of development for the nation. In such an economy, production from local resources to meet local needs is the most rational way of material life. A population basing its economic life on non-renewable fuels is actually living parasitically on the capital instead of income. It is highly unjustifiable by virtue of being uneconomic to depend on imports and the consequent need to produce for export. Foreign trade is justifiable only in exceptional cases and this too on a small scale only. Bhutan does not meet these criteria adequately.

The notion of '*gross national happiness*', as it seeks legitimacy by invoking religious and cultural principles, invokes such Buddhist ideas as respect for work, condemnation of consumption, and advocacy of self-reliance (today and tomorrow). We would find in the course of our discussion of concrete material in each chapter of this book that such claims are vacuous. A Buddhist economy is not necessarily an economy of the poor, landless, and unemployed in a demographically and spatially small setting. The idea of a Buddhist economy must not only be a matter of a comfortable thought process and ideological baggage, but also lead to a serious endeavor to develop a specialized section of bureaucrats to implement the material development plan and form a professional group of trained statisticians to estimate the ensuing performance. The country lacks such a trained group, which collects quantitative estimates of various indicators of 'gross happiness' and reliably quantifies it on a nationwide scale.

Finally, a declaration of Buddhism as the state-sponsored religion by virtue of it being the religion of the monarch and imperial family does not render the economy Buddhist. Only the nature of the state could be addressed as Buddhist, not that of the economy. In actuality, there always exists the possibility of systematic deviation made from the doctrines of a religion in social life. In the context of concrete reality of this country, there are eye-catching violations in the day-to-day conduct of life. The abuses and arbitrariness of the absolute monarchical political system and proto-feudal social system is a living commentary on the violation of virtues of social and economic life prescribed under the Buddhist texts and practices.

Despite being a transitional, underdeveloped, and deficit economy lacking minimal infrastructure, including a statistical system, the

public portrayal of Bhutan as a *Shangri-La* would obstinately survive and continue to be cherished as a descriptive category by the native crony. One has to wonder: are the catchphrases of impending '*Shangri-La economy*' based on the ideology of '*Gross National Happiness*' a public ploy to deflect popular attention from the urgency to initiate a public dialogue on the meaningful agenda of attaining the agrarian justice in the country? We attempt to answer the question toward the concluding chapter of the monograph.



## CHAPTER ONE

# Political Economy of Resistance

Bhutan<sup>1</sup> is the land of the Thunder Dragon in south Asia. It is a nation in the eastern Himalayas. It has of late attracted more attention than the once forbidden city of Lhasa in Tibet-China. The subdued social life of its civilians had received meticulous treatment from Pico Iyer (the correspondent with the *Times*, London, who considered this nation to be one of the countries 'falling-off the map' of the world) in the early nineties. Thanks also to the Dalai Lama's voice of opposition to the unwarranted detention of Tibetans in mid-eighties; the world community had learnt of the general lawlessness in this country. Amnesty International too had highlighted the state-sponsored human rights violations against the '*lhotsampa*,' the Nepali-speaking prisoners of conscience and political detainees, under the despotic regime in the early nineties.

Indian journalists have also been concerned with the controversies surrounding this small, mountainous, and landlocked Buddhist state ruled by a hereditary absolute monarchy since 1907 (a democratic constitutional monarchy in 2008). They supported the ongoing political struggles since the early nineties, between the Nepali speaking refugees, detainees, and civilians agitating for human rights, justice, and democracy and the ruling elite (speaking the local languages of *dzongkha* and *scharchopa*) maintaining the privileges, monarchy and status quo. The latter had vowed to maintain the theocratic monarchy. The Indian media had covered various aspects of the political unrest.

Approximately 90,000 '*lhotsampa*' refugees dwelt in eight camps in Jhapa and Morang districts in eastern Nepal. They lived under conditions of great hardship in the mid-nineties of last century. This was, despite the financial, technical, and workforce aid furnished by the United Nations High Commissioner for Refugees. The refugees had often proposed submitting pleas to the King for repatriation to their homeland. On their behalf, the Bhutanese Coalition for Democratic Movement (BCDM) organized mass meetings in Jalpaiguri (a

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<sup>1</sup> This short chapter, for a crisp beginning, is an enlarged and reworked version of an article already published in the Indian newspaper '*The Telegraph*,' 27 February 1996, titled '*Fire Breathing Dragon*.'