The Politics of Gross National Happiness

Image and Practice in the Implementation of Bhutan’s Multidimensional Development Strategy

by

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the University of Guelph

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Political Science and
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ABSTRACT
THE POLITICS OF GROSS NATIONAL HAPPINESS

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University of Guelph, 2014

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Craig Johnson

This study investigates the practices of governance in Bhutan and how they shape the agency of diverse actors involved in implementing development policies related to the country's Gross National Happiness (GNH) strategy. It examines whether Bhutan's GNH governance framework is able to shape the politics of policy implementation in a manner that generates multidimensional development outcomes that are consistent with GNH policy intentions. Using an analytical lens rooted in the state-in-society approach, the study comparatively analyzes four GNH policies – media, tourism, farm roads and human/wildlife conflict – and the GNH governance tools that seek to shape their implementation. Semi-structured individual and focus group interviews were undertaken with 157 state and non-state governance actors supplemented by site visits, participant observation and document analysis. The findings demonstrate several interconnected themes. First, GNH policy implementation is a complex process of conflictive, cooperative and isolating practices characterized by fractured expressions of power. Governance actors have different degrees of influence in different policy fields, geographic regions or constellations of governance actors. These fractured expressions of power are not shaped in any meaningful way by GNH governance instruments. Nor are they rooted in a common understanding of GNH itself. Nonetheless, the development outcomes that emerge often reflect original GNH policy intentions. A common commitment to a set of cultural values – the same values that underlie the official construction of GNH – harmonize fractured expressions of power in a way that is largely consistent with GNH. These values and their outcomes, however, are often not recognized as being connected to GNH. The result is the frequent achievement of GNH policy outcomes yet the fraying of the image of the Bhutanese state as a coherent GNH state. Two broader insights emerge from these findings. They further an understanding of agency in the operationalization of multidimensional development approaches such as the human development paradigm. First, the expression of power understood as fragmented and complex needs to infuse the foundation of an understanding of agency. Second, the potential role of cultural values as a harmonizing, yet evolving, constraint on fragmented expressions of power must be recognized in the pursuit of multidimensional development policies.
For Shrub.
Numerous people were instrumental in the process of writing this thesis. At the University of Guelph I would like to thank my supervisor, Craig Johnson, for his on-going support and insight. The breadth and depth of knowledge that Craig brought was not only critical for shaping my own thinking, but was inspirational in its demonstration of what an academic career can be. A big thank you as well to the members of my thesis advisory committee, Adam Sneyd, Brian Woodrow and Barry Smit, for their on-going input and insightful comments on the thesis. I’d also like to express my appreciation to Sally Humphries, David MacDonald and Mark Sproule-Jones. The work that occurred in each of their courses had a critical influence in shaping this thesis. Thank you to Jordi Diez of the University of Guelph and Arjan de Haan of IDRC for taking the time to read my thesis and participating in my thesis defence.

I also owe an enormous debt of gratitude to the Royal Institute of Management in Bhutan for the key role its faculty and staff played in making this study possible. Thank you to Director Karma Tshering for his generosity in welcoming me to carry out the research based at the institute. Sonam Chuki provided ongoing advice and input that was invaluable in gaining a more nuanced understanding of the Bhutanese development context. The data collection process could not have occurred as it did without the efficient and effective logistical work carried out by Lebo. No thank you is large enough to represent my gratitude to Jit Tshering. Without Jit’s guidance, support and advice, none of this would have happened. Also in Bhutan I would like to thank Nancy Strickland who was an always willing source of welcome, insight and hospitality.

I’d also like to thank Michael Hatton for his many years of guidance and support. Without his encouragement to explore new things, my interest in Bhutan might have never emerged.

And, of course, the biggest debt of gratitude is owed to Korice - the chippy and the chappy.

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<td>GDP</td>
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<td>GNH</td>
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<td>HWC</td>
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<td>ICDP</td>
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<td>JICA</td>
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<td>MDG</td>
<td>Millennium Development Goal</td>
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<td>NRED</td>
<td>Nature Recreation and Ecotourism Division</td>
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<td>Nu</td>
<td>Ngultrum (Bhutanese currency)</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
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<tr>
<td>PEMS</td>
<td>Public Expenditure Management System</td>
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<td>PLaMS</td>
<td>Planning and Monitoring System</td>
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<td>Physical Quality of Life Index</td>
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<td>RBM</td>
<td>Results Based Management</td>
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<td>United National Development Programme</td>
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<td>United Nations Environment Programme</td>
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<td>UNRISD</td>
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<td>URFB</td>
<td>United Revolutionary Front-Bhutan</td>
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<td>WCD</td>
<td>Wildlife Conservation Division</td>
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<td>WWF</td>
<td>World Wide Fund for Nature</td>
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<td>Glossary Term</td>
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<tr>
<td>Chiwog</td>
<td>Village</td>
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<tr>
<td>Drukpa</td>
<td>Majority population of Tibetan and Indo-Mongolian origin</td>
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<td>Dzongdag</td>
<td>District Chief Executive</td>
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<tr>
<td>Dzongkha</td>
<td>National language; language of the Drukpa</td>
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<td>Dzongrab</td>
<td>Deputy to District Chief Executive</td>
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<td>Gewog</td>
<td>Block of villages</td>
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<td>Gewog Tshogde</td>
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<td>Gewog Yargye Tshogchung</td>
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<td>Gup</td>
<td>Headman</td>
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<tr>
<td>Kasho</td>
<td>Royal edict</td>
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<td>Lhotshampa</td>
<td>Minority population of ethnic-Nepalese</td>
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<tr>
<td>Mangmi</td>
<td>Deputy Headman</td>
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<tr>
<td>Tshogpa</td>
<td>Village representative</td>
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Bhutan, at first glance, is a country of little apparent global significance. Sandwiched between two regional giants, India and China, it is an isolated and mountainous country inhabited by a predominantly rural population of less than one million people. Its capital city is best known for being the only capital in the world without a traffic light. It has few resources in demand by the global economy and has only recently entered the global information age through the simultaneous introduction to the country of both television and the internet in 1999. Yet Bhutan is significant. In 1972, its fourth king, Jigme Singye Wangchuck, coined the phrase Gross National Happiness, and later famously declared “Gross National Happiness is more important than Gross National Product.” The concept of Gross National Happiness, or GNH, articulates an understanding of development that moves beyond economic growth and incorporates multiple and interrelated social, political, economic, cultural and environmental dimensions. It is an attempt to construct development and pursue development policies in a holistic manner that addresses the multiple dimensions of being human. Three decades after the Bhutanese king’s GNH declaration, there is a growing global consensus around the need to conceptualize development as a multidimensional phenomenon. The former dominance of the economic growth model in development theory and practice is now complemented by multidimensional approaches to development that place people, not economic growth, as the ultimate ends of development. GNH is at the forefront of this trend.

Paralleling the growing global consensus around development as a multidimensional phenomenon is a recognition that effective governance is the foundation upon which to foster such development. Unlike the concept of government, which is restricted to state actors, governance involves the interactions among public, private and civil society actors in the exercise of power and authority. Such a conceptualization of the exercise of power has a clear link to the implementation of development strategies understood in multidimensional terms. Political freedom is a key part of multidimensional development. People are not merely the objects of development, they are active participants in achieving their own development. Individual agency and collective action are a central part of development decision-making. Governance processes and structures that effectively incorporate and mobilize both non-state and state actors are therefore vital to the success of multidimensional development approaches. The participation of a wide set of actors makes effective governance a key ingredient for
development success. This has implications for the policy process. The public policy space needs to be opened up to engage a variety of state and non-state governance players in the design, implementation and evaluation of development policy.

Despite the recognition of a vital link between effective governance and operationalizing multidimensional development approaches, most scholarly and practical attention explicitly rooted in multidimensional approaches is restricted to analyzing the design of multidimensional development policies or the evaluation of their outcomes. Analysis of the role of people’s agency in actually achieving multidimensional outcomes, on the other hand, tends to default to insufficient notions of rationality and reason. This ignores the reality of multiple state and non-state governance actors with potentially divergent interests that may act upon the implementation process in a manner that generates outcomes that do not necessarily reflect the original intentions of policy design. In light of this gap, there is a clear need to better understand the politics of multidimensional policy implementation in order to gain clearer insights into how to effectively operationalize a multidimensional development approach. It is this question that this study addresses.

The study examines how the practices of governance impact the agency of multiple actors involved in the implementation of policies intended to promote multidimensional development. It pursues an analysis of the governance structures and instruments that navigate and shape the complex interactions and interests of multiple state and society actors involved in policy implementation and the nature of the policy outcomes that result. Using Bhutan as a case for analysis, it employs a comparative analysis of four policies – media, tourism, farm roads and human/wildlife conflict - that are being implemented as part of the country’s multidimensional Gross National Happiness strategy.

Bhutan is the focus of the study not only given the multidimensional nature of its GNH strategy but because it has developed a governance framework to implement this strategy. While other countries have incorporated an evaluative component to set priorities for policy design and measure subsequent policy outcomes (Alkire & Sawar 2009), Bhutan has moved much further in attempting to institutionalize an integrated GNH governance framework that crosses the entire policy process, including policy implementation. Moreover, Bhutan has achieved enormous development gains since inaugurating GNH as its development strategy in the early 1970s. Daily life in Bhutan in the 1960s looked little different from life in the 1500s (Rose 1977:
The country had no motorable roads, its economy was based on subsistence agriculture and bartering, life expectancy was approximately 38 years, per capita income was the lowest in the world at US$51 and there were only two doctors and eleven schools (Priesner 2004; Planning Commission 1999a; RGoB 2005a: 35). Bhutan’s 2011 national Human Development Report (GNH Commission/UNDP 2011) paints a significantly different picture since the introduction of GNH as a national development strategy. Bhutan has experienced annual economic growth of 7.8% since the 1990s and 8.7% between 2005 and 2010, ranking it second only to China among its neighbours (GNH Commission/UNDP 2011: 31). Driven by its hydropower sector, this growth has led to an increase in GDP per capita from US$51 in 1960 to US$5,532 today, placing Bhutan behind only Maldives in South Asia (GNH Commission/UNDP 2011: 91). Education is free in Bhutan from pre-primary school through class 10. The net primary school enrollment rate is 93.7% and school survival rates are 87% to class 7 and 80% to class 10 (GNH Commission/UNDP 2011: 94). Bhutan’s mean years of schooling is now the same as China’s, moving Bhutan from the lowest in the region to the highest (GNH Commission/UNDP 2011: 28). Health care is also free in Bhutan. Life expectancy has risen from 38 years to 69 years over the last four decades (GNH Commission/UNDP 2011: 94). Infant mortality rates have dropped from 102.8 per 1000 live births in 1994 to 47 in 2010 (GNH Commission/UNDP 2011: 30, 94), while the crude death rate has decreased from 19.3 deaths per 1000 people in 1984 to just 7.7 today (GNH Commission/UNDP 2011: 30).

These economic and social development achievements are notable on their own terms, yet they have taken place within the context of an internationally recognized record on environmental conservation. Over 70% of the country is forested (NSB 2011: 76; Wangchuk 2007a: 178). Protected areas and biological corridors make up 51% of Bhutan’s total area (WCD 2010: 9), higher than any country in the world and sustaining a diverse range of flora and fauna (MoA 2009b: 29-30). This conservation record has been recognized globally. Bhutan’s fourth King was awarded both UNEP’s inaugural “Champions of the Earth” award and WWF’s J. Paul Getty Award for Conservation Leadership.

Bhutan has achieved these economic, social and environmental outcomes in concert with a purposeful process of decentralization and democratization. This has resulted in an emerging democracy characterized by the peaceful transfer of power between competing political parties. Moreover, Transparency International ranks Bhutan as the least corrupt country in South Asia.
by a wide margin (Transparency International 2013). Overall, the country’s significant development achievements are reflected in various aggregate lenses. UNDP’s Human Development Index shows Bhutan moving from low human development to medium human development within a 10 year period and surpassing many of its neighbours (Planning Commission Secretariat 2000; RGoB 2005a; GNH Commission/UNDP 2011). Bhutan achieved many of the MDG targets less than halfway towards the 2015 deadline and is expected to achieve the others, with several indicators still requiring attention at the midway point of 2007 (GNH Commission/UNDP 2008; 2011: 34-37).

Bhutan still faces numerous development challenges - poverty that is predominantly rural, rising youth unemployment, over-reliance on the hydropower sector, continuing gender disparities in political participation and employment (GNH Commission/UNDP 2011: 10-11, 33; NCWC 2008; NSB 2013) - yet many commentators have described the success Bhutan has achieved in generating multidimensional development outcomes as uniquely impressive (Bok 2010: 3; Frame 2005; Mathou 1999: 614; Priesner 2004: 25-26). In a relatively short period of time, Bhutan has achieved a balance of sustained economic growth, major advances in education and health, global leadership on environmental conservation, and a peaceful democratic transition process. Gross National Happiness appears to be, at least within Bhutan, an alternative to the economic growth paradigm with a significant track record of success. Indeed, Bhutan’s success has been recognized by the international community. On July 19, 2011, the UN General Assembly adopted a Bhutanese sponsored resolution that defined the pursuit of happiness as “a fundamental human goal” that is the embodiment of the Millennium Development Goals. Bhutan has been designated to lead a process of further defining how happiness and wellbeing can be operationalized globally for voluntary adoption by UN members (UN News Centre 2011).

Bhutan’s development successes may be impressive, but understanding how they have been achieved, including whether the GNH governance framework is responsible for their achievement, remains unexplored. Gross National Happiness is implemented in Bhutan within the context of multiple and fragmented governance actors with potentially competing interests and priorities. These implementation actors include national and sub-national governments, international donor agencies and, in some cases, civil society organizations and the private sector. In addition, Bhutan experienced conflict in the 1990s involving the country’s southern-based ethnic Nepalese minority that led to a long-term refugee issue that continues to cast a
shadow today. The implementation of GNH policy has occurred within this complex cocktail of actors with potentially divergent, even conflicting, priorities and goals. Bhutan therefore offers an excellent case for analyzing the governance framework that drives the implementation of a multidimensional development approach within the context of diverse policy implementation actors with potentially fragmented priorities.

In light of the gap in the literature on the role of agency in operationalizing multidimensional development policies, exploring how, or whether, the GNH governance framework successfully shapes the agency of diverse and fragmented policy implementation actors has two overall objectives. The first is to provide a better understanding of how GNH governance practices and tools impact agency in the implementation of GNH policies in Bhutan itself. Little is known about the actual effectiveness of the GNH governance framework. Is it responsible for shaping agency in a manner that achieves the evident development gains made by Bhutan or is there something else at play? In following this line of inquiry, the research identifies the GNH governance framework that is central to implementing GNH, analyzes its influence in shaping agency in the implementation of four policy fields, and examines the resulting development outcomes and how they compare to GNH policy intentions. The second objective is to draw out causal insights from Bhutan’s GNH experience for operationalizing multidimensional strategies more generally, and for the human development paradigm in particular. What does Bhutan’s experience provide for a better understanding of agency in implementing human development? Does Bhutan offer a governance model for operationalizing human development in other cultural contexts?

1. RESEARCH QUESTIONS

The study is guided by the following research question:

   *How does Bhutan’s governance framework shape the agency of fragmented state, society and donor actors involved in the process of implementing GNH policy?*

To pursue this line of inquiry, the following sub-set of questions is addressed for each of the four policy fields that are analyzed:

   *i) What are the initial GNH intentions of the selected policy?*
ii) How do the GNH governance structures and policy instruments shape the complex and emergent priorities and practices of fragmented state, society and donor actors involved in the implementation of the policy?

iii) What are the resulting policy outcomes and how do they compare with initial GNH policy intentions?

2. JUSTIFICATION OF THE BHUTANESE CASE

Case studies lead a rather curious existence. Many scholars are dismissive of their usefulness, but they continue to thrive within the discipline of political science, contributing significantly to what we know about the empirical world (Gerring 2004). A case study investigates a single phenomenon, often a single country, usually with the aim of generating knowledge of a larger class of similar phenomenon (Gerring 2004: 341; Landman 2008: 86). The strength of this methodological approach is that it provides contextually rooted analysis that avoids the conceptual stretching often required by large N studies to include enough, increasingly dissimilar, cases in order to facilitate statistically significant comparisons (George & Bennett 2005: 19). Case studies also have value for new hypotheses generation, examining causal mechanisms and exploring complexity (George & Bennett 2005; Gerring 2004; Landman 2008: 86).

Selecting Bhutan as a case study has a logic rooted in its lengthy experience with implementing a multidimensional development strategy and the considerable success it has appeared to achieve. Bhutan's depth of experience is unmatched in the world. It represents an outlier case that can provide insights that other cases cannot. George and Bennett (2005: 74-76) identify six kinds of case studies that contribute to theory building. The Bhutanese case is an example of what they term a heuristic case study. Such cases contribute to theory building not by testing hypotheses but by generating new hypotheses or new causal insights through inductive analysis. Outlier cases are particularly useful as heuristic case studies (George & Bennett 2005: 75).

The strengths of the case study method require some trade-offs. Most significantly, the contextualized nature of case studies limits both parsimony and broad generalization (George & Bennett 2005: 30-31; Gerring 2004: 348; Landman 2008: 93). This may be particularly true for heuristic cases studies based on outlier cases such as Bhutan (George & Bennett 2005: 75).
offset some of the barriers to making inferences to larger populations, increasing the number of observations through within-case analysis can be used for more effective theory development (George & Bennett 2005: 32; Gerring 2004: 343; Mahoney 2007). Increasing the number of observations is achieved through focusing on sub-units within a case (Landman 2008: 91). The choice of focusing on a comparative analysis of four policy fields within the Bhutanese case serves to address this issue. It increases the number of observations around GNH policy implementation that can be compared, allowing for stronger inferences while continuing to recognize the parameters of the larger Bhutanese cultural context within which they rest. As a result, the Bhutanese case, as an outlier case of implementing a multidimensional development approach, can provide new causal insights that lay a foundation for a broader understanding of how governance frameworks might shape agency within multidimensional approaches in other cultural contexts.

3. STRUCTURE OF THE STUDY

The study is divided into five parts. Part one, consisting of chapter two, sketches out the problem of understanding agency and collective action in the implementation of multidimensional development strategies. It begins by tracing the evolution in the literature of the theoretical justification and practical applications of multidimensional approaches to development. It argues that while these approaches offer a more conceptually satisfying approach to development when compared to the dominant economic growth model, they suffer from a limited analytical focus on the role of governance in achieving development. The most influential multidimensional approaches, and the capability approach and human development paradigm in particular, overwhelmingly focus on what is termed the ‘evaluative aspect’, emphasizing the evaluation of development policy outcomes and the use of evaluative data in policy design. The ‘agency aspect’, which focuses on the role of individual agency and collective action in actually implementing multidimensional development approaches is often left ambiguous or unrealistically idealistic, creating a significant gap in the literature that undermines a fuller understanding of how multidimensional approaches might be effectively implemented. Drawing on insights from public policy literature and a body of research on the state, the chapter argues that greater analytical focus must be directed towards the complex interactions and political dynamics among fragmented state and non-state governance actors engaged in development policy implementation. Such focus will contribute to a better understanding of the effective operationalizing of multidimensional development approaches.
Part two, made up of chapters three and four, outlines the analytical framework and research methods for exploring the research gap identified in Part one. Chapter three sets out an analytical framework for analyzing agency and power dynamics among Bhutanese policy implementation actors, the governance framework that attempts to shape these political dynamics, and the subsequent results on policy outcomes. The framework draws on Joel Migdal’s state-in-society approach (2001; 2009), which conceptualizes the state as a dualistic entity with a coherent and autonomous image, but a set of diverse practices characterized by cooperation and competition among various fragmented state components and societal actors. Chapter four overviews the methodology used in the study in the application of this analytical framework to the Bhutanese case.

Part three, consisting of chapters five and six, introduces the Bhutanese case and lays the contextual foundation for the subsequent empirical analysis of governance interactions and practices in the implementation of four GNH policy fields. Together, the two chapters set out the potential disconnection between the state’s GNH image and its actual governance practices. The GNH tools that intend to bridge this disconnection are also described. Chapter five explores the official construction of Gross National Happiness as a multidimensional development strategy rooted in Buddhist values. It argues that GNH is not merely a multidimensional development strategy but a fundamental component of the image of the Bhutanese state itself. Chapter six introduces a complication to this GNH image. It introduces the GNH governance framework, including both GNH actors and GNH policy tools. It argues that the diverse state and society actors that are GNH governance partners represent potentially competing priorities whose policy implementation practices hold the possibility of undermining GNH policy intentions and the GNH image. The chapter concludes with an overview of the GNH specific policy tools that seek to shape the implementation practices of diverse GNH actors in a manner that prevents the undermining of GNH policy intentions. Having established the nature of Gross National Happiness and the GNH governance framework, and the potential disconnection between them as the image and practice of GNH, the stage is set for the empirical analysis of actual implementation practices in the four selected GNH policy fields.

Part four consists of five chapters that apply the analytical framework to an exploration of the implementation of each of the four policies selected for analysis. Chapters seven through ten cover one policy field each, including media, tourism, farm roads and human-wildlife conflict. In each chapter, the analysis is structured by the research questions, addressing: i) the initial GNH
policy intention of each policy, ii) the nature of the priorities, interactions and practices of GNH governance actors in the process of policy implementation and how these interactions and practices are structured and shaped by the GNH governance tools, and iii) the subsequent policy outcomes compared to the original GNH policy intentions as a means to assess how the politics of policy implementation affect the achievement (or lack of achievement) of intended GNH policy outcomes. Chapter eleven concludes Part Four by synthesizing the findings across the four policy fields. It draws out conclusions on the effectiveness of the GNH governance framework in shaping agency in the process of implementing Gross National Happiness.

Part five, consisting of chapter twelve, concludes the study by broadening focus. It provides a summary of the study, its findings, and the research gaps that require further exploration. Based on this summary, the chapter concludes with an exploration of the causal insights the Bhutanese case provides for a better understanding of agency in operationalizing the human development paradigm.

4. THE ARGUMENT

Overall, the study argues that the GNH policy implementation process is a complex witch’s brew of diverse and often conflicting practices and priorities that are characterized by fractured expressions of power in different contexts. As individual actors, or types of actors, attempt to imprint their priorities on GNH policy implementation, they have different degrees of influence in different policy fields, geographic regions or constellations of governance actors. These diverse practices are not shaped in any meaningful way by the GNH specific policy tools. Nor are they rooted in any common understanding of GNH itself.

Despite the frequently conflicting political dynamics within policy implementation and the absence of GNH policy tools or a common understanding of GNH, the policy outcomes that result are often a reasonable reflection of the original GNH policy intentions. A common commitment across governance actors to a common set of cultural values – the same values upon which GNH is constructed – constrains the complex practices and expressions of power in ways that generally promote outcomes consistent with GNH policy intentions. In cases where the achievement of GNH outcomes is less clear, a shift in values appears to play a role. At the same time, the GNH cultural values that appear to play the key role in shaping agency are often not associated with GNH by many governance actors. The result is a great irony of the policy implementation process: GNH outcomes are often being achieved but the nature of the process
in achieving them is fraying the image of the Bhutanese state as an emerging GNH state. Governance practices are undermining the GNH image despite the frequent achievement of GNH outcomes.

In light of the findings, two key insights emerge for understanding agency in the operationalization of the human development paradigm beyond the Bhutanese case. First, the expression of power understood as fragmented and complex needs to infuse the foundation of an understanding of agency. The nature of agency in the process of implementing multidimensional development policies is unpredictable and often emergent. Rational approaches like those often assumed in the capability and human development literature are unhelpful in their explanatory and predictive power. Second, the role of cultural values as a harmonizing constraint on fragmented and complex expressions of power must be taken seriously in the pursuit of multidimensional development outcomes. Cultural explanations of political phenomenon have often been downplayed. The Bhutanese case suggests that cultural values not only matter, they matter significantly in directly shaping agency in the context of fragmented applications of power. It also suggests, however, that these cultural values be understood as shared meaning-making rather than as stable traits. Culture may not always matter or matter to the same degree, but the experience of Bhutan demands that understanding agency in operationalizing human development must take the role of cultural values seriously on its own terms.
PART ONE

THE RESEARCH PROBLEM
CHAPTER TWO
THE AGENCY GAP

Multidimensional approaches to development, and the capability approach and human development paradigm in particular, have emerged as a compelling development alternative to the economic growth paradigm. The dominance of the growth paradigm is now paralleled by widespread acceptance of development as a multidimensional phenomenon. There is nonetheless a curious gap in the literature on the nature of agency in operationalizing such an approach and the kinds of governance processes, structures and instruments that can structure it effectively. An overwhelming emphasis on measuring multidimensional development policy outcomes has left the role of agency largely undercooked and reliant on insufficient notions of rationality.

This chapter frames the overall study by locating the significance of exploring Bhutan’s GNH experience within the agency gap in the literature. It traces the emergence of multidimensional development approaches as a response to the shortcomings of the growth paradigm, outlines the current agency gap in the literature in understanding the role of governance in operationalizing multidimensional approaches, and draws upon two separate bodies of literature to argue for an alternative approach to understanding agency. The chapter is divided into three sections. The first section explores the literature on the economic growth paradigm and its shortcomings. It argues that multidimensional approaches to development, and especially the capability approach and human development paradigm, provide a much more conceptually satisfying conceptualization of development. The second section turns to an assessment of the concept of governance in the capability and human development literature. It demonstrates that while the capability and human development approach are a conceptual improvement on the growth paradigm, they have fallen short in their operationalization. The capability and human development literature has overwhelming focused on the ‘evaluative aspect’ of governance at the expense of the ‘agency aspect’, creating a significant gap in understanding how human development can be put into practice. The relatively little attention paid to agency falls short in its appeal to rational reasoning among governance actors, ignoring the role of power dynamics in the process of implementing multidimensional development policies. The final section explores alternative literatures in public policy and the state, arguing that they can be drawn
upon in an analysis of the Bhutanese case to address the agency gap that exists in the capability and human development literature.

1. EVOLVING NOTIONS OF DEVELOPMENT: FROM ECONOMIC GROWTH TO MULTIPLE DIMENSIONS

1.1. The Growth Model and its Critique

Economic growth has historically been a dominant focus of development theory and practice. Development in this approach is both defined and measured through a one dimensional lens of growth in the economy. While different growth models and approaches have disagreed on the nature of growth and its policy prescriptions, they share an assumption that an expanding economy is the end goal of development. In the post-war period, for example, the Harrod-Domar model outlined growth as being generated by an increase in the rate of national savings that is subsequently invested into productive output through increased labour and fixed capital (Domar 1947; Harrod 1948). In contrast, the neo-classical growth model argued that the investment of savings into increased fixed capital and labour cannot alone explain a growing economy; rather, technical progress is the primary engine of growth (Solow 1956; 1957; Swan 1956). The neo-classical growth model and Harrod-Domar model, known together as the exogenous growth model, were challenged by an endogenous model known as new growth theory. In this approach, knowledge is the key to economic growth as it drives innovation (Romer 1986). Policies that foster the generation of new knowledge and create the enabling institutional conditions are necessary for successful development conceived in terms of economic growth (Romer 1993).

Neither the exogenous nor endogenous growth models addressed economic conditions particular to developing economies. The big push theory, in contrast, focused on driving economic growth in the context of poor, agrarian economies. It argued that large-scale state interventions that foster diverse industries would create a larger, dynamic market that drives balanced growth and would absorb surplus agricultural labour (Rosenstein-Rodan 1943). Challenging this view was a theory of unbalanced growth (Hirschman 1958). It contended that large scale investments in industrialization require resources that are likely in short supply in agrarian economies. As a result, economic policy should target state investments in a limited number of sectors in a manner that unbalances the economy and fosters an entrepreneurial spirit to address this lack of balance.
Considerable dissatisfaction with these approaches to economic growth emerged given their frequent focus on state interventions that distort the free functioning of the market. The emergence of a dominant neo-liberal model of growth in the 1980s redirected development theory and practice. Based on the work of Hayek (1960), Friedman (1962) and others in the Chicago School, the neoliberal paradigm advocated the freeing of markets to enable the naturally entrepreneurial nature of people in developing economies to engage in rational, competitive and innovative behaviour that drives growth. This required policy reforms that came to be known as the Washington Consensus (Williamson 1990). These reforms, imposed on countries of the global south that borrowed from the World Bank or IMF, included fiscal discipline to tame government deficits, a reduction in public expenditures, tax reform, market determined interest rates, competitive exchange rates, liberalization of trade, promotion of foreign investment, privatization of state industries, deregulation, and the protection of property rights (Williamson 1990). While these policy prescriptions were initially intended as merely a sensible approach based on conventional wisdom, they were interpreted and applied as the foundation of a hard-line fundamentalist neoliberal development agenda (Williamson 2004/5: 201-202). The hard-line neoliberal agenda was later revised to heed a call for incorporating a greater role for the state to address market imperfections evident in the failure of purely market based growth approaches (Rodrik 2006; Stiglitz 1998). This post-Washington consensus continued to dominate development theory and practice at the turn of the new millennium.

The global economic crisis of 2008-09 appears to be the impetus for a further evolution in the approach to economic growth. The G20’s signing in 2010 of the Seoul Development Consensus for Shared Growth, for example, represents a noticeable shift in direction (G20 2010). This emerging consensus recognizes that the interconnections of the world economy require a growth model that emphasizes shared global growth if prosperity in both the global north and south is to be sustained. The Consensus outlines six key principles (G20 2010: 2). First, economic growth must remain the focus of development. Second, countries of the global south must be engaged as equal partners. Third, focus must be placed on systemic issues at the global and regional levels that require collective action. Fourth, private sector participation must be fostered. Fifth, development efforts must complement one another without duplication. Sixth, an orientation to practical and accountable outcomes must be taken.

While the focus on economic growth in its various forms has been a dominant theoretical and practical approach to development for decades, it was not without its critics. Early critics, like
Herman Daly (1973) and E.F. Schumacher (1973), argued that unfettered economic growth can be disruptive and destructive, necessitating an alternative approach to the economy that emphasizes stability, decentralization and consumption within carrying capacity. More recently, Streeten (2003) argues that the underlying assumptions of the growth model have not held. The model's faith in growth, according to Streeten, is rooted in three key assumptions: market forces will spread the benefits of economic growth, tax policy and social services can push the benefits of growth downwards, and the interests of the poor will be met in the long term despite being hurt in the short term. Empirical reality demonstrates that none of these assumptions have held (Hicks & Streeten 1979; Streeten et al. 1981: 8-12). There is no automatic link between increased incomes and their wide distribution, governments often fail to implement tax and social service policies needed to push growth benefits downward, and mass poverty is not a necessity for generating capital and productivity given the savings ability and productivity of small-scale farmers. The assumptions of the growth model rest on shaky ground.

Beyond critiquing the assumptions related to the process of growth, a more foundational criticism has also arisen. All of the approaches to growth, ranging from the Domar-Harrod model of the post-war period to the Seoul Development Consensus of the present, take economic growth as the ultimate end of development. This singular focus raises a key question. Dudley Seers, an early critic, put it succinctly: “Why do we confuse development with economic growth?” (1972: 21). Such confusion has been characterized more harshly as a post-World War II obsession with growth that confuses means with ends and, as a result, ignores people as the focus of development (ul Haq 1995: 24). A number of scholars point to the curious nature of this obsession given the classical economists’ interest in economic growth as part of a wider goal of achieving human wellbeing (Alkire 2010; Sen 1989; 2009a, 2009b). Amartya Sen, for example, argues that William Petty, the 17th century scholar who pioneered what would become GNP, explicitly linked income measures to the larger condition of people’s safety and happiness (Sen 2009a: 226). Similarly, human wellbeing as the goal of economic growth is the foundation of the works of Adam Smith, Karl Marx and David Ricardo (Alkire 2010: 38; Sen 1989: 43). Ultimately, the entire origin of the discipline of economics lies in concerns for human lives, not just economic growth (Sen 2009b: x). Alkire extends this line of reasoning even further back in history, citing Aristotle’s claim: “Wealth is evidently not the good we are seeking, for it is merely useful and for the sake of something else” (2010: 38). Indeed, Anielski (2007: 16) points out that the origin of the word wealth in Old English literally means the condition of wellbeing. The
various approaches to growth that have characterized the post-war era have led the discipline of economics to ignore the very reasons for growth in the first place.

The critique of the economic growth model as abandoning people also extends to the nature of its measurement. The dominance of the growth model has translated into the dominance of income measures like GNP and GDP as the primary measures of development (Berenger & Verdier-Chouchane 2007: 1260; Hicks & Streeten 1979: 567). On the one hand, income measures of growth are attractive for measuring development as they provide a single indicator that is useful for global comparative purposes and for which reliable data are readily available for most countries (Jahan 2002: 152). On the other hand, there are significant shortcomings (Stiglitz et al. 2010). Income measures such as GNP and GDP do not focus on the distribution, composition or quality of growth (Alkire 2010: 38; Anielski 2007: 31; Nussbaum 2000: 60; ul Haq 1995: 46; Victor 2008: 9). GNP may grow rapidly with no impact on reducing unemployment, poverty or inequality (Seers 1972; Stewart & Deneulin 2002: 62). Income measures also do not account for the impact of growth on natural resources (Alkire 2010: 38; Anielski 2007: 31; Stewart & Deneulin 2002: 64) and ultimately remain one-dimensional by ignoring other things that people may value that may not be connected to growth, such as freedom, knowledge, safety and life expectancy (Nussbaum 2000: 60-61; ul Haq 1995: 46). Nussbaum sums up the problem with GDP and the growth model with a telling example: apartheid South Africa had a high GDP (2000: 61).

1.2. Beyond Growth: The Search for Multidimensional Models of Development

1.2.1. Early models: UNRISD, UN-ECOSOC, PQLI and BNA

Dissatisfaction with the unidimensional focus of the economic growth model has driven a number of attempts to conceptualize multidimensional approaches to development. Several early efforts focused on broadening the measurement of development through composite indices that moved beyond the shortcomings of income measurements like GNP. An early attempt under the auspices of United Nations Research Institute for Social Development (UNRISD) was the development of the Level of Living Index (Drewnowski & Scott 1966). The index aggregated a diverse set of indicators, including the flow of goods and services; ‘basic needs’, divided into physical needs (nutrition, shelter and health) and cultural needs (education, leisure and security); and ‘higher needs’ involving surplus income. The UN and the Economic and Social Council (ECOSOC) also developed an early composite index comprised of two social indicators and seven economic indicators, ranking these indicators equally (UN-ECOSOC
A third early index, the Physical Quality of Life Index (PQLI), comprised three equally weighted indicators, including life expectancy, literacy and infant mortality, all chosen for the availability of data (Morris 1979).

All three of these composite indices of development faced significant challenges. The Level of Living Index encountered problems of unavailable data for indicators such as leisure and was short lived, while the UN-ECOSOC index provided no theoretical rationale for its weighting of indicators (Hicks & Streetcen 1979). Similarly, the PQLI was criticized for overemphasizing health within its three indicators (Booysen 2002), trading-off its dimensions against one another in a way that cannot be morally substantiated (Gough & Thomas 1994), and neglecting a theoretical foundation for its weighting of indicators (Hicks & Streten 1979; Stewart & Deneulin 2002: 62). Accordingly, none of these indices had a lasting impact.

More influential was the development of the Basic Needs Approach (BNA) in the late 1970s and early 1980s. BNA moved beyond a measurement index to incorporate a larger policy agenda for promoting development conceived in multidimensional terms. The approach argued for development policy and interventions that directly and rapidly addressed the basic needs of the entire population rather than focusing on economic growth as an indirect means to address needs (Hicks & Streten 1979; Stewart 1985; Streeten et al. 1981). Basic needs were defined as food, shelter, clothing, access to clean water, sanitation, health and education (Streeten et al. 1981). An attraction of BNA was its emphasis on outcomes (Hicks & Streten 1979: 571-572; Stewart & Deneulin 2002: 62), yet it also suffered from significant shortcomings. As an approach constructed as a universal set of basic needs, it was criticized for slipping into paternalism and potential ethnocentrism (Gough & Thomas 1994; Stewart & Deneulin 2002: 63). It also treated people as passive recipients of development initiatives rather than as active participants, while its focus on addressing a quantitative minimum of needs allowed the poor to be ignored once the minimum is reached (Sen 1984: 513-515). Lastly, its tendency to define needs as minimum amounts of commodities (e.g. food, shelter) permitted it to descend into a focus on commodities themselves – a form of commodity fetishism – instead of focusing on how those commodities allow people to live their lives (Fukuda-Parr 2009: 118; Sen 1989: 46-47). Ultimately, the basic needs approach lacked a conceptually satisfying theoretical foundation (Fukuda-Parr 2003: 304; Sen 1984: 513-515).
1.2.2. The capability approach

The general dissatisfaction with the theoretical foundations of the basic needs approach and other multidimensional approaches and measures led to greater scholarly attention directed at providing sounder theoretical foundations. Since the late 1980s, the work of Amartya Sen, Martha Nussbaum and others on the capability approach\(^1\) has become particularly influential as a multidimensional approach to development (Alkire 2005; Clark 2005; Crocker 1992; Feldman & Gellert 2006; Gasper 1997; Nussbaum 1992; 1997; 2000; 2003; Qizilbash 1996; Robeyns 2005; Sen 1985; 1989; 1999; 2009a).

The capability approach starts from a simple premise: people should have the capabilities or freedoms to lead the kind of lives they have reason to value\(^2\) (Sen 1999: 285). Development in this sense is about expanding a broad range of people’s freedoms – social, economic, political and cultural - that enable them to live their chosen lives. Like previous multidimensional approaches, this is a significant departure from the economic growth model. While increased personal incomes and economic growth may be important for expanding people’s freedom to make choices on how they lead their lives, additional social, political and cultural dimensions also play central roles (Sen 1999: 3). High rates of economic growth do not necessarily mean a better quality of life, as many countries with high GDP per capita struggle with illiteracy, premature mortality and political tyranny (Nussbaum 2000: 61; Sen 1989: 42). Economic growth, according to the capability approach, is therefore only a means to development, not its goal. The purpose of development is the expansion of people’s real freedoms understood in multidimensional social, economic and political terms and the removal of sources of unfreedom, such as poverty, tyranny, social deprivation and limited economic opportunities (Sen 1999: 3).

Development conceptualized as expanding people’s freedoms requires freedom to be viewed as both the primary end of development and its primary means (Sen 1989: 48-51; 1999: ch. 2). Freedom is both constitutive of and instrumental to development. Basic freedoms such as the opportunity to enjoy a healthy life, access education and engage in political participation are constitutive of development; they are the very essence of development understood in

\(^1\) Both the terms ‘capability approach’ and ‘capabilities approach’ are used in the literature, with Sen tending to use ‘capability’ and Nussbaum ‘capabilities’.

\(^2\) The use of the terms ‘capabilities’ and ‘freedoms’ is at times confusing in the literature on the capability approach. The two are closely related: a capability is the freedom to achieve the things one values doing or being. See Alkire (2005: 118-122) for a discussion of the relationship between the two concepts.
multidimensional terms (Sen 1999: 5). Yet freedom is also instrumental to development. Different kinds of freedoms are interrelated, and expanding one kind may reinforce or broaden other kinds as well (Sen 1999: 37). For example, the promotion of public services in health and education are not only a constitutive part of development, they are also instrumental in contributing to both economic development and reduced mortality rates (Bloom & Canning 2003; Sen 1999: 40). Amartya Sen identifies five general kinds of interrelated instrumental freedoms – political freedoms, economic facilities, social opportunities, transparency guarantees and protective security – that interact and strengthen one another (1999: 38-40). Recognizing these instrumental connections is critical for promoting the expansion of overall freedom.

Understanding freedom as both constitutive and instrumental to development suggests freedom is valuable for two reasons: the opportunities it provides to choose the kind of life one values and has reason to value, and the process of choice itself (Sen 1999: 17; 2004: chs. 20-21; 2009a: 228-230). Lack of freedom can be present in either of these two aspects. Inadequate political or democratic rights violate process freedom while inadequate access to basic freedoms such as the capability to escape starvation violates opportunity freedom (Sen 1999: 17). This combination of opportunity and process aspects of freedom, or what Sen refers to as the “informational foundation” of the capability approach, must be taken into account when evaluating wellbeing, and this is what distinguishes the capability approach from other approaches or theories of justice and wellbeing. For example, utilitarianism, which values mental states such as satisfaction or pleasure and assesses overall wellbeing through the summation of individual utilities, falls short by addressing only one aspect – utility – of human wellbeing (Crocker 1992: 600). It is also misleading as its aggregate figure masks extremes at the top and bottom or across genders (Nussbaum 2000: 61), is applied in practice primarily in terms of income alone (Robeyns 2005: 97) and lacks interest in process (Sen 1999: 58-63). In contrast, libertarianism focuses on the process or procedures of liberty as the informational foundation for evaluation of wellbeing at the expense of opportunities to achieve or actual achievements of wellbeing (Sen 1989: 47-48; 1999: 63-67). The capability approach bridges these two by focusing on both opportunity and process freedoms as they relate to individuals achieving the multiple economic, social and political dimensions of development.

Conceptualizing development as expanding constitutive and instrumental freedoms through a focus on opportunities and process moves development beyond a sole focus on valuing what a person ends up being or doing (e.g. being literate or illiterate). It extends focus to what a person
is able to be or do, regardless of what choices are ultimately made (Nussbaum 2000: 69; Sen 2009a: 235). The distinction may seem minor but is critical to the theoretical underpinnings of the capability approach. Sen labels the “doings and beings” that a person achieves as functionings. These functionings make up a person’s wellbeing and may include such things as being well nourished, escaping premature mortality, being literate, avoiding disease and having self-respect. A capability is defined by Sen as the freedom to achieve desired functionings or, put simply, the freedom to choose from various lifestyles (1999: 75; 2009a: 235). If being well nourished is a functioning, having the freedom (or means) to be well nourished is a capability. Both functionings and capabilities must be valued (Sen 1989: 44). The emphasis on capabilities and functionings does not mean that resources, institutions or technological change are not important or are to be excluded in analyzing wellbeing; they simply must be understood for their role in expanding (or contracting) capabilities or freedoms (Robeyns 2005: 99-100).

But why focus on capabilities at all? Why not simply focus to the actual achievement of functionings? Sen, in fact, places greater emphasis on capabilities than functionings (Gasper 2000: 999; Pressman & Summerfield 2002: 430). Capabilities are important because key differences in wellbeing can be obscured by focusing solely on functionings (Nussbaum 2000: 87; Sen 2009a: 236). Someone who voluntarily fasts achieves the same functioning of being hungry as someone who is starving as a result of famine. A focus on capabilities allows for understanding the case of voluntary fasting as involving a choice made freely, unlike the case of famine induced starvation. Wellbeing is clearly different in these two cases given two different sets of capabilities, despite the same achieved functioning (Sen 1999: 75; 2009a: 235-236). A capability set therefore represents the freedom a person has to achieve the various functionings they value. There may be cases where focusing on achieved functionings is appropriate, such as with children or the mentally challenged who may not be able to make complex decisions (Robeyns 2005: 101). But in general, the critical importance of capabilities as the foundation for people’s choices makes expanding people’s capabilities the appropriate political goal; functionings should not be imposed, they should be chosen (Nussbaum 2000: 87). It is in this notion of capabilities and choice where the capability approach departs significantly from the basic needs approach and its sole focus on commodities for meeting needs.

The efforts of Sen, Nussbaum and others to root the capability approach within a solid theoretical foundation has resulted in the approach having a significant impact on development theorizing in ways the basic needs approach, PQLI and others did not. It has helped entrench a
A theoretically grounded understanding of development as multidimensional and people-centred, where expanding people’s multiple capabilities or freedoms is key. Differences remain over what its multiple dimensions should look like. Some argue for an explicit, universal list of capabilities as the basis for constitutional guarantees to be adhered to by all governments (Deneulin 2002; Nussbaum 1997; 2000). Others argue against universalism as a “predetermined canonical list” violates the central role of context bound decision-making and ignores unequal state powers and diverse state forms (Feldman and Gellert 2006; Robeyns 2003; Sen 2004a). Still others argue for a set of dimensions that move beyond the capability approach’s sole focus on freedoms and capabilities to include a broader set of values that incorporate utility and material conditions more effectively (Clark 2005; Cruz et al. 2009; Gasper & Staveren 2003). Despite these differences, both the debate over dimensions and the broader capability approach overall represent a vigorous theoretical rejection of the growth model’s unidimensional focus.

1.2.3. The human development paradigm

The work of Sen, Nussbaum and others on the capability approach has not only had an enormous impact on development theorizing, it has significantly influenced development practice as well. Sen’s work became the conceptual framework for the human development paradigm, which was subsequently elaborated through the yearly Human Development Reports (HDRs) put out by UNDP (ul Haq 1995; UNDP 1990). The first report, released in 1990, clearly outlined its intellectual debt to the capability approach:

People are the real wealth of a nation. The basic objective of development is to create an enabling environment for people to live long, healthy and creative lives. This may appear to be a simple truth. But it is often forgotten in the immediate concern with the accumulation of commodities and financial wealth. (UNDP 1990: 1)

Mahbub ul Haq, the driving force behind the creation of the Human Development Reports, used the language of “choice” as the initial organizing principle around which to elaborate the human development paradigm, defining human development as the process of enlarging people’s choices (ul Haq 1995: 14; UNDP 1990: 10). This definition has remained largely the same over the 20 years of Human Development Reports, with individual reports emphasizing different characteristics of human development and tending to increasingly use the language of ‘capabilities’ or ‘freedoms’ instead of ‘choices’ (Alkire 2010: 12). Overall, while there is no consensus on a clear distinction between the human development paradigm and the capability approach, the two differ in emphasis, with the literature on the capability approach focusing on
its theoretical and philosophical underpinnings and their connection to practice while the literature on the human development paradigm concerns itself primarily with practical application, with less concern for academic rigour (Alkire 2010: 22; Crocker 1992; Gasper 2000: 995-996; Kaul 2009: 91).

Defining human development as expanding people’s choices has several features that converge with the capability approach (ul Haq 1995: 16). First, the betterment of people’s lives is key. Humans take centre stage. Second, human development has two sides: the fostering of human capabilities and the use of these capabilities to choose a meaningful life. Third, there must be a clear distinction between means and ends. While means are important, they must be understood within a human context as human wellbeing is the ends of development. Fourth, all aspects of society, both economic and non-economic, are important for expanding people’s choices. Fifth, given the above, people become the means and the ends of development. People are more than instruments for driving economic growth.

This foundation of the human development approach has particular implications for its relationship to economic growth. Like the capability approach, putting people’s choices at the centre of development demands that the human development paradigm question the automatic link often assumed to exist between economic growth and the expansion of human choices (Fukuda-Parr & Shiva Kumar 2009: xxi). The first UNDP Human Development Report illustrated that a declining global gap in human development between countries of the North and South is accompanied by an increasing gap in global income (UNDP 1990). At the same time, harnessing growth and paying attention to its quality and distribution is vital for sustaining human development (ul Haq 1995: 14-15; UNDP 1992; 1996). The human development paradigm therefore requires that growth not be ignored, but be treated only as a means to human wellbeing through attention to its quality and distribution. According to ul Haq, such an approach restores economics to its original intentions: “To establish the supremacy of people in development – as the classical writers always did – is not to denigrate economic growth but to rediscover its real purpose” (1995: 23).

Drawing on Sen’s notion of capabilities, early Human Development Reports outlined a set of key choices, or dimensions, of development that moved beyond a sole focus on economic growth (UNDP 1990). The most critical choices were identified as living a long and healthy life, to be educated, and to have access to resources needed for a decent standard of living. Other key
choices included political freedom, guaranteed human rights and personal self-respect (UNDP 1990: 1). These dimensions were not intended to be set in stone. Indeed, it has been argued that they should not be equated with human development, which is broader, dynamic and holistic (Alkire 2010: 39, ul Haq 1995: 58). Based on a review of all the HDRs, Alkire (2010: 14) notes that while health, education and living standard have been key dimensions of every report, a significant evolution has occurred over the last 20 years, including such additional dimensions as cultural liberty, a sense of belonging to a community, civil and political rights, being creative, and human security, among others.

By drawing attention to the multiple social, economic, political and cultural dimensions that affect human choices, the human development paradigm has had an enormous impact on pushing development practice beyond a focus on economic growth as the ends of development. Its impact on the development dialogue has far exceeded original expectations (Sen 2000: 17). Indeed, ul Haq suggested that the “most difficult thing in life is to discover the obvious” (1995: 3). By discovering the obvious – putting people first – ul Haq argued that the human development paradigm does not merely provide another addition to the development dialogue, but a radical change in paradigms that recognizes the multidimensional nature of people’s wellbeing (1995: 11).

The long evolution of multidimensional conceptualizations of development that began with UNRISD in the 1960s and led to the widely recognized and influential human development paradigm provides a genuine alternative to the shortcomings of the economic growth model. Understanding development as a phenomenon with multiple dimensions that puts humans at the centre is now an entrenched part of the development dialogue. What remains less clear, however, is how a multidimensional development approach such as the human development paradigm can be effectively operationalized.

2. OPERATIONALIZING MULTIDIMENSIONAL APPROACHES: THE GOVERNANCE LINK
Paralleling and complementing the emergence of multidimensional approaches to development is a growing consensus on the foundational role of governance within development (Grindle 2004; 2007; Hyden et al. 2004; Huque & Zafarullah 2005; Kaufmann et al. 1999; Knack & Keefer 1995; Leftwich 1993; Smith 2007). Getting governance right has become a mantra for most development theorists and practitioners (Grindle 2007: 553). The governance and development literature is characterized by multiple governance conditions and processes that
need to be in place to drive development, including such things as coordinated policy, administrative capacity, fiscal decentralization, anti-corruption measures, accountable institutions and local capacity and participation, among others (Brinkerhoff & Brinkerhoff 2002; Evans & Rauch 2000; Grindle 2004; Huther & Shah 1998; Knack & Keefer 1995; Mauro 1995). Donor interest in the practice of governance further parallels its emergence as a key issue of scholarly concern. While initial interest among bilateral and multilateral donors focused on conditionality, where effective governance was a precondition to receiving aid (Santiso 2001a; Smith 2007:1-3; Sorensen 1993; Stokke 1995), a more recent shift emphasizes providing aid to strengthen governance (Smith 2007). Many bilateral and multilateral donors now identify governance strengthening as an overall priority or a cross-cutting theme. Numerous donor-funded governance initiatives have been the result.

A word of caution, however, is in order. Governance and its normative companion good governance remain notoriously slippery terms. Rhodes (1996) suggests that governance has multiple meanings across a variety of disciplines. It has been used in reference to the reduced state (Pierre 1998); equated with the entrepreneurial New Public Management (Hood 1991); restricted to corporate governance (Williamson 1996); identified as multiple policy interactions among public, private and voluntary sector actors (Kooiman 2003); or as the management of self-organizing policy networks (Rhodes 1996).

The slippery nature of the concept is further reflected in the development literature in particular. Three common conceptualizations of governance seem to dominate, although they are not always clearly delineated from one another. First, a conceptualization of governance usually associated with early World Bank governance initiatives asserts a depoliticized, neutral definition emphasizing technical and managerial capacity that avoids any explicit normative focus (Diedhiou 2007: 33-34; Kurtz & Schrank 2007; Smith 2007: 4; World Bank 2000). Good governance in this context is synonymous with “sound development management” (World Bank 1992: 1). A second conceptualization views governance and good governance as intimately linked with the neoliberal paradigm. An ideological character is ascribed to governance that is distinctly western and specifies the desired institutions, policies and outcomes of governance.

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Good governance, in this view, is equated with institutions, policies and processes characteristic of liberal democracy, a free market and a streamlined bureaucracy (Andrews 2010; Brinkerhoff & Brinkerhoff 2002; Leftwich 1993; Santiso 2001b; Smith 2007: 5). A third conceptualization incorporates power dynamics (Hout & Robison 2009: 2), focusing on political interactions among an expanded set of actors, both state and non-state. It emphasizes the values, norms, rules, structures and processes through which interactions occur among public, private and civil society actors in the exercise of power and authority in managing a country’s affairs (Bratton & van de Walle 1992; Hyden et al. 2004; UNDP 1997a; Zafarullah & Huque 2005). Good governance in this view encompasses participation, efficiency, effectiveness, fairness, accountability and transparency in a governing process that engages the interactions of a wide range of actors linked horizontally and vertically (Huque & Zafarullah 2005; Hyden et al. 2004). Effective development policy and practice is a product of the interface and synergy across a variety of state and non-state actors, and infused with people’s participation (Zafarullah & Huque 2005: 27).

This third conceptualization of governance as interactions among state and non-state actors that values citizen participation has clear connections to multidimensional approaches to development. Sen’s conceptualization of political freedom as not only constitutive but instrumental to people’s development makes political participation and collective action a central part of decision-making in the pursuit of development. According to Zafarullah and Huque, the human development paradigm’s focus on political, social and economic dimensions that enhance personal freedoms makes governance, and democratic governance in particular, “de rigueur” (2005: 22). The success of human development strategies rests in the nexus between governance and effective development management (Zafarullah & Huque 2005: 24). This nexus has implications for policy:

The public policy space needs opening up to permit the entry of different stakeholders to work in concert with or provide vital inputs to agenda setting, policy formulation, adoption, implementation, evaluation and administration. Sound policy making calls for the reconciliation of political and bureaucratic inputs and top-down and bottom-up approaches conjointly within the lateral infusion of ideas and supports from the outside. (Zafarullah & Huque 2005: 27)

The effective incorporation of multiple views and players in the policy process is therefore vital if development is understood as the expansion of freedoms that are both instrumental and constitutive. Yet, curiously, the human development and capability approach literature does not
offer a comprehensive analysis of governance and the exercise of power. Sen outlines two governance related components that characterize both the capability approach and the human development paradigm: the “evaluative aspect” and the “agency aspect” (Sen 1999: 18-19; 2003). The evaluative aspect focuses on the processes and instruments, such as multidimensional indices, for measuring improvements in the lives of people and using these measurements to evaluate development outcomes and inform policy design (Fukuda-Parr 2003; Sen 1999: 24-5; 2003: ix). The agency aspect focuses on what people can do to actually achieve such improvements, especially through political change and the implementation of policy (Fukuda-Parr 2003: 304; Sen 1999: 4-5; 2003: ix). Interest in the capability approach and human development paradigm, both scholarly and practical, has focused primarily on the evaluative aspect. The agency aspect has been left underanalyzed, resulting in a significant gap in understanding how multidimensional development strategies might be most effectively operationalized (Fukuda-Parr 2003).

2.1. The Evaluative Aspect

Informational policy instruments, including indicators, are critical governance tools given the need for sound information to inform the broader based, cross-sectoral nature of decision-making characteristic of governance (Hezri & Dovers 2006; Parsons 2004; Vogler & Jordan 2003). The human development literature has devoted considerable attention to the use of multidimensional indices to generate information to measure and evaluate the improvements in people’s lives and to use this information to inform policy design. Specifically, significant effort has been directed towards creating multidimensional indices as alternatives to GNP or GDP. The 1990s saw a variety of multidimensional measurement instruments emerge. Much of the practically focused work came out of UNDP and its on-going revisioning of the human development paradigm through the yearly Human Development Reports. The introduction of the Human Development Index (HDI) in the inaugural 1990 Report has had the greatest legacy. The HDI aggregates three dimensions – health, education and living standards – into a single measure. The selection of these dimensions was intended only as a crude, incomplete measure that was open to evolution and change and not representative of human development as a whole (Fukuda-Parr & Shiva Kumar 2009: 186; Sen 2009b: xi; ul Haq 1995: 58). Indeed, the indicators for these three dimensions have evolved over time, starting with life expectancy at birth, literacy and purchasing power adjusted GDP per capita in 1990 and evolving into life expectancy at birth, mean years of schooling and expected years of schooling, and GNI per capita in 2010 (UNDP 1990, 2010). As a living and evolving multidimensional measure, the HDI
has gained significant currency over the last 20 years. It is a widely recognized alternative measurement to GNP that has solidified the conceptualization of development in multidimensional terms and represents a better guide for development policy design (Berenger & Verdier-Chouchane 2007: 1260; Fukuda-Parr et al. 2009: 184-5; Jahan 2009; Sen 2009b: xii).

The relatively crude nature of the HDI led to multiple other measurements proposed and debated by UNDP as supplemental informational policy instruments. A variety of multidimensional measurement tools have emerged from the human development paradigm, including the Human Freedom Index (HFI) (UNDP 1991), Political Freedom Index (PFI) (UNDP 1992), Gender Development Index (GDI) (UNDP 1995), Gender Empowerment Measure (GEM) (UNDP 2005) and Human Poverty Index (HPI) (UNDP 1997b). Most recently, the 2010 Report introduced three new indices, including an inequality adjusted HDI, a gender inequality index and a multidimensional poverty index to be used in concert with the HDI as a human development dashboard (UNDP 2010). Throughout this evolution, some of the indices were abandoned. The HFI was dropped given the need for greater conceptual and methodological work (UNDP 1991: 3) while the PFI was discontinued for political reasons as its focus on political participation threatened many governments (Fukuda-Parr & Shiva Kumar 2009: xxvii). The others remain and act as supplements to the HDI, providing a broader set of policy measurement tools. UNDP’s design and discussion of multiple indices has also generated an on-going debate around the nature and weighting of the specific dimensions selected to represent human development, resulting in numerous suggested revisions and alternative multidimensional instruments (Chatterjee 2005; Dasgupta 2001; Foster et al. 2005; Krishnakumar 2007; McGillivray 1991; Neumayer 2001; Noorbakhsh 2005; Qizilbash 2004; Ranis et al. 2006; Trabold-Nubler 1991).

The healthy debate around multidimensional evaluative instruments has stimulated growing global interest in their application to policy design and the evaluation of policy outcomes. Several states have formalized the use of multidimensional measurements to inform policy design, including the Philippines, Mexico, India, Bolivia and Bhutan (Alkire and Sarwar 2009). Internationally, the UN, UNDP, World Bank, OECD, EC and OIC released the Istanbul Declaration in 2007 citing the need to measure societal progress in multiple dimensions and use these measures for evidence based policy-making (OECD 2007). The 2008-09 global economic crisis accelerated this interest and culminated in the release of the Report by the Commission on the Measurement of Economic Performance and Social Progress. The report, commissioned
by then French President Sarkozy and written by Joseph Stiglitz, Amartya Sen and Jean-Paul Fitoussi, argues that the current global economic crisis provides an urgency for multidimensional measures of development to inform policy design (Stiglitz et al. 2010). Following the lead of the Sarkozy Report, the Conservative government in the United Kingdom announced in late 2010 its intention to measure national wellbeing in multidimensional terms as a tool for more refined policy-making (The Guardian 2010). The EU also launched the Beyond GDP initiative (EU 2012) and the OECD initiated its Better Life index (OECD 2011). Perhaps most significantly from a development policy perspective, the Millennium Development Goals, considered to be a specific application of the human development paradigm (Alkire 2010: 48-55), are regarded as a global consensus on a common set of policy benchmarks that directly reflect a commitment to a multidimensional perspective of human development (Chakravarty & Majumder 2009).

The growing global application of multidimensional measurement instruments to inform policy design and evaluate policy outcomes has made the “evaluative aspect” of human development a standard part of development practice. This success, however, has its consequences. Multidimensional approaches have largely become associated with the evaluative aspect only. Indeed, in the case of the human development paradigm, the narrow evaluative focus of the HDI has come to overshadow the entire approach, with the HDI often mistakenly equated with the human development paradigm as a whole, resulting in the misinterpretation of the paradigm as focused solely on evaluating health and education outcomes (Diedhiou 2007: 31; Fukuda-Parr 2009: 117; Jolly 2009: 107).

The scholarly and practical debate over indices has therefore obscured the larger potential of multidimensional approaches to improve the lives of people. According to Fukuda-Parr and Shiva Kumar, “[t]here is a tendency... to overdue the quest for new indices. In striving for statistical sophistication, many lose sight of the larger picture...” (2009: xxviii). Using multidimensional measurements to inform policy design and evaluate policy outcomes is a key part of the governance equation, but it is only part of that equation.

2.2. The Agency Aspect
Beyond the use of multidimensional indices as evaluative governance tools, the literature on the capability approach and human development paradigm offers only a simplistic and ambiguous analysis of the role of governance actors in the actual implementation of multidimensional
development approaches. Such analysis can be seen in Sen’s description of the agency aspect, which is significantly less developed than the evaluative aspect. Central to Sen’s notion of agency and its role in implementing multidimensional development policies is his conceptualization of the individual. Agency is rooted in the rational and reasoning person (Alkire 2010: 28; Sen 1999: ch. 11; 2004b). According to Sen: “Reasoning is a robust source of hope and confidence in a world darkened by murky deeds – past and present” (2009a: 46). The ability of individuals to reason and make rational choices collectively is at the heart of Sen’s analysis of the operationalization of multidimensional development policies. Such optimism in individual reason, however, has opened up the approach to significant criticisms. Stewart and Deneulin (2002) argue that the capability approach falls victim to methodological individualism, where social phenomenon can only be accounted for in terms of what individuals do or think. There are no “irreducible social goods” in the approach, such as social norms, community memberships, collectivities, social groups and cultural practices, that are taken on their own terms; they are mere instruments to individual wellbeing (Evans 2002; Gasper 2002: 452; Ibrahim 2006; Stewart & Deneulin 2002: 66; Stewart 2005).

Sen rejects these accusations of methodological individualism. He argues that, to the contrary, the capability approach embeds individuals and the choices they make within a social context and social groups (Dréze & Sen 2002: 6; Sen 2002: 85; 2009a: 244-245). People’s thoughts and actions are not independent of their social world but are malleable and depend on social interactions and information. Robeyns (2005; 2008) extends this argument. While the capability approach rests firmly within the liberal tradition (2005: 95), she suggests that it is characterized by ethical individualism, or the recognition that the individual is the “ultimate unit of moral concern”, while rejecting methodological individualism (2008: 90-92). Ethical individualism allows societal institutions and structures to hold a central role in understanding and promoting freedom (or unfreedom), but ultimately this central role is located within the context of its link to individual wellbeing and the expansion of each person’s capabilities (Nussbaum 2000: 73-74). Moving beyond ethical individualism to focus instead on social units of moral concern, such as the family or community, will potentially mask inequality and unfreedoms within these social units (Robeyns 2008: 90-91). The individual remains the central unit of moral concern but is embedded and influenced in a social context. This understanding of ethical individualism means social institutions and support play a key role in expanding individual freedoms (Sen 1999: ch. 12). The state, social groups, non-governmental organizations, community organizations,
households and the media can all operate in a manner that contributes to (or restricts) individual freedom (Iverson 2003; Nussbaum 1998; 2000; Robeyns 2003; Sen 1999: 297).

Despite the vigorous rejection of methodological individualism, Sen’s analysis never seems to completely free itself from its grip. Even while recognizing individuals’ connections to social contexts, his analysis embraces a privileged and unassailable position for individual rationality and reasoning within these contexts. Humans are choosers; meaningful choice is at the core of each individual’s being. Sen’s rational and reasoning individual is not the uncompromisingly self-interested human of much rational choice theory. Neither is his rational individual driven by “high-minded sentimentality” to pursue only value-driven actions (1999: 280-81). The rational individual for Sen is a balance between the two poles. It is an individual who pursues personal wellbeing but is capable of socially responsible reasoning as well. This is clear in Sen’s distinction between an individual’s wellbeing freedom and agency freedom (1985). Wellbeing freedom involves the freedom to achieve personal wellbeing while agency freedom is the freedom to pursue whatever values or things one believes are important. The latter is the freedom to impact on values related to other people, not just one’s own wellbeing. The two are related yet distinct. The freedom to pursue good beyond one’s own wellbeing may enhance personal wellbeing, but it may also decrease it. Sen provides an example of the latter in an individual abandoning an enjoyable, anxiety free meal to rescue someone drowning in freezing water (1985: 206-207). Losing the meal and plunging into the freezing water decreases personal wellbeing freedom, but the choice to rescue the drowning person expands agency freedom. Faced with such choices in issues of morality, Sen asserts that choosing to pursue agency freedom will often override concerns with personal wellbeing (1985: 208). The rational individual is therefore a chooser not only capable of making choices that pursue personal wellbeing, but of socially responsible reasoning as well.

The rational and reasoning individual capable of socially responsible reasoning is the foundation for Sen’s understanding of governance interactions in the policy process. He argues that democracy is central for engaging individuals in reasoned discussion that leads to rational social action for identifying and achieving freedoms (Sen 1999: ch. 6; 2009a: chs. 15 & 16). Democracy is defined by Sen in deliberative and participatory terms, focusing on public reasoning that includes political participation, dialogue and public interaction (2009: 324). This moves beyond the more frequent practice, he argues, of defining democracy in restricted procedural and institutional terms focused primarily on elections (2009a: 328). It conceptualizes
democracy as “government by discussion” or the “exercise of public reason” (Sen 2009a: 324). Such a conceptualization of democracy as reasoned and participatory decision-making rescues the concept of democracy from a purely western intellectual heritage as it draws upon global experience dating back thousands of years (Sen 2009a: 328-335).

Understanding democracy in terms of reasoned deliberation and participation makes it central to achieving development. This, according to Sen, is for three reasons (1999: 148-154). First, democracy itself has intrinsic importance as a dimension of development. People value participation in the political life of their community as a foundational freedom (Sen 1999: 151-152). Second, democracy is instrumental in expanding other freedoms. It provides people with an ability to be heard when expressing their preferences and choosing freedoms (Sen 1999: 152-153; 2009a: 241-2). Governments in democratic regimes have incentives to respond to people’s opinions and demands. As Sen points out, widespread famines, for example, have never occurred in democracies as public reasoning generated by opposition parties, a free media and elections requires responsive governments that are able to avoid famines, even in the case of crop failures (1999: ch. 7; 2009a: 338-345). Third, beyond being instrumental in expanding other freedoms, democracy has a constructive role in conceptualizing the very nature of desired freedoms (Sen 1999: 153-154). Reasoned discussion, deliberation and criticism play a key role in forming values and priorities that are the basis for identifying a society’s desired freedoms and pursuing policies and actions that expand freedoms (Sen 1989: 45-46).

Sen is careful to point out that the importance of deliberative democracy should not be overplayed. Democratic processes are not automatic; they require citizens who are engaged (2009: 351). Accordingly, attention needs to be paid to the democratic practices of citizens and various state and non-state governance actors. Despite this challenge, however, Sen suggests that democratic freedoms and rights are “...used effectively often enough” and, when they are not, the opportunity is always there (1999: 155).

Sen’s embrace of deliberative democracy provides a useful starting point for understanding how interactions among governance actors might be framed in order to implement multidimensional development strategies. But Sen moves no further. His analysis downplays, even ignores, the role of power in political interactions among governance actors. This leaves his analysis wanting. Sen’s democratic players engage in an interactive process that is idealistic in its reasonableness. Creating the conditions for public discussion and reflection leads to consensus.
on values and preferred capabilities and freedoms to pursue as a society. In *The Idea of Justice*, for example, when Sen argues that public reasoning is central for choosing and weighting capabilities that are important to a particular political community, he recognizes that total agreement on weighting is unlikely. As such, he simply suggests that a range of weights be used that will enable participants to “…find some agreement” (2009a: 243). Notions of power, empowerment and disempowerment are largely missing.

The result is an optimistic faith in participatory and deliberative democratic politics that fails to account for the exercise of power within deliberative frameworks. It does not fully recognize the potential for the monopolization or abuse of power occurring as part of deliberative processes or within the state itself (Bagchi cited in Hill 2003; Johnson 2009: 119; Pettit 2001). Nor does it take into account the potential class or gendered nature of the state (Hill 2003: 119) or recognize the broader power dynamics that exist across the public, private and household spheres that require a deepening of democracy (Hamilton 1999; Pieterse 2010: 199). By constructing his reasoning individual primarily as a rational chooser who will engage in deliberative democratic processes, Sen neglects the multiple other roles and identities individuals inhabit and how an individual’s various identities and practices shape, change or reproduce practices and institutions, including democratic institutions, in ways that empower or disempower different groups (Elson 1997; Hill 2003). For Gasper (2002: 17-24), the result is an incomplete theory of agency that is insufficient for understanding the nature of the policy process required to effectively expand capabilities. Similarly, Johnson (2009: 116-121) concludes that Sen does not provide a complete theory of action and remains ambiguous about the kinds of power required to successfully pursue development. The conditions under which the expansion of capabilities are accommodated by society are not clarified (Johnson 2009: 111). The result is an idealistic approach to power that is “… well removed from making substantial changes in the real world” (Stewart & Deneulin 2002: 70). Ultimately, Sen’s ambiguity on power and the resulting faith in rational consensus through deliberative democracy represents a critical gap in understanding how the capability approach might be successfully implemented.

The literature on the human development paradigm provides few additional clues into how agency might achieve the goals of human development. Indeed, agency in the human development paradigm is often ignored or riddled with gaps (Alkire 2010: 6-12; Fukuda-Parr 2009: 121; 2003: 304). The inaugural UNDP Human Development Report explicitly describes
human development as involving both the level of people’s achieved well-being (the evaluative aspect) and the process of widening people’s choices (the agency aspect) (1990: 10). Yet, as Alkire (2010: 6) points out, the focus on process is removed from the definition of human development in many subsequent Reports. Drawing on Sen’s discussion of deliberative democracy, a number of later Reports do focus on the role of participation and democracy but it treads no new ground beyond Sen. The 1993 Report, for example, addresses participation and argues for the need to democratize and build civil society through decentralization (UNDP 1993). Similarly, the 1997 Report outlines the necessity of an enabling state that is democratic so people can articulate their demands and act collectively (UNDP 1997b). The 2000 Report argues for inclusive democracy to secure human rights (UNDP 2000) while the 2002 Report calls for deepening democracy in both form and substance (UNDP 2002). At the same time, the 2002 Report backs off the earlier optimism in democracy, arguing that the link between democracy and human development are not automatic, as elites can dominate (UNDP 2002: 3). But, again, this is not developed further. As a whole, the analysis in the Reports offers little more than an ambiguous focus on democracy and participation (Alkire 2010: 6) or, more frequently, pays relatively little attention to agency and collective action at all. According to Fukuda-Parr: “While the Reports have acknowledged the importance of collective agency, they have not developed a more elaborate understanding of how collective action can be facilitated, where it can be effective, what can go wrong” (2009: 121).

3. MOVING BEYOND A RATIONAL APPROACH TO AGENCY

The lack of a fully elaborated understanding of agency has significant implications for the policy process. The emphasis on individual rationality simplistically assumes the direct translation of democratic preferences into policy and programs unencumbered by power dynamics (Gasper 2000: 996; Stewart & Deneulin 2002: 63-64). There is a direct causal link implicit in Sen’s analysis between rational democratic public reasoning on the one hand and the implementation of resulting policies on the other hand. Policy design, implementation and outcomes are linked in a rational, predictable assembly line (see, for example, Sen 1999: 249). Where unintended consequences occur, Sen suggests they are merely a result of not taking rational thought far enough to make such unintended results predictable (Sen 1999: 254-257). Power dynamics within the policy process are notable in Sen’s analysis primarily for their absence. Overall, the underlying assumption is that multidimensional measurements of development can inform broad-based, participatory and deliberative democratic processes which, in turn, generate
policies that are directly translated through policy implementation into the intended policy outcomes.

A wide range of public policy literature argues that this is not the case. An early body of public policy research took the rational, top-down assumptions of policy implementation to task. It argued that implementation takes place in the context of multiple organizations and actors whose goals may be vague, programs may conflict and competing interests may clash. In this context, the bottom of the implementation hierarchy, where services are delivered to citizens, has a potentially more significant impact on the nature of policy outcomes than those at the top of the hierarchy (Elmore 1979; Hjern & Hull 1982; Lipsky 1980; Prottas 1979; Weatherly 1979; Winter 1986). Policy implementation at the bottom potentially reshapes, changes or avoids the original policy intentions through the interactions and choices made by front-line governance actors during the implementation process. These “street-level bureaucrats”, it was suggested, must be taken into account. Failures of policy implementation in this perspective do not require a default to irrational behaviour as an explanation. Rather, failure is a reflection of competing interests among governance actors or, more mundanely, a lack of implementation resources and capacity at the level of local bureaucrats (Lipsky 1980; Prottas 1979). Policy outcomes therefore may not reflect initial policy intentions as a result of the nature of the implementation process.

Principal-Agent theory extended this argument. It focused on the need for institutional arrangements to create the proper mix of control and autonomy required for effective implementation relationships between politicians at the top and street level bureaucrats at the bottom (McCubbins et al. 1987; 1989). The problem, according to principal-agent theory, is the political/administrative structure in most modern states. Decision makers have only indirect control over administrators, the latter of whom develop greater policy expertise than political decision makers, pursue their own ambitions when putting laws into effect, and use their own discretion in ways that do not necessary converge with policy intentions (Calvert et al. 1989; Ellig & Lavoi 1995; Gormley 1989).

Early theorizing around relationships between high level decision makers and street level bureaucrats was ultimately overtaken in the public policy literature by broader approaches that incorporated it into a larger analysis of policy change (Sabatier 2007: 6-8), but it fundamentally challenged the adequacy of rationalist assumptions, like Sen’s, around the policy process.
Subsequent public policy literature built on this, asserting that a rational, step-by-step understanding of the policy process needs to be replaced by a perspective that takes politics and power dynamics among governance actors into account. Many current analytical approaches to public policy diverge in their explanations of the policy process, yet share a focus on the critical role of political dynamics and power that move beyond a rational understanding of policy formulation and implementation (Baumgartner & Jones 1991; Ingram et al. 2007; Sabatier & Jenkins-Smith 1993; Schon & Rein 1994; Stone 2002). Some have argued that this focus on political dynamics should not isolate individual stages of the policy process such as policy formulation or policy implementation as discrete processes to be analyzed (Sabatier 2007). Yet according to Howlett and Ramesh (2003: 187), the policy implementation process in particular creates opportunities for various governance actors to continue struggles they may have lost at earlier stages, such as policy formulation. Focusing on power dynamics in policy implementation also enables an analysis of actors not involved in other stages of the policy process and avoids the temptation to treat policy implementation, as Sen does, as a linear assembly line between policy formulation and evaluation.

The literature on policy implementation in the Global South supports this argument for the importance of focusing on political dynamics in implementation in particular. While the policy implementation literature is characterized by a significant ethnocentric bias towards the Global North (Saetren 2005: 571-572), it is argued that policy implementation in the Global South is much more contested due to scarce resources and the frequent remoteness of the policy formulation process (Grindle 1980: 15; Mooij 2003: 4; Morah 1996: 80). Policy implementation in the South is therefore not a linear process but an interactive one frequently characterized by unintended consequences generated by power dynamics (Brinkerhoff 1996: 1396; Cleaves 1980; Crosby 1996; Grindle & Thomas 1991: 121; Liddle 1992: 795; Ridde 2009; Thomas & Grindle 1990). A significant body of both case study and comparative research demonstrates the centrality of power dynamics and political power structures in shaping the nature of policy implementation in a variety of policy contexts throughout the Global South (Birner & Resnick 2010; Borras Jr. 2001; Díez 2006; Ikpeze et al. 2004; Meijerink & Huitema 2010; Molinga & Bolding 2004; Mooij 1999; 2003; Morah 1996; Pelletier et al 2012; Ridde 2009; Sheikh & Porter 2011).

The emphasis in the public policy literature on power dynamics across diverse policy actors is complemented by a body of research found in the literature on the state that more broadly
situates this analysis within a conceptualization of the state as fragmented and embedded. Much state theorizing has historically removed the state as a political actor with any kind of autonomy (Dahl 1961; 1978; Lenin 1917 [1963]; Marx & Engels 1848 [1964]). More recently, the state has reclaimed a central place and has been ascribed potential autonomy and interests that vary based on its relation to society and international environments (Evans et al. 1985; Skocpol 1979). A number of scholars advance this latter argument in a nuanced conceptualization of the state as a differentiated and fractured entity engaged in interactions and power dynamics within its multiple components and with societal actors. For example, Mitchell (1991) asserts that states have porous edges where official state practices mix and interact with unofficial ones in society. Evans (1995) argues that states are both autonomous and embedded within society, leading to the development of economic policy through political interactions between the state and key societal actors. Davidheiser (1992), in her analysis of states and revolution, argues that states are not homogenous or integrated but are made up of differentiated structures that provide diverse locations for potential penetration by societal interests. Migdal (2001; 2009) argues that the state incorporates an image of autonomy, yet is characterized by diverse practices among fragmented state actors interacting with each other and societal actors in pursuit of diverse and potentially conflicting priorities. This body of research illustrates that the state may indeed be a powerful entity, but it is also a complex entity with internal differentiation, eroded autonomy at its edges and potentially fuzzy boundaries with society. The policy process therefore becomes one of multiple interactions, conflicts and compromises within fragmented components of the state itself and with societal governance actors.

These insights from the public policy and state literatures illustrate the need to move beyond the ambiguous and simplistic rational approach to agency found in the human development and capabilities literature. They illuminate the need to direct analytical focus towards the power dynamics among diverse governance actors, both state and non-state, with potentially different interests and priorities as they interact, cooperate and struggle to promote their interests within the policy implementation process. The policy process is not a rational assembly line but a complex process of multiple interactions across multiple governance actors with multiple priorities. Understanding the implementation process as one of potential power struggles further points to the need for analysis of the governance practices and tools that attempt to shape the agency of governance actors in a manner that generates intended development outcomes. Infusing power and political interactions into an analysis of agency is vital if a more satisfying understanding of operationalizing multidimensional development strategies is to be reached.
The next section turns to outlining an analytical framework and research methods that enable such an analysis and its application to the Bhutanese case.
PART TWO

ANALYTICAL FRAMEWORK AND METHODS
Moving beyond a rational approach to agency in the analysis of the implementation of multidimensional development policies requires an analytical framework that is sensitive to the multiple governance actors, both within the state and society, and the potential struggles and accommodations among them as they try to influence policy implementation. This chapter outlines an analytical framework that accounts for this process. It introduces and reviews Joel Migdal’s state-in-society approach as an analytical framework that directs attention to the messy realities of complex interactions and practices within the state and across state and society. The chapter also draws on insights into the kinds of policy instruments that can best navigate this complexity. Overall, the study’s analytical framework enables an exploration of both the complex practices and power dynamics across multiple governance actors and the role of complexity-sensitive policy structures and instruments in shaping these practices.

1. THE STATE-IN-SOCIETY APPROACH

The state-in-society approach starts from the assumption that there is not a single set of rules embedded in either the state or society that guides all behaviour (Migdal 2001: 11). Multiple sets of formal and informal rules and priorities exist within differentiated components of the state as well as within society. Interactions, accommodations and struggles characterize relations between these state and society actors as they strive to determine whose rules and priorities will prevail in the definition of how people should behave. These multiple interactions are transformative; the goals, priorities and outcomes of differentiated components of both the state and society change as they interact with one another (Migdal 2001: 23). Both state and society are in an on-going process of mutual transformation (Migdal & Schlichte 2005: 19).

The interactions among fragmented and diverse governance actors affect not only overarching state ideology as a national narrative but the policy process and policy implementation in particular (Migdal 1994: 14; 2001: 84-88). Migdal argues that there is often a clear disconnection between state leaders’ policy intentions and actual policy outcomes (2001: 9). No linear causal link exists between the two. The intervening policy implementation process is shaped by multiple patterns or sites of domination as shifting interactions, conflicts and alliances occur among various implementation actors promoting their own priorities. As these dynamic
interactions reshape and change actors’ priorities and goals, they ultimately define the nature of policy implementation and its subsequent outcomes, often in terms that are very different from the state’s original policy intentions regardless of how well-defined these intentions are or the amount of resources available for their implementation (1994: 15; 2001: 12).

Using an analytical lens that constructs policy implementation as an emergent, unpredictable process driven by multiple interactions among multiple actors with potentially divergent priorities is particularly critical for analyzing the implementation of multidimensional development policies. Sen’s conceptualization of the dual nature of people’s individual capabilities as not only constitutive of development but also instrumental to expanding other capabilities necessitates that such capabilities (and policies that attempt to broaden them) be understood as integrated and interrelated (Sen 1999: 38-40). Policies that promote better education, for example, also influence the improvement of health and economic development (see, for example, Bloom & Canning 2003). By promoting a variety of interrelated capabilities, the integrated nature of multidimensional development policies opens them up to the interests of a greater number of governance actors with potentially different levels of power and influence. As these actors engage, struggle and accommodate in the implementation process, the potential for emergent outcomes that do not reflect original multidimensional intentions is great. For example, bilateral donors’ domestic priorities may privilege the promotion of economic growth strategies linked to trade at the expense of other issues regardless of the integrated intentions of national development policies in recipient countries. The same is true for single issue NGOs or private sector actors involved in policy implementation. The nature of multidimensional development strategies therefore leaves them particularly vulnerable to power dynamics that may lead to emergent outcomes that do not reflect initial policy intentions.

Analytically, the state-in-society approach directs attention to process (Migdal 2001: 11). The potentially unpredictable form policy implementation ultimately takes necessitates focusing on the process of interactions and practices among multiple actors as they strive to impose their priorities. According to Migdal, analyzing process among multiple state and society actors requires revisioning the nature of both society and the state and their resulting interactions; it requires “conceptually breaking down states and societies and the junctures between them” (1994: 9).
1.1. Society
For Migdal, society is not unified or cohesive with domination emanating from, for example, a unified social class or a powerful centre lording over a subservient periphery (1994: 18-23). Rather, multiple social forces attempt to exercise power and pursue their preferred priorities in multiple arenas. Conflict and cooperation between different social forces and between social forces and the state is therefore inevitable. Struggles, alliance-building and accommodations occur among diverse social forces and between social forces and the state at both the policy level and over the moral order that is the foundation of society (1994: 21). Analytical attention must be directed towards these clashes and accommodations, the transformation of social forces’ priorities and goals that emerge from these interactions, and, ultimately, the subsequent influence on the nature of policy implementation.

Societal interactions are not limited to domestic forces. International actors may also play a role in interacting with domestic social forces and the state (Migdal and Schlichte 2005: 32-34). Such international actors are accompanied by their own priorities, interests and preferred rules which further muddy the complex cocktail of competing societal interests (Migdal & Schlichte 2005: 33). This is particularly the case with multilateral and bilateral donors, who often bring their own ideas and preferred ways of operating that do not necessarily converge with state and society priorities and intentions (Ferguson 1994; Ramalingam et al. 2008: 62). Analytically, this means that domestic and international actors must be identified and differentiated with the nature of their interactions with one another and the state assessed.

1.2. The State
Like the concept of society, the nature of the state needs to be revisioned if analytical attention is to be paid to interactions and struggles across fragmented governance actors. Migdal’s framework conceptualizes the state in dualistic terms. Rather than a homogenous entity, the state is

...a field of power marked by the use and threat of violence and shaped by: (1) the image of a coherent, controlling organization in a territory, which is a representation of the people bounded by that territory, and (2) the actual practices of its multiple parts. (Migdal 2001: 15-16)

This dualistic conceptualization avoids inaccurately idealizing the state as an all-powerful entity that can easily turn policy intentions into policy outcomes. It also avoids understanding it as a completely fragmented set of atomistic components pursuing their own individual interests in the
absence of any unifying principle or structure (Migdal 2001: 22). The state is a potentially contradictory entity whose coherent image is underlain with constituent parts that interact, ally and compete with one other and with societal actors in a dynamic governance process; a process that can result in policy outcomes that look dramatically different from original policy intentions.

The state’s image and practices, as well as their interaction, are central to this definition. They distinguish between “seeing the state” and “doing the state” (Migdal & Schlichte 2005: 14). The state’s image involves territorial and social boundaries (Migdal 2001: 17). The image of territorial boundaries suggests a coherent physical border between a state and its contiguous neighbours. It also suggests that the state is the embodiment of the people that live within this territorial boundary; it is the “avatar of that population” (Migdal 2001: 17). The state also incorporates a social boundary that delineates the public state from private society. Within this social boundary the state maintains an elevated position in relation to other social forces. It is represents the “commonality of the people” in a way that private sphere actors cannot (2001: 18).

Migdal’s notion of the image of the state as territorially bounded with a clear separation between state and society reflects common understandings of the state. His inclusion of state practices as part of his construction of the state, however, provides a much more nuanced understanding of how the state actually operates. The practices of the many components of the state are not necessarily consistent. In fact, while some state practices may reinforce the territorial and social boundaries of the state’s image, others may negate or weaken the image (2001: 18). State practices can generate competing sets of priorities and actions within the state itself, driving competition among differentiated state components that may work at cross-purposes, battering the state’s coherent image. Further, these potentially competing state components may also ally and compete with societal forces that are themselves competing with other social forces in an attempt to entrench their own rules and interests. The result is a complex brew of potentially multiple alliances, struggles and coalitions that not only blur public/private distinctions but promote a variety of priorities that are distinct from the state’s official intentions and laws (Migdal 2001: 20). The state is therefore a paradox. It requires analysis at two levels: the image of coherence and autonomy as well as the practices among differentiated, disconnected and fragmented parts that ally and struggle with one another and with social forces in ways that may reinforce or erode the state’s coherent image.
Migdal’s conceptualization of the state requires that it be analytically disaggregated (2001: 117-124). Disaggregating the state enables analytical attention to be paid to multiple components and their interactions with one another and society (1994: 16). While much past analysis focuses on those at the apex of the state, Migdal asserts that a disaggregated analysis should focus on four levels, including:

i) The trenches at the bottom of the hierarchy. At this level state officials and bureaucrats regularly engage directly with society as they implement policy (e.g. front-line bureaucrats, police officers, teachers, tax collectors). Bureaucrats in the trenches face pressures not only from superiors within the state, but from the intended beneficiaries of state policy and programs and social organizations with a stake in policy implementation (2001: 118).

ii) The dispersed field offices. Regional offices one step up from the trenches play key roles in local implementation, in some cases controlling the entire process of formulation and implementation of local policies. These are middle level bureaucrats or political officials (e.g. school boards, district police chiefs, regional governors) who take direction from centrally located bodies. Migdal suggests that this level of the state may have the least amount of supervision and the most room to promote its own interests given its distance from its centrally located supervisors and its lack of familiarity with local contexts (2001: 119). It also faces pressures from social forces that have little impact at the national level as well as from other components of the state at the same field level, resulting in considerable potential for national intentions to be significantly altered at this level (2001: 119).

iii) The central offices. Usually located in the capital city, these offices play the central role in formulating policies and allocating resources (e.g. ministries, central agencies). Political pressure at this level comes from supervisors at the highest level of state authority, ongoing competition with other central agencies and ministries, and the largest and most powerful social forces in society (2001: 120). At the same time, influences from the dispersed field offices and the trenches below tend to have a limited impact on central offices (2001: 121).

iv) The commanding heights. The top executive leaders of the state (e.g. prime ministers, presidents, juntas) may be at the apex but their success depends on the various components of the state below them. The types of pressures within those other levels, however, means that
those at the commanding heights are often at odds with what is happening below them (2001: 122). Furthermore, they face pressure from international actors in ways other levels do not, further complicating their ability to dominate (2001: 123).

Disaggregating the state into these components provides an analytical tool that moves beyond a simplistic notion of an autonomous and coherent entity that pursues a unified set of practices. It provides a useful lens to analyze the junctures, or intersections, between fragmented state actors and various social forces.

1.3. State and Society Intersections

Revisioning the state and society as a mixture of differentiated actors that includes both domestic and international players complicates the ability of any of them to dominate the others in the policy implementation process. The multiple interactions that occur across such a complex brew of governance players rarely result in the intended outcomes of any of them (Migdal 2001: 124). Struggles and accommodations lead to a transformative dynamic of unexpected and emergent outcomes based on the reshaping of priorities, desired rules and interests of both state and social forces. This mutual transformation is not necessarily a zero sum game. While the interactions among fragmented state and society actors may indeed lead to gains in power for some at the expense of others, they may also be mutually empowering (Haddad 2010; Migdal et al 1994: 2). Migdal sets out four ideal types of outcomes arising from the interactions of fragmented state and society actors (2001: 126-127). First, total transformation may occur where the state is able to gain complete domination through subjugating social forces, usually through coercion and violence. Second, the state may incorporate social forces to establish a new pattern of domination, but this also changes the nature of the components of the state as they must adapt to this new pattern. Third, social forces may incorporate the state as the state’s components adapt to pressures from these forces. Fourth, the state may fail completely in penetrating social forces, resulting in little engagement between state and society. Migdal suggests that most real cases reflect some version of the second and third ideal types where state and society mutually transform one another, with few cases of the first and last ideal types (2001: 128).

An analytical framework that focuses on disaggregating society and the state, despite the state’s autonomous image, and analyzing the intersections between them that lead to shifting priorities and emergent outcomes offers an approach that improves on other conceptualizations
of state-society relations. The pluralist tradition, for example, removed the state as an analytical category altogether by defining it as a neutral political arena within which interest groups compete to maximize their interests (Dahl 1961; 1978). Classical Marxism viewed the state as playing merely an instrumental role in furthering dominant class interests (Lenin 1917 [1963]; Marx & Engels 1848 [1964]). In both cases, the state has no autonomy and is largely toothless, the boundary between state and society blurred, directing analytical focus to concentrate on dominant social forces. In contrast, neo-Marxists argued that the state has relative autonomy and can exercise authority in its own interests (Poulantzas 1980). Likewise, uneasiness with the pluralist tradition led to the resurrection of the state by what was termed “neo-Weberian circles” of scholars (Evans et al. 1985: 350) who recognized state autonomy and explored the varied state capacities emanating from this autonomy (Krasner 1978; Nettl 1968). Analytical focus paid attention to the state as an independent variable. In Bringing the State Back In, Evans, Rueschemeyer and Skocpol (1985) provided a somewhat more nuanced approach where the state is returned to a central place but its potential autonomy is influenced by the nature of the international environment and the state’s relationship to society. Peter Evans (1995) and Atul Kohli (2004) explore in depth the potentially autonomous state and its relation to societal interests, focusing on economic growth through industrialization in particular. Both argue that different state structures and roles influence the nature of ties between the state and the private sector. In this context, successful industrialization requires close cooperation between the state and private investors.

Migdal’s state-in-society approach builds on this latter perspective where state autonomy, or perceived autonomy, is rooted in societal interactions. The state-in-society approach assumes that perspectives that consider the state as autonomous or the state/society boundary as blurred are incomplete. They both tend to identify a singular source of coherent authority, either the state or society, that enables the analyst to then identify a pattern of domination that flows from this coherent authority (Migdal 2001: 9). Neither, however, is rooted in empirical reality (Migdal 2001: 9-10). The state-in-society approach offers a more balanced analytical framework rooted in the real experience of states and societies. It recognizes the appearance of a dominant and autonomous state image but also the actual fragmented state practices and interactions with society that are rooted in potentially competing narratives and lead to emergent outcomes, suggesting that no single coherent source of authority exists in practice. This provides a much more powerful means to analyze why state policy intentions do not directly translate into intended policy outcomes. When applied to an analysis of the implementation of
multidimensional development policies in particular, it provides a framework to analyze not only the influence of the inevitably diverse and fragmented domestic governance actors, but international donors as well. A more accurate portrayal of multiple interactions between multiple actors with multiple priorities, and the resulting impact on development policy outcomes, is the result.

The state-in-society approach offers a particularly intriguing framework for the analysis of agency in Bhutan in its implementation of Gross National Happiness. As an absolute monarchy from 1907-2007, Bhutan is often characterized as being dominated by a strong centralized state (Sinpeng 2007; Turner et al. 2011). At the same time, it has undertaken a long and unheralded process of decentralization and has been characterized by local institutions that demonstrate a high level of civic association and democratic practice (Galay 2001; Wangchuk 2004). In this context, politics in Bhutan have historically rarely been winner-take-all (Rose 1977). Applying Migdal’s framework to multidimensional development policy in Bhutan will open analytical space to look at the practices of an apparently strong state as fragmented as it interacts with societal and international players, illustrating how such a strong state and its policy intentions may still be transformed in subtle ways that other conceptualizations of state-society relations would miss.

1.4. Navigating State and Society Intersections
Recent insights from complexity theory can supplement the state-in-society approach as an analytical framework. Similar to Migdal, complexity theory argues that many systems, including governance systems, can be considered complex: interconnected components characterized by relationships that are non-linear, generating emergent, unexpected and unpredictable behaviour within the system (Duit et al. 2010; Duit & Galaz 2008; Gunderson & Holling 2002; Holland 1995; Holling 2001; Mischen & Jackson 2008; Mittleton-Kelly 2003; Ramalingam et al. 2008). The complexity literature, however, extends the state-in-society approach by providing insights into how to best navigate the complex, emergent and adaptable intersections between and across governance actors and the complex systems they address. According to this literature, governance processes and policy instruments can best take this transformative and adaptive context into account if they are integrated across policy sectors, flexible enough to promote adaptation yet stable enough to provide predictable regulation, open to mistakes, able to promote continuous learning and encourage self-organization (Bankes 2002; Brunner 2006; Duit & Galaz 2008; Duit et al. 2010; Folke et al. 2005; Geyer 2003; Mittleton-Kelly 2003; OECD
2009; Pahl-Wostl 2009; Swanson et al. 2007; Walker & Marchau 2003). Incorporating this into the state-in-society approach enables an analytical framework that directs attention not only to the nature of governance actors’ interactions and their transformative impact on priorities and goals, but the governance tools that might shape and guide these interactions and changing priorities in a manner that successfully generates intended multidimensional policy outcomes.

2. SUMMARY OF THE ANALYTICAL FRAMEWORK

Overall, Migdal’s state-in-society approach, complemented by insights from complexity theory, provides a framework that directs analytical attention to four areas when exploring agency in the implementation of Bhutan’s multidimensional GNH policies:

- The nature of the practices and interactions among diverse governance actors in the implementation of GNH policies. Explicit attention needs to be paid to the interactions of societal actors and the state, with the state disaggregated.

- The emergent changes that occur in governance actors’ priorities, practices and goals arising from their multiple interactions across different sites of domination.

- The nature and influence of adaptive governance policy tools in shaping the interactions and changing priorities of governance actors.

- The outcomes that result from this process and their comparison to original GNH policy intentions. This enables an assessment of how the process of policy implementation, and the governance framework that strives to shape it, impacts the achievement of GNH outcomes.

The remaining chapters apply the revised state-in-society analytical framework to the Bhutanese case of implementing Gross National Happiness.
1. THE STATE-IN-SOCIETY APPROACH: PROCESS AND POLICIES

Central to the state-in-society approach is a focus on process. Exploring the nature of governance practices - interactions, conflicts and accommodations among governance actors - and the ongoing impact of these interactions on policy outcomes requires a research approach that, rather than identify static preferences and their relationship to political outcomes, seeks out how interactions account for a continuous process of ‘becoming’ (Migdal 2001: 23). This implies a need for qualitative methods that do not freeze the political action in an analysis of one-way causality. In order to analyze the ongoing process of interactions and ‘becoming’ among Bhutanese governance actors, a variety of methods have been chosen to comparatively analyze the implementation of four GNH related policies. As outlined in chapter three, the selection of four different policies is intended to increase the number of observations among sub-units within a larger case, allowing for stronger inferences to be drawn while continuing to recognize the larger parameters of the Bhutanese cultural and institutional context.

Before proceeding, a word on the nature of policy is in order. There are multiple definitions of public policy. Several key features are a part of most definitions (Howlett & Ramesh 2003: 5-8; Pal 2006: 1-6). First, public policy involves a course of action where the key actor in the making of policy is government. Non-state governance actors may play a critical role in shaping policy design or influencing policy implementation, but their decisions on their own are not considered public policy. Second, the course of action taken as part of a policy may be either action or inaction. Public authorities that choose not to act are making a policy decision. Third, public policy is a means to addressing a problem or an interrelated set of problems. Policies are not an end in themselves but a means to address a larger societal issue. Based on these common features across most definitions of public policy, this study draws on Pal's definition of public policy: “a course of action or inaction chosen by public authorities to address a given problem or interrelated set of problems” (Pal 2003: 2). Pal’s definition enables an analysis of both action and inaction, where policy-making is the domain of government but policy implementation engages a range of state and non-state governance actors.
Based on Pal’s definition and the state-in-society analytical lens, the selection of four policies for comparative analysis in this study drew upon three key criteria: i) clear integration of several GNH pillars within each policy field, ii) multiple state and society actors involved in each policy’s implementation and iii) a history of policy outcomes that can be used to compare to policy intentions. In addition to these criteria for each individual policy, criteria for the four policies as a whole included a mixture of policies that represent implementation at both the national level and the local level. Overall, the criteria promoted the selection of policies that provide not only a good representation of GNH, but a broad constellation of actors - state and non-state, centralized and decentralized, national and international – that enable a rich comparative analysis of the multiple interactions among multiple actors and the influence of the GNH governance framework on these actors. Moreover, the broadened set of observations emerging from a diverse range of policies and actors from within the Bhutanese case strengthens the potential for drawing broader inferences (George & Bennett 2005: 32; Gerring 2004: 343; Mahoney 2007).

A two stage process was used to identify the four policies. First, prior to departure to Bhutan, a list of potential policies was identified using the above criteria through a review of government and donor documents, complemented by scholarly studies where available. Second, the initial identification of a list of potential policies was followed by informal interviews with a number of academics in Bhutan, both Bhutanese and non-Bhutanese. The interviews allowed for greater exploration of the applicability of the criteria to the proposed policies. Once a final list of proposed policies was established, it was reduced to four policies based on several practical concerns that emerged in the interviews. First, the interviews identified the four proposed policies as key priorities of the government and not marginal policy concerns. Second, the interviews confirmed that collecting the required data from key informants associated with the four policies was achievable within the available timeframe and funding. Third, the interviews established that the four policy fields and related key informants were not the focus of concurrent research being undertaken in the country.

Based on this two stage process, the four policy fields selected include media, tourism, farm roads and human-wildlife conflict. Both media and tourism are policies primarily implemented at the national level. The implementation of media policy involves a central ministry, an autonomous regulatory agency and, increasingly, an active role by the private sector and media related civil society organizations (CSOs). Tourism policy implementation also engages a
mixture of central ministries, the private sector and CSOs, accompanied by a recent evolution towards greater participation of decentralized governments. Farm road policy and human-wildlife conflict policy are implemented, for the most part, at the local level. Decentralized governments and their administrations play the key role in implementing farm road policy based on their own planning and using decentralized funding mechanisms. Human-wildlife conflict is a national initiative but it is primarily implemented on the ground by local government officials using, in many cases, donor funding. The role of central ministries in both policies is focused primarily on regulation, support and monitoring. All four policy areas have engaged international donors in various ways.

The selection of the four policies using the above criteria and the attending practical issues that emerged from the interviews required that some trade-offs be made. In particular, none of the policies selected through the process are predominantly redistributive in character. The nature of redistributive policies, with distinct winners and losers, may make them more subject to conflict in the implementation process with implications for the effectiveness of the GNH governance framework. Nonetheless, the four policies represent a diverse range of policy concerns and a wide range of governance actors, enabling a comparative analysis of the effectiveness of the GNH governance framework in diverse policy contexts. In addition, the diversity of policies and actors allows, again, for stronger inferences to be made about Bhutan’s GNH approach and the governance framework that operationalizes it.

2. DATA COLLECTION METHODS
Data collection methods that provide sensitivity to process are essential for the analytical framework used in this study. In addition, these methods must address the fragmented and disaggregated governance players within state and society instead of maintaining focus on grand struggles or accommodations of those at the top. Several methods were used to address these issues. The primary method of data collection was semi-structured interviews with governance actors at all levels involved in policy implementation within the four policy fields. A general interview guide was used to ensure that each interview provided an in-depth exploration of the respondent’s understandings of GNH, their practices and interactions with other governance actors in the implementation of GNH related policy, the nature and impact of various GNH governance instruments on shaping these practices and the policy outcomes that result. The interviews were open-ended, enabling the interviews to proceed naturally based on each respondent’s experience and the specific nature of the individual policy fields. Such an
open-ended approach helps maximize validity (Alberbach & Rockman 2002: 674). No personal information was collected during the interviews and respondents remain anonymous given the potential sensitivity of analyzing individuals’ interactions with one another in the policy implementation process. In the case of interviews that took place at the dzongkhag and gewog levels, respondents’ anonymity is further protected by not identifying the names of the gewogs or dzongkhags that took part in the research.

Individual semi-structured interviews were carried out over the period of May – October 2011. Based on the state-in-society analytical approach, the interviews included respondents from disaggregated components of the state as well as social forces that have potential to impact policy implementation. Overall, 138 people took part in the individual interviews. Interviews with respondents from the state included representatives from the following components of the state:

i) Relevant central ministries: respondents were interviewed from the specific ministries located in the capital that are responsible for each of the four policies. Respondents ranged from a Ministry Secretary to department Directors to lower level civil servants. In addition, respondents from several Territorial Forest Divisions and National Parks Offices, both of which are part of central ministries but are physically located within the districts, were also interviewed given their role in three of the four policy fields. Representatives of the Department of National Budget and the Department of Local Governance were also interviewed to gain insight into the overall process of resource allocation and decentralization respectively.

ii) Relevant autonomous agencies at the central level: Two of the four policy fields in the study involve autonomous agencies active in the policy process. This includes the Bhutan InfoComm and Media Authority (BICMA) and the Tourism Council of Bhutan (TCB). Two autonomous corporations, Kuensel, a national newspaper, and the Bhutan Broadcasting Service (BBS), are also key media stakeholders. Representatives from each of these autonomous agencies and corporations were interviewed. Respondents were also interviewed from the GNH Commission, Centre for Bhutan Studies, National Environment Commission and National Commission for Women and Children, all of which are autonomous agencies with areas of focus that cut across all four policies under analysis.

iii) Dzongkhag governments and administrations: Respondents at the dzongkhag, or district level, included members of dzongkhag governments, Dzongdags (district administrators),
Dzongrabs (deputy Dzongdags), Dzongkhag Agriculture Officers, Dzongkhag Forest Officers, Dzongkhag Livestock Officers, Dzongkhag Engineers, Dzongkhag Planning Officers and Dzongkhag Environment Officers. Several dzongkhag level civil servants involved in financial administration were also interviewed. Bhutan has 20 dzongkhags, so purposive sampling was used to identify four dzongkhags for participation in the research. Dzongkhags were selected to reflect equitable geographic distribution across the country’s four regions (eastern, central, western and Southern Bhutan). In addition, the four regional dzongkhags selected represented a roughly equal distribution across high, medium and low levels of poverty incidence defined by household consumption.\(^4\) Identification of the sample was done using data from the Poverty Analysis Report 2007 complemented by discussions with a number of Bhutanese academics. An attempt was made to interview respondents from each of the positions listed above within each of the four dzongkhags. This was not always possible as the demands of individual respondent’s jobs sometimes made them unavailable for interviews. This happened rarely, however, and only with two Dzongkhag Environment Officers, one Dzongdag and two Dzongrabs.

iii) Gewog governments and administrations: Respondents at the gewog, or village block level, included elected gups (headmen), mangmis (deputy headmen) and tshogpas (village representatives) from gewog governments. At the administrative level, Gewog Administrative Officers (GAOs), Agriculture Extension Officers, Forest Extension Officers and Livestock Extensions Officers took part in the research. In several cases, the Gewog Clerk was also interviewed. Purposive sampling was again required as there are 205 gewogs within the 20 dzonkhags. Four gewogs were selected from within each of the four participating dzongkhags. Selection was again based on a roughly equal distribution of high, medium and low levels of poverty incidence. In addition, each gewog had to be accessible by road. This was particularly critical for two reasons. First, the focus on farm roads as one policy for analysis required road connectivity. Second, much of the data collection occurred during the monsoon season which made access to gewogs without road connectivity difficult, extremely time consuming and potentially dangerous. Limiting gewog participation to those with road connectivity did not disqualify a large number of gewogs as most now have a connecting road. In addition, in two

\(^{4}\) Ideally, sampling of dzongkhags would have used the measure of ‘mean happiness by district’ as reported in the 2010 GNH survey rather than relying on rates of poverty incidence. However, GNH survey results were released only after the field research was well underway. Interestingly, when data from the GNH Survey is used, the four selected dzongkhags maintain their order of ranking amongst themselves, although their individual overall positions within the list of 20 dzongkhags changes somewhat.
cases, officials from gewogs without road connectivity were visiting a participating gewog at the
time of data collection. This enabled interviews to be carried out with these gewog officials on
the policy areas unrelated to farm roads while also providing data on the impact of a lack of farm
road connectivity in these gewogs.

As was the case with the dzongkhag level interviews, an attempt was made to interview officials
in each gewog from each of the position listed above but this was not always possible. This was
particularly the case in one gewog that experienced an earthquake during data collection,
requiring several gewog officials to cancel their interviews in order to spend several days
assessing the damage. Overall, officials from 19 gewogs participated in the research.

Semi-structured interviews were also undertaken with representatives of social forces that are
involved in or have a direct stake in the implementation of the four policies under investigation.
This included relevant civil society organizations, the private sector and international donors.
Two challenges arose in this process. The first was an inability to interview any respondents
from the Indian mission in Bhutan on India’s role as a donor. In order to fill this gap, the issue
was addressed in interviews with other governance actors, including other donors, and through
a review of relevant government documents, newspaper articles and scholarly literature. This
helped offset the first-hand Indian perspective that is absent. Second, the ethnic conflict that
occurred in the 1990s in the south of the country, discussed in depth in chapter six, suggests
that the affected minority ethnic Nepalese population, including those in the civil service, private
sector or civil society organizations, may have opinions and practices that diverge from official
GNH intentions. However, no interviews were undertaken with respondents as representatives
of the ethnic Nepalese population, who are known as Lhotshampa. Significant sensitivity
around the ‘southern issue’ remains in Bhutan. It is still not an area that can be addressed in
detail as Bhutanese largely remain unwilling to talk about it. Permission to undertake such
research would also likely not be granted by the government. While the democratization of
Bhutan has been accompanied by an emerging space to acknowledge the issue, currently the
space to engage in research that explicitly addresses the southern issue does not exist.

5 For example, Michael Hutt’s book, Unbecoming Citizens, which is the most exhaustive account of the refugee
issue, can now be found in Bhutan.
To address this challenge, data collection for the study took an indirect approach by choosing a southern dzongkhag and gewogs for participation in the research where the Lhotshampa make up a majority of the population. This allowed for a general comparison of the priorities, practices and interactions during policy implementation in the Lhotshampa dominated South with other dzongkhags without explicitly raising the southern issue. In addition, some of the civil servants that participated from dzongkhags and gewogs outside of the south as well as civil servants in the central ministries were ethnic Nepalese. The interviews did not, however, request information on ethnic background nor were any data kept on ethnicity.

Additional data collection methods were used to complement the semi-structured interviews. Individual interviews rely on self-conscious meaning making on the part of respondents. Supplementing them with other methods of data collection is therefore necessary (Buijs et al. 2009: 54). As such, focus groups, document analysis, site visits and participant observation were also used. Using focus groups in tandem with individual interviews may lead to creative connections between the two methods (Hopkins 2007). Focus groups allow for bringing together diverse implementation actors to collectively discuss their interactions during policy implementation. This promotes collective engagement with the themes in a manner that may stimulate forgotten memories and ideas or enable participants to re-evaluate their own opinions (Kitzinger 1994; Morgan 1997). Several small focus groups, ranging from 3 – 9 people, were used to supplement the individual interviews. The focus groups explored, expanded and triangulated themes that came out of individual interviews. In several cases at the gewog level, the decision to use focus groups was also driven by time considerations given the need for respondents to attend to unexpected and pressing issues in the gewog. Nineteen people participated in focus groups. Overall, 157 respondents directly participated in the research either through individual or focus group interviews.

Document analysis, site visits and participant observation supplemented individual and focus group interviews. Document analysis primarily involved government policy documents, donor reports and evaluations, and, where available, scholarly literature. Participant observation involved taking part in specific activities related to the policies under analysis and GNH more generally, including public stakeholder meetings and GNH related conferences in Bhutan and at the United Nations in New York. Site visits involved first-hand exposure to a variety of relevant sites related to the four policies such as farm roads, tourism festivals, media outlets and agricultural fields affected by human-wildlife conflict.
3. SPECIFIC METHODS FOR ADDRESSING INDIVIDUAL RESEARCH QUESTIONS

The following section provides greater detail on the specific application of data collection methods for each of the research questions that guide the study.

**Question 1. What are the initial GNH intentions of the selected policy?**

In order to understand the impact of the complex process of policy implementation on policy outcomes, it is critical to identify the original intentions of each policy under examination and their connection to GNH in order to compare the policy intentions to the policy outcomes. Data was collected on initial GNH policy intentions through three complementary activities. First, analysis of relevant government documents, media reports and donor documents related to each policy field was undertaken. Second, where available, this was complemented by analysis of data on the policy field found in relevant journal articles. Third, data collected through analysis of primary documents and secondary literature helped form the content for semi-structured interviews and focus groups with key informants, enabling further exploration of policy intentions.

**Question 2: How do the GNH governance structures and policy instruments shape the complex and emergent priorities and practices of fragmented state, society and donor actors involved in the implementation of the policy?** This question represents the core of the study. It involved collecting data on the nature of: i) the interactions among governance actors during policy implementation, ii) the emergent priorities and practices that result from these interactions, and iii) the role of GNH implementation structures and instruments in shaping these interactions and practices. Semi-structured interviews and focus groups with key informants were the primary methods for collecting this data. Scholarly articles also supplemented the data from the interviews as did participant observation. The data on governance interactions is limited to a timeframe ending in 2011, with some updates through 2012 based on available and relevant documentation.

**Question 3: What are the resulting policy outcomes and how do they compare with initial GNH policy intentions?** This question requires uncovering data on whether policy outcomes generated by governance actors’ interactions and practices during policy implementation reflect the original GNH intentions of the policy and, if not, how outcomes diverge from intentions. This sheds light on how the political dynamics of policy implementation and the influence of Bhutan’s
GNH governance framework on these dynamics ultimately shaped policy outcomes. Analysis of scholarly articles, government documents and donor reports was the primary method of data collection for this question. In addition, various kinds of site visits provided first-hand observation of outcomes (e.g. visits to farm roads, tourism festivals, farmers’ fields affected by human-wildlife conflict). Data collected through interviews further supplemented these methods, providing information on actual policy outcomes and respondents’ perceptions of why these outcomes occurred. The data on policy outcomes is also limited to a timeframe ending in 2011 with some updates from 2012 where available.

4. DATA ANALYSIS
Transcripts from individual interviews and focus groups, field notes from participant observation and site visits, government documents, donor reports and relevant scholarly articles were all imported into NVivo 9 qualitative software. NVivo was used to code the data guided by the research questions. Through an iterative process, the coding identified individual themes that were further aggregated into broader themes related to GNH policy intentions, policy implementation practices and policy outcomes. These themes were then analyzed for relationships and generalizations within each policy field and across all four policy fields. A number of NVivo queries were run to supplement the analysis of themes and relationships. The following chapters turn to the results of this analysis.
PART THREE

GROSS NATIONAL HAPPINESS:
IMAGE AND PRACTICE
Happiness has gained significant traction as a focus of scholarly interest. A growing body of recent research analyzes the limited connection between happiness and financial wealth (Easterlin 2005; Inglehart et al. 2008; Layard 2005; Luttmer 2005) or explores the non-material sources of happiness such as social relationships, health, religious faith, fulfilling employment and personal freedom (Diener & Biswas-Diener 2008; Ferris 2002; Helliwell, Layard & Sachs 2012; Helliwell & Huang 2010; Helliwell & Putnam 2005; Ingelhart et al. 2008; Nettles 2005). A number of well-known scholars now argue that the findings generated by recent happiness research are broad enough and convincing enough that governments should now begin to pursue policies that explicitly promote happiness (Bok 2010; Helliwell, Layard & Sachs 2012).

Bhutan’s focus on Gross National Happiness as its national development strategy long predates this recent academic enthusiasm. As the only country in the world that is formally committed to the pursuit of happiness as a central policy goal, Bhutan is on the leading edge of promoting happiness as the end goal of development policy.

The term Gross National Happiness was coined by the fourth king of Bhutan, Jigme Singye Wangchuck, soon after he ascended the throne in 1972. Since then, it has been the guiding national development strategy for the country (Thinley in MacDonald 2010: 1). In 1986, the king famously proclaimed “Gross National Happiness is more important than Gross National Product.” His statement captured the distinct nature of Bhutan’s approach to development. It illustrated a rejection of the economic growth model and the embracing of a balanced, holistic and integrated multidimensional approach that focuses on happiness. Indeed, it has been argued that the Bhutanese development path represents a fundamental challenge to western conceptions of development and offers a possible alternative for the Global South (Brunet et al. 2001: 261).

This chapter provides a detailed analysis of the concept of GNH as officially constructed. Despite the growing international interest in Gross National Happiness, relatively little analysis of GNH has occurred. The chapter stakes out several arguments. First, it demonstrates that the official construction of GNH has conceptualized it as an alternative development strategy that is consistent with, yet pre-dates, the human development paradigm. Its key characteristic is its
integration of multiple dimensions of development rooted in Buddhist values. Second, this official construction of GNH has been conceptualized not only as a national multidimensional development strategy but as a central component of the image of the Bhutanese state itself. As the state-in-society lens suggests, however, the image of the state exists alongside its diverse and potentially contradictory practices. As a disaggregated entity, the state interacts across its fragmented components and with social forces, all of whom may have different priorities in the process of policy implementation. Gross National Happiness policy outcomes, and the larger GNH image of the state, are subject to the political dynamics of the practices of multiple policy implementation actors. The potential effectiveness of GNH lies in bridging this interplay between image and practice, and the political dynamics that characterize it.

The chapter is divided into three sections. The first section provides general background to the Bhutanese case. It sketches out the uniqueness of Bhutan, suggesting that this uniqueness has provided the foundation for the development of Gross National Happiness. The second section explores the official construction of GNH as a Buddhist-inspired development strategy linked to Bhutan’s national context. It demonstrates that GNH moves beyond the growth paradigm and conceives of development in integrated material and non-material terms. The third section argues that GNH is not only an official development strategy but is constructed as part of the official image of the Bhutanese state. It introduces a complication to this image and its operationalization in practice, suggesting that the practices of diverse governance actors as they engage with one another represent the potential to subvert the achievement of GNH outcomes and the GNH image of the state.

1. BACKGROUND TO THE BHUTANESE CASE
Bhutan has increasingly seeped into western consciousness. This is perhaps best reflected in the growing number of popular non-fiction works about the country written by westerners in recent years. Their titles are instructive: *Dreams of the Peaceful Dragon; Bhutan: Hidden Land of Happiness; Dance of the Snow Dragon; Beneath Blossom Rain; Married to Bhutan; and Radio Shangri-La: What I Learned in Bhutan, the Happiest Kingdom in the World.* Collectively, these works celebrate Bhutan’s rugged geographic isolation, its mystical eastern spirituality and culture, and the rural lifestyle that dominates much of its population. An Australian Broadcasting Corporation documentary illustrates this sentiment in its most romantic form, describing Bhutan as “a place on earth where time stands still, where nature and religion have combined to turn an entire kingdom into the world’s last Shangri-La” (cited in Brunet et al. 2001: 244).
Paralleling this romanticized view of Bhutan are competing perceptions that harshly criticize the country for the same reasons as those who romanticize it: its isolation, non-western perspectives and predominantly rural life. Perhaps most famously, *Foreign Policy* magazine included Bhutan on its 2010 list of 60 failed states. Accompanying the list was a photo essay in the magazine entitled *Postcards from Hell*. The essay criticized Bhutan for deviating from the path of western modernization. Bhutan, it argued, was a failed state given the percentage of its population that is rural, its isolation, its preservation of traditional culture and its rejection of traditional measures of economic growth for its own Gross National Happiness approach (Dickinson 2011).

Neither of these depictions of Bhutan is particularly accurate. Bhutan is not a traditional Shangri-La nor is it a backwater hell. In both cases, perceptions of the country are a response to its uniqueness. As an isolated mountainous country with a small rural population that was never colonized and is pursuing a homegrown multidimensional development strategy, Bhutan does not look like any of its regional neighbours. Bhutan is a small country, similar in size to Switzerland. Travelling from east to west, it measures approximately 300km while its longest point from north to south is only 170km (NSB 2010: vi). Across this 170km north/south axis, the rugged Bhutanese terrain ranges from a small southern strip of low foothills at 160 metres above sea level to some of the highest Himalayan peaks in the north at over 7500 metres (NSB 2010: vii). Approximately 70% of the country is covered in forest (NSB 2011: 76; Wangchuk 2007a: 178; WCD 2010: 8). This rugged landscape is landlocked and, historically, has been located in a region geopolitical competition. It is surrounded by India and China, two current regional giants who have often been at odds with one another. Despite its precarious geopolitical position, Bhutan was never colonized. It remained a remote and isolated territory largely closed off to the outside world until the 1960s.

The country is generally divided into four geographic regions: western, central, eastern and southern Bhutan. Thimphu, the capital, is located in the western region and is the seat of the central government. The country is divided into twenty districts, known as *dzongkhags*, and 205 blocks, or village clusters, known as *gewogs*. Each gewog is made up of a number of villages known as *chiwogs*. Most of Bhutan’s scattered chiwogs are located within the many valleys and ridges that cut through the Himalayas. Population estimates have historically varied dramatically. Official government figures for many years used a 1969 figure that estimated a
population of just below one million people (Rose 1977: 41). This was revised to approximately 600,000 in the 1990s and the most recent census in 2005 enumerated the resident population at 634,982 (Office of the Census Commissioner 2006). A significant characteristic of this population is its rural base. According to the 2005 census, 69% of the population live in rural areas compared to just 31% in urban areas. Nonetheless, rural-urban migration has rapidly accelerated over the last three decades. In 1980 the urban population was only 5% of the total population, rising to 15% in 1994 and then to the current figure of 31% in 2005 (GNH Commission 2010a: 7). Another significant characteristic of the population is its relative youth. Fifty-six percent are below 24 years of age with a median age of 22 years (Office of the Census Commissioner 2006: 19). There are 117 males for every 100 females in urban areas and 108 males for every 100 females in rural areas (Office of the Census Commissioner 2006: 19).

Figure 1. Map of Bhutan

Source: University of Texas Libraries
The ethnic makeup of Bhutan is difficult to establish. Hutt (2003: 4) argues that most commentators identify three main categories of ethnicity: Ngalong, Sharchop and Lhotshampa. The Ngalong (or Ngalop) are of central Tibetan origin. They colonized western Bhutan in the 8th century and currently are found primarily in western and central Bhutan. The Sharchop are of Indo-Mongoloid ethnicity with roots in Assam and are found primarily in eastern Bhutan. The Ngalong and Sharchop share a common Buddhist identity as both practice the Mahayana form of Buddhism from Tibet. Given this commonality, the Sharchop and Ngalong are often referred to collectively as Drukpa (Hutt 2003: 5). The Lhotshampa of the south are ethnic Nepalese who are largely Hindu, although a minority practice Buddhism.

Bhutanese census data does not track ethnicity. Accurate figures for the proportions of the population represented by these ethnic categories are therefore difficult to determine. A frequently cited source comes from the CIA’s World Factbook. It divides the population into 50% Drukpa, 35% Lhotshampa and 15% migrant tribes (CIA 2010). While 19 languages are spoken in Bhutan (van Driem 1994), three major language groups are dominant: dzongkha, spoken by the Ngalong; tshangla, the language of the Sharchop; and Nepali spoken by the Lhotshampa. Dzongkha is the national language although tshangla is often the lingua franca in the Sharchop dominated east, with Nepali playing the same role in the south (Rose 1977: 42-43; van Driem 1994: 94). Dzongkha and English are the languages of educational instruction in Bhutan, with the latter being the primary medium.

Bhutan’s small size and rugged terrain coupled with its largely rural population have created stark economic realities for the country. Historically, Bhutan has been a predominantly agricultural society. As only 9% of the mountainous land is arable (GNH Commission 2010b: 26), agriculture has, until about a decade ago, been almost entirely at the subsistence level with no surplus generated (NSB 2010: 77). Every Bhutanese household was entitled to a small plot of land provided for free by the government as well as free timber to build a house, enabling a subsistence economy where starvation and homelessness were absent (Sinpeng 2007: 31). More recently, however, the abundant water resources held in the Himalayan glaciers have enabled Bhutan to develop an export based hydropower sector as a key engine of economic growth. On its own, hydropower contributes about one quarter of Bhutan’s GDP, having surpassed the entire agricultural sector in 2007 (GNH Commission 2009a: 6). As of 2008, it provided about 40% of the government’s revenue through taxes, dividends and export payments (GNH Commission 2009a: 31). Supported by hydropower, Bhutan has experienced
an annual economic growth rate of 7.8% since the 1990s and 8.7% between 2005 and 2010, ranking it second only to China among its neighbours (GNH Commission/UNDP 2011: 31). According to the National Statistics Bureau, economic growth is expected to continue at 9% from 2011 through 2019 (Wangdi 2011). Hydropower has therefore been an economic boon for Bhutan, although its dominance has revealed the challenge the country faces in diversifying an economy with significant geographic, topographic and population issues.

Bhutan's political system has undergone a unique evolution. Early political history of the country is often obscure and much of it is intertwined with religious mythology. Even today, historical fact and religious myth remain an interwoven tapestry for many Bhutanese. Nonetheless, the establishment of the foundations of a coherent Bhutanese state and a distinct national identity is generally attributed to Ngawang Namgyal, a Tibetan lama who arrived in Bhutan in the 17th century and unified Bhutan's many competing small principalities (Kinga 2009: 57-77; Mathou 2000: 229; Nestroy 2004: 341). Namgyal's death was followed by a long period of often violent internal rivalries and regional big power politics. Despite several conflicts with the British and increasing threats from China, Bhutan retained its independence but continued to be internally fragmented (Aris 1994: 42-43; Penjor 2004; Verma 1988: 34-45).

An absolute monarchy was established in 1907 to overcome internal rivalries and protect Bhutan from external aggression. Ugyen Wangchuck, a regional governor from central Bhutan, secured internal peace and positive relations with the British, allowing him to establish himself as the uncontested ruler of Bhutan (Aris 1994: 75-99; Kinga 2009: 186-187). While the establishment of Wangchuck as a hereditary monarch gave him absolute power, the monarchy was not an institution rooted in divine right. Rather, it was created through a contract between Wangchuck and representatives of the monastic community, political leaders and the people of eight regions of the country. The contract stipulated that the new king use his absolute authority to achieve a “secure future” for Bhutan in return for the people’s “loyalty and dedication” (cited in Kinga 2009: 192-193).

Over the first half of the 20th century, the first two kings consolidated Bhutan’s sovereignty and security by pursuing a policy of isolation. The exception to this was the signing of the India-Bhutan Friendship Treaty after Indian independence in 1947. The treaty maintained Bhutanese sovereignty but stipulated that the country seek Indian advice on foreign affairs, a situation that existed until 2007. Beginning in the 1960s, the third king, Jigme Dorji Wangchuck, initiated a
gradual opening of the county to the outside world, partially in response to the violent Chinese crackdown in Tibet. The third king also implemented a series of reforms, including the creation of a National Assembly and other representative institutions and the initiation of a process of planned development through Five Year Plans (FYPs) (Kinga 2009: 218-257). The process of reform and modernization was intended to maintain Bhutanese sovereignty, cultural uniqueness and development interests as it increasingly became subject to external influences (Kohli 1993: 80–110; Rose 1977: 125-127; Verma 1988). Overall, the wide ranging changes that occurred under the third king led Bhutan out of its historic isolation and created the modern Bhutanese state (Kinga 2009: 217-257).

The fourth king, who conceived the strategy of Gross National Happiness, continued these reforms during his reign. The king began his rule at the apex of state power (Imaeda 2008: 146; Jha 2000; Mehra 1974; Rizal 2001, 2002; Rose 1977). His use of power was not arbitrary, however, and he enjoyed a level of legitimacy within Bhutan that few other governments, democratic or not, have experienced (Mathou 2000: 236; Rose 1977; Sinpeng 2007: 31). Legislative and administrative bodies demonstrated enormous deference to the king’s political agenda, only flexing their muscles, ironically, to oppose him when he introduced reforms to increase their power at the expense of his own (Gupta 1999: 65-67; Mancall 2004: 9; Mathou 2000: 243-244; Parmanand 1992: 62; Rose 1977: 156). In this context, the fourth king initiated a process of decentralization and democratization given his belief that good governance could not be guaranteed by an absolutist regime. According to the king:

I do not believe that the system of absolute monarchy, wholly dependent on one individual, is a good system for the people in the long-run. Eventually, no matter how carefully royal children are prepared for their role, the country is bound to face misfortune of inheriting a King of dubious character. (Cited in Sinpeng 2007: 38)

Local governments at the dzongkhag and gewog levels were created in the 1980s and 90s. In 1998, the king devolved executive power to cabinet and introduced a non-confidence mechanism enabling the National Assembly to replace the monarch with his hereditary successor. Building on this decentralization of power, the king initiated a constitutional consultation process in 2001. The monarch travelled the country for two years engaging in consultations over the nature of the constitution (Sinpeng 2007: 40). The resulting draft, released on March 25, 2005, outlined Bhutan as a democratic constitutional monarchy. A second draft of the constitution was released in August 2005 after incorporation of further public
input. This public input was described by Freedom House as extensive (Freedom House 2008). Following the creation of the final draft of the constitution, the king abdicated in a surprise move in 2006 and his son, Jigme Khesar Namgyel Wangchuck, ascended to the throne as the fifth king of Bhutan. The promulgation of the constitution in 2008 established a democratic regime with the king as a constitutional monarch, created a bicameral parliament, legalized political parties for the National Assembly, extended a broad set of fundamental rights and duties and institutionalized the pursuit of Gross National Happiness. Bhutan’s first national election was peaceful and generally met international standards (EU Election Observation Mission 2008). Its second election, held in 2013, witnessed the peaceful transition of power after the governing party was replaced by the opposition.

Bhutan’s process of democratic transition, combined with the topographic, demographic, socio-economic and political characteristics of the country, have both shaped and been shaped by Gross National Happiness. Since the fourth king ascended to the throne in 1972, GNH has officially guided Bhutan’s development through a multidimensional focus that integrates key ingredients of development linked to Bhutan’s unique context. In an isolated rural country situated between regional giants and characterized by a small population, a rugged terrain, a limited economy and a distinct political trajectory, GNH seeks to pursue development in a manner that fosters happiness while continuing to secure Bhutanese sovereignty and security. It is a multidimensional development strategy tied to its national context.

2. GROSS NATIONAL HAPPINESS AS A MULTIDIMENSIONAL DEVELOPMENT STRATEGY

2.1. Happiness as the Goal of Gross National Happiness

Gross National Happiness is rooted in the simple notion that happiness is a universal aspiration and should be the core of development. The accumulation of wealth is not the desired end of development, it is a means that must be balanced by the multiple other dimensions that contribute to happiness. Bhutan’s long term development vision, Bhutan 2020, outlines the core of GNH as an official strategy for pursuing happiness:

The concept of Gross National Happiness was articulated by His Majesty to indicate that development has many more dimensions than those associated with Gross Domestic Product, and that development should be understood as a process that seeks to maximize happiness rather than economic growth. The concept places the individual at the centre of all development efforts and it recognizes that the individual has material, spiritual and emotional needs. (Planning Commission 1999b: 10-11)
Central to the focus on happiness within GNH is its definition of happiness as a balance between the material and non-material dimensions of life. While GNH rejects the idea of an “unambiguous relationships between wealth and happiness” (Planning Commission 1999b: 11), it does not reject economic growth itself, recognizing its important interconnection to achieving non-material, mental, emotional and spiritual dimensions of development (GNH Commission 2009a: 18). Happiness is realized through the complementary interaction and harmonization between “inner skills of happiness” and “outer circumstances” (GNH Commission/UNDP 2011: 16). Again, according to Bhutan 2020:

Our approach to development has sought to both draw upon and conserve this rich fund of social and cultural philosophy and to achieve a balance between the spiritual and material aspects of life, between peljor gongphel (economic development) and gakid (happiness and peace). When tensions were observed between them, we have deliberately chosen to give preference to our understanding of happiness and peace, even at the expense of economic growth, which we have regarded not as an end in itself but as a means to achieve improvements in the wellbeing and welfare of the people. (Planning Commission 1999a: 19)

Conceptualizing happiness as a balance of material and mental, emotion and spiritual components necessitates putting the individual at the centre of the development process (GNH Commission 2009a: 18-19; Planning Commission 1999b: 11; Rinzin 2006: 30; Thinley cited in Hargens 2002: 1). Yet, happiness as conceptualized within GNH is not merely a competitive good pursued by atomized individuals (Dessallien 2005: 37). Individual and collective happiness are intricately linked; both require the other. According to Jigme Y. Thinley, Bhutan’s first elected prime minister:

But happiness is proactive. It requires your active understanding that it cannot exist without being shared. Happiness is not a state of being that one can achieve privately or personally without others sharing it. When you are contributing to others happiness, you know that you are improving your own chances of happiness and to that extent you become socially responsible and valuable as a member of the community and society. (Thinley in MacDonald 2010: 4)

GNH therefore places happiness as the central goal of development, where happiness is generated by multiple and balanced material and non-material dimensions and is realized through a reciprocal link between the individual and the society; happiness in one increases happiness in the other. Recently, the Gross National Happiness Commission, the apex body responsible for operationalizing GNH, has formalized a definition of GNH that reflects this
understanding. The definition states that GNH is “a development approach that seeks to achieve a harmonious balance between material wellbeing and the spiritual, emotional and cultural needs of an individual and society” (Tshireem 2011).

Happiness in this sense is very different from most western understandings of the term. Indeed, GNH and its notion of happiness are deeply rooted in Buddhism (Brunet et al. 2001: 257; Hewavitharana 2004; Lokamitra 2004; Mathou 2000; Priesner 2004; Rinzin 2006: 34; Rinzin et al. 2007: 54; Tashi in McDonald 2010; Tashi 2004; Tideman 2011; Ura & Kinga 2004: 42). Buddhist values, where values are understood as deeply held beliefs of what is desirable and undesirable, are the core of GNH. This is clear in multiple Bhutanese government documents and is perhaps most clearly expressed in Bhutan 2020:

> [O]ur approach to development has been shaped by the beliefs and values of the faith we have held for more than 1,000 years. Firmly rooted in our rich tradition of Mahayana Buddhism, the approach stresses not material rewards, but individual development, sanctity of life, compassion for others, respect for nature, social harmony, and the importance of compromise. (Planning Commission 1999a: 19)

Bhutan’s form of Tibetan Buddhism distinguishes between two forms of consciousness – *dukhha* and *sukha* - that have different implications for happiness (McDonald 2009; Ricard 2011). Dukkha is a state of consciousness that pursues ‘happiness’ in the form of immediate pleasure for the individual. It is an unstable and temporary form of pleasure based on self-centredness. It is a form of pleasure that relies on external, impermanent material stimulations for its satisfaction. Dukkha is referred to as an “unskillfull” form of consciousness (McDonald 2009: 616), as the on-going stimulation required for its immediate, temporary form of pleasure leads to dependency and attachment. Such attachment becomes a source of suffering and craving. In essence, it is not true happiness at all; pleasure and happiness are not connected (Lokamitra 2004: 475; Ricard 2011: 278-279).

Sukha represents a more “skillful” form of consciousness that moves beyond the need for superficial pleasure fulfillment through external and material stimulation. It incorporates a more stable and foundational form of happiness that emphasizes balanced emotional, mental and spiritual aspects of fulfillment, regardless of changes in material conditions (Dalai Lama & Cutler 1998; Ekman et al. 2005: 59-60; Ricard 2011: 274-275). Unlike dukkha’s reliance on external and material sources for happiness, sukha is a state of consciousness rooted in internal, non-material sources of happiness. Adequate material necessities are important for avoiding
dissatisfaction, but human fulfillment requires further cultivation of spiritual, mental and emotional components (Tideman 2004: 223). Sukha is “a state of flourishing that arises from mental balance and insight into the nature of reality” (Ekman et al. 2005: 60). Genuine, stable happiness therefore comes from breaking the bonds of attachment to the material sources of fleeting pleasure in duhkha and moving to the deeper, more stable happiness of suhka with its foundation in interrelated external and internal sources of happiness. It is moving from dependence on material sources of pleasure to the harmonization of the spiritual and material. This movement requires cultivating “right will, right thoughts and right actions” (Tashi in McDonald 2010: 25) and leads to happiness based on fulfilling one’s overall human potential beyond material needs. Further, given the Buddhist notion of interconnections among all sentient beings, the realization of deeper happiness within an individual spreads outward throughout society and to other sentient beings and diminishes collective suffering (McDonald 2009: 617; Tideman 2011: 135-136). It is towards this kind of happiness that GNH is directed (Lokamitra 2004: 475).

This Buddhist conceptualization of happiness finds few parallels in western thinking (Tideman 2004: 222; Ura et al. 2012: 109-110). From a western lens, according to McDonald, it is “…very easy to completely miss the deeper synergies implied by GNH thinking and to completely miss the fact that we miss this.” The Buddhist notion of happiness is “a complex state of accomplishment that improves in quality as the skilfulness of our engagement with the world grows” (McDonald 2009: 616). Happiness is not an immediate state of individual bliss. It is the achievement of the “full and innate potential” of being human (GNH Commission 2009a: 17). This is radically different from western understandings of happiness that, as Duncan (2007) points out, tend to be private and subjective, focusing solely on immediate achievement of feelings like pleasure, joy or satisfaction. Utilitarianism draws on this understanding of happiness in its focus on the sum of pleasures and minimization of pains, while neo-classical economics draws on the notion of utility as satisfaction but drains it of subjectivity, focusing instead on the objectively measureable “revealed preferences” of rational actors as they engage in the marketplace (Duncan 2007).

GNH inhabits terrain far removed from these western understandings of happiness. At the same time, different cultural understandings of the nature of happiness are not viewed as an impediment to the potential spread of GNH outside of Bhutan’s borders as a culturally adaptable framework (Dorji 2009; Mancall 2004: 40; Thinley in McDonald 2010: 10-11; Wangchuk 2007b).
Indeed, GNH and its focus on interconnected happiness as the end of development is viewed as a significant contribution to broader development theory and practice (RGoB 2005a: 15). Yet the terrain inhabited by GNH is not without its critics. Gross National Happiness and its Buddhist inspired focus on integrated material and non-material happiness as the core of development has been dismissed by some, with particular criticism suggesting it is vague, utopian and quaint (Bates 2009: 1; Duncan 2007: 103; McDonald 2009: 614). For former Prime Minister Jigme Y. Thinley, a driving force behind operationalizing GNH, such dismissive perceptions matter little: “... GNH is a balanced and holistic approach to development. It is based on the conviction that man is bound by nature to search for happiness, and that it is the single most desire of every citizen. The only difference between Bhutan and others is that we do not dismiss it as a Utopian quest” (Thinley 2007: 11). Indeed, Bhutan has chosen to engage not with its critics, but with those interested in drawing on Bhutan’s experience for broader application. UN General Assembly resolution 65/309, for example, was spearheaded by Bhutan in 2011 and calls for Bhutan to lead the elaboration of a global happiness framework as a contribution to the UN’s global development agenda.

2.2. The Gross National Happiness Framework

Based on its multidimensional vision of achieving interconnected individual and collective happiness, a GNH development framework was initially broadly constructed as four pillars intended to work together to maximize happiness. The four GNH pillars constitute the material and non-material dimensions of happiness that are important in the Bhutanese context: equitable social and economic development, environmental conservation, cultural preservation and promotion, and good governance. In the past, these pillars have sometimes been loosely defined or used inconsistently in both official and academic discourse. While it is not clear why this has occurred, it is not inconsistent with the perception of the Bhutanese government that GNH must be open to evolution and change as it develops conceptually (Mathou 1999: 618; Planning Commission 1999b: 10; Upreti 2005: 6). More recently, the four pillars have been expanded upon in a more detailed conceptualization of GNH, an issue that will be further discussed below. Yet the four pillars continue to be recognized as the “broad strategic framework” through which national development initiatives operationalize GNH (GNH

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6 For example, some documents refer to the first pillar as ‘economic self-reliance’ or simply ‘economy’, some use ‘environmental sustainability’ instead of ‘environmental conservation’, others substitute ‘decentralization and devolution’ for the good governance pillar, while others add ‘human development’ as a fifth pillar (see, for example, Herrera 2005; MacDonald 2005; Planning Commission Secretariat 2000; Planning Commission 1999b; Priesner 2004; Thinley 1998; Ura 2003).
Commission 2009a: 18). The official construction of these pillars and the values that underlie them are generally described in the following way (Dessallien 2005; GNH Commission n.d.; Rapten 2006; RGoB 2005a; Planning Commission 1999a, 1999b; Rinzin 2006; Upreti 2005; Ura 2003):

**Sustainable and equitable social and economic development**

Economic growth within GNH is not an end in itself. Human wellbeing is the point, not economic efficiency. This does not make economic development unimportant. Sustainable and equitable economic growth that raises people’s incomes to allow them to live in dignity while not being overcome by a spirit of overconsumption is critical for enabling happiness. Further, growth in the economy is an important vehicle to promote improved education, health and other social conditions in a manner that is equitable in the present and across generations while not threatening ecological and cultural systems. According to the fourth king: “We do not wish to be swept away by the tide of materialism and consumerism. We are determined to preserve our rich spiritual and cultural values and traditions. At the same time, we must achieve a high level of economic growth with equality in order to improve the quality of life of our people” (cited in Upreti 2005: 6). The values of socio-economic dignity, balance, egalitarianism and sustainable consumption are at the core of the pillar.

**Environmental conservation**

Humans are deeply connected with the natural environment. A healthy environment is inherently interlinked with human happiness. Pollution and overconsumption of natural resources must be avoided and conservation pursued. This does not mean environmental conservation should be pursued at all costs. As natural resources impact people’s livelihoods, balance and harmonization are required between environmental conservation and socio-economic development to ensure sustainable livelihoods. Article 5 of the Bhutanese constitution commits the government and each Bhutanese citizen to be a responsible steward of the environment for the benefit of both current and future generations. Interconnectedness, balance, harmony, responsible stewardship, compassion, the sanctity of all life, and sustainability are values at the foundation of the pillar.

**Cultural preservation and promotion**

Development should be rooted to cultural values and traditions. Culture is critical to happiness as it provides a basis for individual and collective identity, promotes unity and strengthens
community bonds. Maintaining culture is particularly important in the onslaught of increasingly homogenous global culture that threatens to undermine indigenous values. In the Bhutanese context, this means preserving and promoting cultural characteristics like close family ties, the balanced use of time, voluntarism, meditation and traditional practices and knowledge. The values of balance, compassion, compromise and interconnectedness of the past and present and between humans and nature are the foundation of these Bhutanese cultural characteristics.

At the same time, the cultural pillar of GNH is not constructed as purely traditional and static. Official Bhutanese documents emphasize that successfully preserving and promoting Bhutanese culture must recognize culture as dynamic. It requires a balance between fostering cultural uniqueness on the one hand and cautiously drawing upon the benefits of other cultural influences, including globalization, on the other hand (Planning Commission 1999b: 34-35; Planning Commission Secretariat 2000: 50). Indeed, the recognition of culture dynamism is entrenched in Article 4 of the constitution: “The State shall recognize culture as an evolving dynamic force and shall endeavour to strengthen and facilitate the continued evolution of traditional values and institutions that are sustainable as a progressive society.” The preservation and promotion of culture within the official GNH framework is intended to protect a national culture that is unifying yet dynamic and open to evolution.

Two key themes arise in this official construction of the cultural pillar of GNH. First, culture is particularly critical given Bhutan’s geopolitical position. The country’s lack of economic or military power combined with its location between India and China makes maintaining Bhutanese culture central to consolidating Bhutan’s uniqueness and, consequently, protecting its sovereignty and security. The connection between sovereignty and culture is foundational to GNH. The fourth King was clear on this role of culture:

The only factor we can fall back on, the only factor which can strengthen Bhutan’s sovereignty and our different identity is the unique culture we have. I have always stressed the great importance of developing our tradition because it has everything to do with strengthening our security and sovereignty and determining the future survival of the Bhutanese people and our religion. (Quoted in Brunet et al. 2001: 244)

The latter part of the king’s statement points to the second issue. The cultural pillar is intricately linked to religion, and Buddhism in particular. Subsuming religion within culture is not without its conceptual problems. Geertz (1966) defines religion as a system of symbols that are a part of a cultural model, where culture is understood as patterns of meaning. Others point to the potential
tensions between religion and culture (Marshall & Keogh 2004). Dugbazah (2009: 13) suggests that the two are distinct yet have been blurred together. Despite the conceptual ambiguity in the literature, the official construction of the cultural pillar of GNH clearly locates Buddhism as the foundation of the cultural values of the country. These Bhutanese cultural values - balance, compassion, egalitarianism, compromise and interconnectedness – are distinctly Buddhist values.

**Good governance**

Good governance provides a means to pursuing the other three pillars of GNH. The successful promotion of equitable socioeconomic development, environmental conservation and cultural preservation requires a governance framework that is effective across all levels of government, responsive to people’s needs and avoids corruption. The values of transparency, responsiveness, accountability, popular participation and efficiency are the foundation of such a governance framework.

Central to understanding the role of these four pillars in guiding Bhutanese development is their integrated nature. GNH is not just a development framework of multiple dimensions, it is a framework of pillars that are holistic and integrated, recognizing the complexity and interrelationships within and across social, economic, ecological, cultural and governance systems. Such an interrelated approach avoids sectoral fragmentation that can work at cross-purposes. According to the former prime minister: “Only with such a holistic perspective, the externalities cannot disappear from view in one sector and reappear as cost in another” (Thinley 2007: 7). The purposeful approach to holistic integration is clear in official Bhutanese documents and speeches that regularly describe the GNH framework of four pillars with terms such as “synergistic”, “harmonious balance”, “interwoven in reality” and “balance and synergy” (GNH Commission 2009a: 17; 2011: 8; Planning Commission Secretariat 2000: 6; RGoB 2005a: 15; Thinley 2007: 7). McDonald argues that the four pillars represent “… overlapping domains of interaction, ones which are truly inseparable from each other” (2005: 32). Given this integration, the pursuit of development initiatives requires a “meticulous orchestration” of the pillars (Rinzing 2006: 30). Such orchestration has costs. In a 1998 speech at the Millennium Meeting for Asia and Pacific in South Korea, Jigmi Y. Thinley, then Chairman of the Council of Ministers, outlined these costs and why they are worth incurring:
These four goals are superficially antithetical, but they are fundamentally complimentary and consistent. The cost of maintaining culture and environment often makes development projects more expensive in the short run but pays in the long term. It would have been easier for us to become economically self-reliant had we not been so deeply devoted to the promotion of our culture and environment. Cultural and environmental objectives can be restraining factors in the pursuit of blind economic interests. The rich character of the society in Bhutan would have become diminished, even impoverished, if we had allowed a flood of cultural influences and environmental degradation to set in. At the same time, the susceptibility of the people to a diminution of happiness would have increased if we concentrated only on generation of wealth. (Thinley 1998: 16-17)

The GNH framework’s integrated pillars and supporting values are, again, clearly infused with a Buddhist influence. Buddha outlined the Noble Eightfold Path as the means to end suffering and achieve genuine happiness and enlightenment. The fifth path, “Right Livelihood”, involves balancing the relationships between three interconnected components: human, social and environment (Rinzin et al. 2007: 54). Moreover, individual GNH pillars are also justified in Buddhist terms. The equitable socio-economic development pillar is a reflection of the Buddhist ethic of egalitarianism and minimization of suffering among the marginalized (Ura & Kinga 2005: 42). The environmental conservation pillar is embedded in the Buddhist notion that all human and non-human beings exist within a web of relationships that are non-hierarchical and interrelated, and therefore must be kept in harmony (Priesner 2004: 37-38; RSPN 2006: 6). In addition, the Buddhist conception of cyclical time dictates that environmental preservation is always in everybody’s ongoing and everyday interest, both for current and future generations (Priesner 2004: 37-38; Thinley 1998: 19). The cultural preservation and promotion pillar is rooted in the Buddhist notion that successfully restraining aspirations and cravings is tied to securing a strong cultural identity and this cultural identity, in turn, is interconnected over time and with the environment and the management of environmental resources (Upreti 2005: 5; Zurich 2006: 664-665). In the context of Buddhism’s focus on the interrelationship between outer conditions and internal consciousness, the good governance pillar is posited as an outer condition that can help cultivate internal consciousness (Tashi 2004: 490-491). Furthermore, it is suggested that the good governance pillar requires leadership characteristics that are a reflection of Buddha’s Eightfold Path (Rapten 2006: 7-8).

Gross National Happiness has always been perceived as a dynamic strategy (Planning Commission 1999b: 10; Upreti 2005). As such, it has evolved conceptually. In the early 2000s, GNH was expanded from the original four pillars to nine domains in order to give it greater conceptual form (Ura et al. 2012: 109). These nine domains broaden the four original pillars into
psychological wellbeing, health, time use, education, cultural diversity and resilience, good governance, community vitality, ecological diversity and resilience, and living standard (Ura et al. 2012). Again, the four pillars are often still viewed as the overarching framework of Gross National Happiness (GNH Commission 2009a: 18) and, as subsequent analysis will show, the nine domains are not often used to define GNH by those involved in implementing it.

The GNH pillars and domains act as a strategic framework rooted in Buddhist values that guides the achievement of happiness as the end goal of development. What is often less clear is exactly how the pillars and domains do so. Popular perceptions of GNH often assume a direct link between the implementation of the framework and the creation of happiness. The reality is more subtle. While relatively little scholarly analysis of the application of GNH has occurred, the official construction of the GNH framework clearly emphasizes the central role of the framework as creating the enabling conditions for pursuing happiness; the framework itself does not directly lead to happiness (Dessallien 2005: 40; GNH Commission 2009a: 17; GNH Commission/UNDP 2011: 16; Mancall 2004: 27; Planning Commission Secretariat 2000: 16; RGoB 2005a: 18; Ura 2003: 2; Thinley in Burns 2011: 76; RGoB n.d.: 47; Thinley 2007: 6; Zurich 2006: 662). According to Karma Tshiteem, Secretary of the Gross National Happiness Commission: “Happiness still remains an individual responsibility, but the State makes sure that the necessary conditions are there for people to pursue the path they choose” (in Braun 2009: 34). This is a critical distinction. The GNH strategy does not create or impose happiness on individuals and society. It fosters the conditions that provide people with the capability to choose to live happy lives. Pursuing development policies that generate equitable socio-economic development, a healthy environment and vibrant culture, all supported by good governance, creates the enabling conditions that allow Bhutanese individuals and society to pursue happiness and fulfill their potential as human beings.

In choosing to define the GNH framework as one that creates enabling conditions, GNH has clear connections to Sen’s capability approach and UNDP’s human development paradigm. At the same time, the construction of GNH largely predates the scholarly and practical work on the capability approach and the human development paradigm. Moreover, the fourth king’s inspiration for GNH does not draw on any western or liberal influences given its foundation in a long Buddhist philosophical tradition recognizing the integrated nature of happiness and
Nonetheless, both scholarly writings and official government documents on GNH explicitly make the connection between the human development paradigm and GNH, frequently drawing upon the UNDP’s language of ‘choice’ and Sen’s language of ‘freedoms’ and ‘capabilities’ (Planning Commission Secretariat 2000; GNH Commission/UNDP 2011; Johnson 2004; RGoB 2005a; Thinley 1999). There remain, however, clear differences. GNH is grounded in Buddhist values while Sen’s approach and the human development paradigm are rooted in the liberal tradition (Robeyns 2005: 95). The Bhutanese themselves have sometimes further argued that the GNH framework encompasses a broader range of dimensions than the human development paradigm (Ura et al. 2012: 110; Ura & Kinga 2004: 103; RGoB 2005a: 15). While this argument has some merit, it is perhaps a slightly unfair treatment of the human development paradigm, which was never intended to be limited to the few indicators that make up the Human Development Index (Alkire 2010: 39, ul Haq 1995: 58). More significantly, the Bhutanese government argues that the human development paradigm’s focus on choices, or empowerment, makes it a means to happiness, which is the end goal of development (RGoB 2005a: 17-18). The happiness focus of GNH therefore represents the larger end to which the human development paradigm contributes. For the government of Bhutan, this makes GNH unique: “Now, GNH has become Bhutan’s salient contribution to the development discourse, as it takes the idea of happiness from a utopian element to an imperative for national (and global) development” (RGoB 2005a: 15). Nonetheless, the practical strategy of creating enabling conditions remains consistent across GNH and the human development paradigm (RGoB 2005a: 18), making the two approaches “wholly compatible and complementary” (GNH Commission/UNDP 2011: 16).

Again, GNH treads terrain far removed from the economic growth model that has dominated development theorizing and practice in the past. GNH’s focus on multiple dimensions rooted in a Buddhist ethic that values integration, balance and compromise across these dimensions is often referred to as the “Middle Path” (Hargens 2002; Rinzin 2006). It is a middle path that strives to locate a distinctly Bhutanese development process within the larger and inevitable influences of modernization, consumerism and globalization, drawing on their benefits but avoiding their negative influences (Imaeda 2008: 140; Planning Commission 1999a: 25; 1998b:

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7 A number of Bhutanese respondents mentioned their frustration with the tendency of some academics to assume the construction of GNH drew upon scholarly work outside of Bhutan, suggesting this tendency represents a neo-colonial attitude within academia.
According to former prime minister Lyonpo Yeshey Zimba: “Bhutan’s most valuable assets are its culture, religion, language, environment, and people. In a sense, we’re like any small company with a niche. We must modernize to survive. But we must do it in a way that ensures that we are not destroying, in the process, what makes us unique. GNH was the king’s effort to make sure that we don’t lose ourselves in modernization” (cited in Herrera 2005: 62). Ultimately, by balancing Bhutan’s development path through protecting the country’s uniqueness while cautiously drawing on the benefits of modernization, GNH serves as a means to strengthen the state; it is the foundation for maintaining Bhutan’s identity and sovereignty in a region of geopolitical giants (Mancall 2004: 142; Planning Commission 1999b: 10).

3. GNH AS THE IMAGE OF THE BHUTANESE STATE
The official construction of GNH as a holistic and integrated multidimensional development strategy rooted to its national context has leant itself to defining the Bhutanese state itself as a “GNH state”, or, more often, as a state aspiring to become a GNH state (Dessallien 2005; Mancall 2004; Tashi 2004: 485; Ura 2003: 1; Zangmo in McDonald 2010: 119-120). As a result, GNH is often portrayed as a normative statist goal, a legitimization of state policy or a self-representation of the state itself (Ura 2007: 41). Examples are numerous. The state’s central role in promoting the enabling conditions for GNH is entrenched in article 9.2 of the constitution. Many central government ministries have GNH embedded within their mission statements. Legislation on the role of local governments ties them explicitly to fostering GNH. Upon his ascension to the throne in 2006, the fifth King, as head of state, declared that pursuing GNH will be a defining component of his reign (in Kinga 2009: 298). GNH is officially infused deeply into the very character of the state.

The official conceptualization of Bhutan as an aspiring GNH state suggests that GNH is a critical component of the image, in Migdal’s terms, of the Bhutanese state. The state-in-society approach conceptualizes the state’s image as that of a coherent, cohesive entity that represents its people within a defined territory. GNH fits within this notion of the Bhutanese state’s image. It is officially constructed as part of the ideological foundation of the state that promotes the multidimensional conditions of its citizens’ happiness and undergirds the sovereignty of the state as a coherent entity (Mancall 2004; Mathou 2000; Planning Commission Secretariat 2000: 16; RGoB 2005a: 15). According to a former Bhutanese cabinet minister: “The good thing is that
GNH is the image of our country. It is our North Star. We sail our ship in faith and hope” (Powdyel 2007: 75). Bhutan remains the only state in the world to formalize happiness as the national goal of the state and, indeed, the foundation of the state itself (Bok 2010: 4).

But this image can be precisely that - an image only. It is distinguishable from the actual practices of the state’s component parts as they engage with one another and with forces within society. The Bhutanese state may be an avatar of the Bhutanese population, officially guiding the country as a whole towards the creation of the conditions for individual and collective happiness, but this image is subject to being acted upon by the practices of state and society actors engaging with one another in policy implementation. Agency and collective action are potentially riddled with power dynamics. Bhutan is a country with multiple levels of government, an emerging private sector, a growing civil society sector and a non-Buddhist minority of ethnic Nepalese. These state and non-state actors hold the potential to pursue a range of priorities in the implementation of GNH, a range of priorities that might subvert the image of a coherent GNH state. Draping the image of the Bhutanese state in GNH will not necessarily coincide with the actual practices of governance actors with multiple priorities and facing multiple pressures as they engage with one another. An official construction of an image of a GNH state does not make it a GNH state in practice. The next chapter turns to an analysis of the GNH governance framework that attempts to shape these practices so they are consistent with the GNH image.
CHAPTER SIX

THE GNH GOVERNANCE FRAMEWORK

The previous chapter argued that GNH has been officially constructed as a multidimensional development strategy that is also a key component of the image of the Bhutanese state. This chapter outlines the GNH governance framework, including both actors and policy tools, and its implications for the actual practices of GNH policy implementation. It argues that the governance actors that comprise the GNH governance framework hold significant potential to subvert Bhutan’s GNH image through their implementation practices. In light of this potential, the chapter also introduces a set of GNH governance tools intended to shape the practices of GNH governance actors to avoid an undermining of the GNH image and policy outcomes.

The structure of the chapter follows this line of analysis. Through a disaggregation of the state and societal actors since the inauguration of GNH, the first section introduces the actors that are a part of the GNH governance framework and assesses the potential for their policy implementation practices to consolidate or subvert GNH policy intentions. It explores their potentially competing priorities and the diverse pressures they face in the policy implementation process. Section two outlines the GNH specific policy tools, both structures and instruments, that have been created to ensure that the potentially diverse priorities and practices of governance actors are kept in check in a manner that is consistent with GNH. Attention is paid to how these GNH tools recognize the complexity of governance interactions. The effective operationalization of the GNH governance framework – both actors and GNH policy tools – is meant to bridge image and practices, guiding the agency of governance actors towards the successful achievement of GNH outcomes.

The final section concludes with an overview of the GNH governance framework. The analysis of the framework as the engine for the practices of GNH policy implementation, combined with the previous chapter’s analysis of the official construction of GNH as the image of the Bhutanese state, lays the required contextual foundation for the empirical analysis of the actual interplay between GNH image and practices in the subsequent chapters.
1. THE GNH GOVERNANCE FRAMEWORK: DISAGGREGATED STATE & SOCIETY ACTORS

Since the inauguration of GNH as a national development strategy by the fourth king in the early 1970s, the implementation of GNH policy has evolved from being the domain of the monarchical regime to engaging a range of both state and non-state actors. The GNH governance framework that has taken shape is characterized by decentralization within the state and engagement with non-state actors as governance partners. This section overviews these GNH governance actors in historical perspective. It argues that despite the history of absolutism in Bhutan, the multiple state and societal actors that make up the GNH governance framework hold potentially diverse policy priorities and face diverse pressures that threaten to subvert a common approach to implementing GNH. The first part of the section analyzes disaggregated state actors followed by an exploration of societal governance actors.

1.1. The State

The conceptualization of the state in the state-in-society approach necessitates that the state be understood as a disaggregated entity with potentially competing priorities rooted in different pressures faced by its different components. Following this logic, this section disaggregates the Bhutanese state into its component parts. It illustrates that the GNH governance framework has evolved to be characterized by an increasingly decentralized and democratized state. The multiple levels of government actors face multiple sources of pressures that may influence their practices in the GNH policy implementation process. The disaggregation of the state follows the terminology used by Migdal (2001: 117-124), adapted for the Bhutanese context.

1.1.1. The Commanding Heights

The most visible evolution of power since the initiation of GNH as Bhutan’s national development strategy has occurred at the top of the central government. The fourth king began his reign largely as an absolute ruler (Imaeda 2008: 146; Jha 2000; Mehra 1974; Rizal 2001, 2002; Rose 1977). The National Assembly, created by his predecessor and comprised of representatives of the people, the monastic order and government, maintained a fairly significant amount of formal power, at least in the abstract, resulting in the fourth king and the Assembly being described as “dual sovereign powers” (Rose 1977: 153). The reality of these dual sovereigns, however, was not of equal partners. The monarch presided over cabinet, had the power to issue royal decrees, acted as the final court of appeal, could dissolve the Assembly and approved the Assembly’s agenda (Mathou 2000: 242; Parmanand 1992: 62; Gupta 1999:
While a few commentators have argued that the existence of the National Assembly as a body to offset monarchical rule was in fact a royal façade to justify absolute power (Jha 2000: 387-388; Rizal 2001; 2002), most commentators suggest that royal domination of the state in the initial part of the fourth king’s rule was not entirely by design. The legitimacy and respect enjoyed by the Bhutanese monarchy meant that the National Assembly consistently showed deference to the king’s wishes, resulting in a general lack of legislative assertiveness. The Assembly never questioned the king’s appointments or dismissals despite having the power to do so (Gupta 1999: 67). While there were cases of the king being criticized within the Assembly or delays in addressing the king’s recommendations, the ability of the monarch to persuade the Assembly to pass his preferred legislation was never an issue (Mathou 2000: 243-244; Parmanand 1992: 62; Rose 1977: 156). The Assembly also did not take full advantage of its power to initiate legislation, choosing instead to respond to initiatives from the king or focus solely on inconsequential, localized matters (Jha 2000: 384). The lack of assertiveness in the National Assembly was paired with intense conservatism. The rare times it flexed its muscles were to object to the fourth king’s attempts to decrease his own power and increase the Assembly’s power or that of other bodies (Gupta 1999: 65-66; Jha 2000: 386). According to Gupta (1999: 104): “…the King proves to be more liberal, more accommodating and, yes, more radical than the chimis [Assembly representatives].”

In this context, GNH acted as a philosophical guide to the king’s executive rule and was often not explicit in its application (Brassard 2008: 13; Rinzin 2006: 30-34; Thinley in McDonald 2010: 1-2). No significant political pressure on the monarch’s implementation of GNH policy existed at the commanding heights. Moreover, Gross National Happiness and its pillars were not originally conceived and constructed through a democratic process of public reasoning as Amartya Sen suggests is necessary for genuine development (2009a). Overall, this situation suggests that the construction and implementation of GNH as a national development strategy may act as a vehicle for promoting royal interests alone. Yet the inauguration of GNH set in motion a dispersal and democratization of the king’s power as part of the good governance pillar. The absolute monarchy evolved through a controlled process into a constitutional monarchy. For the commanding heights, this meant the king’s executive power was devolved in 1998 to cabinet within the National Assembly. This dispersal of power was accompanied by a more explicit incorporation of Gross National Happiness in Bhutan’s development dialog (Rinzin 2006: 31-34). With the subsequent transition to democracy, Article 1 of the constitution declares that sovereignty now rests with the people of Bhutan and identifies the constitution as the supreme
law of the state. The king is the head of state and the symbol of unity for the country and its people. The monarch maintains considerable powers of appointment, can grant citizenship and can command that a bill be introduced into parliament. At the same time, the constitution requires the monarch to step down at 65 years of age and provides a mechanism for parliament to remove the monarch with a 2/3 vote followed by a national referendum. The institution of monarchy has therefore not disappeared from the practices of governance, but its role, at least in the abstract, is dramatically reduced. The fact that the monarchy is the sole originator of Gross National Happiness, however, cannot be overlooked as a potentially powerful source of influence on GNH policy implementation.

Parliament in Bhutan’s democratic regime is made up of the upper National Council and the lower National Assembly. The National Council is made up of twenty-five members who are not affiliated with political parties. Each dzongkhag, or district, has one elected representative and five eminent people are nominated by the king. The National Assembly has 55 members who are affiliated with political parties and are elected based on representation by population. Executive power is vested in the cabinet which is led by the prime minister. An individual cannot hold the office of prime minister for more than two terms. While Bhutan has undergone a significant process of decentralization, the constitution provides the prime minister and cabinet with wide-ranging powers. These include defining the overall goals of state action and determining the resource needs of these goals, planning and implementing government policies, representing the country at home and abroad, and providing ongoing overall assessment of the state of affairs of the country.

Despite the power maintained by the commanding heights, the prime minister and cabinet are located within a decentralized regime, described in greater detail below. The political priorities of the prime minister, cabinet and their ruling party are therefore not only subject to the pressures of national electoral politics but are vulnerable to the implementation practices that go on below them at the local government level. The commanding heights is also the level to most likely feel potential pressure from the priorities of international donors with whom they engage directly. In addition, the king’s views continue to hold significant moral weight, with recent instances of the fifth king making pronouncements that directly influenced government decisions related to the eligibility of local government candidates and a delay in local elections. The practices and priorities of the commanding heights in Bhutan are therefore subject to a range of
pressures - Bhutanese voters, sub-national levels of government, donors, the monarch - that may shape and re-shape priorities that act on the implementation of GNH policy in unexpected ways.

1.1.2. The central offices
The period in which GNH has been implemented in Bhutan has also seen an evolution in the nature and influence of the central bureaucracy. In the early years of the fourth king’s reign, the bureaucracy was highly centralized and largely located within the central offices of the ministries and agencies in Thimphu, the capital. Civil servants of significant stature were also located within the dzongkhags with field workers stationed in the gewogs, but all civil servants, regardless of location, were central government employees (Rose 1977: 183; Ura 2004a: 20). While the central bureaucracy was powerful in the early years of implementing GNH, particularly in the absence of political parties (Mathou 2000: 242-244), this power was not an alternative to the monarch. The king, initially by himself and later through the Royal Civil Service Commission (RCSC), maintained control over the process of elite reproduction through the bureaucracy and, as a result, the interests and priorities of the civil service paralleled those of the king (Mathou 2000: 242; Rose 1977: 224). Rose has argued that in the late 1970s minor factionalism did exist among the bureaucratic elite, but it was solely rooted in incidental alignments over single, localized issues with class interest, ethnicity, kinship or ideology playing no role (1977: 115). The bureaucracy therefore did not represent an alternative source of power to the king in the implementation of GNH in the early years of his rule. This extended to the military. A standing army had been created by the third king in the 1950s. After military involvement in the assassination of a political official in 1964 and an attempt on the third king’s life in 1965, high military posts were, for a time, abolished (Kinga 2009: 244). Under the reign of the fourth king, the army’s small size and lack of career appeal to young, educated Bhutanese made it as depoliticized as any military institution could possibly be, representing no alternative source of political power in Bhutan (Rose 1977: 202-204).

With decentralization beginning in the 1980s, the nature of the central offices has evolved. There has been an expansion of the number of civil servants working outside of the capital city, with over two-thirds of civil servants posted at the dzongkhag and gewog levels since the early 2000s (UNDP n.d.: 9). The Department of Local Governance (DLG) was also created as part of the Ministry of Home and Cultural Affairs in 2005. The DLG provides policy analysis related to
decentralization, regulates policy implementation, monitors and evaluates policy outcomes and provides capacity development support to decentralized bodies.

The dispersal of an increased number of civil servants from the central offices to dzongkhags and gewogs potentially reshapes the influence of the central offices. The policy implementation priorities of officials in the central offices are now subject to the actual implementation practices of those who are physically located elsewhere. At the same time, these same officials remain subject to pressure from the commanding heights. Yet central ministries remain powerful, particularly as they allocate resources. Ten ministries exist and are located in the capital city. In addition, a number of autonomous agencies were created during the process of democratization and are also largely located in the capital. Autonomous agencies include such organizations and the Tourism Council of Bhutan (TCB), the National Commission for Women and Children (NCWC) and the National Environment Commission (NEC). While these agencies are formally autonomous, they remain closely linked to the central government. For example, TCB, NWCW and NEC are all chaired by either the prime minister or a cabinet minister. Like central ministries, these autonomous agencies face potential pressures from above, particularly from the prime minister and cabinet. Both ministries and autonomous agencies are also potentially subject to competition across all of the central ministries and agencies that may have competing stakes in GNH policy.

1.1.3. The dispersed field offices: Dzongkhag governments and administrations
Bhutan’s dzongkhag level governments and administrations – which roughly correspond to Migdal’s category of dispersed field offices – are the component of the Bhutanese state with perhaps the most ambiguous position in GNH policy implementation. Decentralization is a key component of the GNH governance framework. It strives to engage a broadened set of governance actors by bringing government closer to the Bhutanese people through the creation and expansion of the powers of local governments. Decentralization to the dzongkhags, or districts, began in the early 1980s. Driven by the fourth king, the first stage was the creation of the District Development Committee, or Dzongkhag Yargay Tshogdu (DYT), in each dzongkhag. All twenty dzongkhags had DYT’s by 1981. DYT’s were comprised of a combination of district administration officials and elected officials. They were “semi-representative” bodies (Turner et al. 2011: 197) that connected the central government with the dzongkhags for the process of designing development plans. Their primary role was twofold: articulating dzongkhag
level needs to the National Assembly and coordinating the implementation of dzongkhag level development activities (Gupta 1999: 70; Kinga 2009: 277; Ura 2004b: 144-145).

The creation of DYTs drove a degree of central power downwards to the twenty dzongkhags. Within each DYT, the key administrative position was the Dzongdag, a position similar to a governor (Kinga 2009: 238). The Dzongdag was appointed by the central government and responsible for civil administration and development activities in the dzongkhag (Kinga 2009: 238; Rose 1977: 183). The Dzongdag was supported by a Dzongrab, or deputy Dzongdag, as well as sector specific civil servants responsible for activities in the dzongkhag related to such things as agriculture, livestock and education but who remained central government employees.

Beginning in 2002, further consolidation of the decentralization process occurred at the dzongkhag level. New legislation broadened the political and administrative powers of DYTs and restructured the nature of their composition (RGoB 2002a; 2002b). With democratization, which included entrenching decentralization in the constitution, decentralized powers were further embedded by the Local Government Act 2009. The Act created new dzongkhag local governments with increased administrative and regulatory powers known as Dzongkhag Tshogdu (DT). Each DT is made up of all of the popularly elected officials from gewogs, or village blocks (described in detail below), within a dzongkhag, with the DT chair elected by the DT members. DTs have the power to foster socio-economic development, promote culture, make rules and regulations consistent with national laws, submit motions to parliament, endorse dzongkhag level Five Year Plans and monitor the implementation of plan activities (RGoB 2009: 54-55). The Local Government Act 2009 stipulates that these local government bodies are to promote the conditions that enable the pursuit of GNH (RGoB 2009: 11).

Each DT is supported by a Dzongkhag Administration (DA). A growing body of civil servants is now placed in each DA given the key role of the DT in each dzongkhag. The chief executive of the DA is the Dzongdag, with the Dzongrab as the deputy. Within each dzongkhag there is a wide range of general administrative and financial civil servants as well as ‘sector heads’ from individual central ministries. Sector heads include such positions as the Dzongkhag Agriculture Officer (DAO), Dzongkhag Forest Officer (DFO), Dzongkhag Livestock Officer (DLO), Dzongkhag Engineer (DE), Dzongkhag Health Officer and Dzongkhag Education Officer. A Dzongkhag Environment Officer (DEnvO) and Planning Officer are also placed within each
Dzongkhag Administration. The Dzongdag and sector heads attend DT meetings as non-voting observers.

Migdal argues that this level of the state has perhaps the most latitude to engage in practices that alter or subvert policy intentions given its distance from both central authority and the grassroots (2001: 119). This potential exists in Bhutan given the political location of dzongkhags. Yet dzongkhag governments and administrations also face significant pressures from multiple sources that have the potential to shape or constrain GNH policy implementation practices at this level. The DA is responsible for carrying out all decisions made by the DT. It is also responsible for district level implementation of national policies and programs under the direction of the central government. Further, DA officials are tasked with providing technical support, or ‘backstopping’, to civil servants located at the gewog level. The nature of these responsibilities points to a curious situation for DA officials: both the Dzongdag and the sector heads have a dual line of accountability given their role in implementing decisions emanating from both the DT and the central ministries. The Local Government Act 2009 states that the Dzongdag is directly accountable to the DT for implementing DT decisions and is also directly accountable to the Ministry of Home and Cultural Affairs on matters outside of the DT’s jurisdiction. Similarly, sector heads (e.g. Dzongkhag Agriculture Officer) are administratively accountable to the Dzongdag within the DA but accountable on technical matters to their respective central ministries (e.g. the Ministry of Agriculture and Forests). The differentiation between ‘administrative’ accountability and ‘technical’ accountability is potentially subject to confusion in the practices of policy implementation. Central ministries also control the promotion, salary and training of dzongkhag sector heads. This dual accountability of civil servants to both dzongkhag and central government officials, combined with the duty to backstop gewog level civil servants, opens the possibility for multiple sources of pressure, and potentially contradictory pressures, on dzongkhag level practices in the implementation of GNH policy. As Migdal suggests, such pressures may distort the implementation of policy in ways that are inconsistent with GNH policy intentions.

1.1.4. The trenches: Gewog governments and administrations

The establishment of DYTs in 1981 was followed by deeper decentralization in the 1990s. DYTs provided a link between dzongkhag and the central government but remained at a distance from the grassroots. In 1991, Block Development Committees, or Gewog Yargye Tshogchung (GYT),
were established by the king. Gewogs are made up of a group of villages. Decentralization to this level was intended to empower local people to play a more direct role in the definition and implementation of local development needs than was possible at the dzongkhag level (Kinga 2009: 278-279). Moreover, the gewogs were intended to help foster a greater sense of political consciousness among local people in order to promote better, more responsive governance (Kinga 2009: 279-280; Ura 2004b: 144-145). Membership in the GYTs included the gup, or headman, as GYT chair; the mangmi, or deputy headman; and individual village representatives known as tshogpas. These positions were initially elected through a household voting procedure rather than universal suffrage. Civil servants posted at the gewog level acted as observers in the GYTs.

The decentralization legislation of 2002 replaced the household voting procedure for gups, mangmis and tshogpas with universal adult suffrage. The 2009 local government legislation provided further reform, creating new local gewog government units known as Gewog Tshogde (GT), which, like DTs, are charged with fostering the conditions that enable the pursuit of GNH (RGoB 2009: 11). Each GT is comprised of the elected gup as the chairperson, the mangmi as the gup’s deputy, and five to eight tshogpas elected from the villages within the gewog. Like DTs, GTs are not legislative bodies. They have local regulatory and administrative powers, including formulating and approving five year and annual plans for the gewog (RGoB 2009: 15-18). Since 2008, increasing fiscal decentralization has occurred to both dzongkhag and gewog levels of local government. As the level of government closest to the Bhutanese people, GT officials face potential pressure from voters on the manner in which development plans are formulated and implemented locally.

Each GT is supported by a Gewog Administration (GA). The GA is supervised by the gup and headed by a Gewog Administrative Officer (GAO) (RGoB 2009: 57). The Local Government Act 2009 sets out the accountability of the GAO to the elected gup (RGoB 2009: 57). The GAO is tasked with assisting the GT in planning and monitoring the five year and annual plans at the gewog level. The GAO is also responsible for personnel administration of all civil servants from all levels of government physically located within the jurisdiction of the gewog (RGoB 2009: 58). This includes other civil servants within the GA such as the Gewog Clerk and Gewog

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8 The 2009 legislation also created municipal governments known as Thromde Tshogde (TTs). Given the predominantly rural nature of Bhutan and the nature of the policies chosen in this study, TTs are not analyzed.
Accountant, although the lack of internet connections within many gewogs as of 2011 often required the Gewog Accountant to be physically located within the DA offices. Additional civil servants located within the gewog include the Renewable Natural Resource (RNR) extension workers – Agricultural Extension Officer, Forest Extension Officer and Livestock Extension Officer. These officials are also subject to a dual line of accountability. The RNR extension officers are administratively accountable to the GAO but technically accountable to the sector heads at the Dzongkhag Administration. They must also carry out nationally defined priorities at the local level that emanate from central ministries. As a result, these civil servants are potentially subject to a large range of pressures that shape their practices as they engage in GNH policy implementation: central ministries, DA sector heads, the GAO, gup and local people to whom they deliver services. The GAO is also potentially subject to multiple sources of pressure given the position’s accountability to the locally elected gup, its administrative authority over extension workers who are technically accountable to the sector heads of the DA, and local people with whom the GAO interacts regularly. The practices of policy implementation at the gewog level occur within a complex set of potentially competing priorities and pressures.

1.1.5. The disaggregated state and GNH: Concluding comments
Disaggregating the Bhutanese state in historical perspective demonstrates that the implementation of GNH policies is subject to the practices of a range of state actors at multiple levels of government. Democratic decentralization has been a key component of the GNH governance framework as a means to engage governance actors at a level closer and more responsive to the people of Bhutan. This expanded set of government actors may not only act to imprint their own priorities on the GNH policy implementation process, but are subject to a range of potentially inconsistent pressures that may act on the nature of these priorities. Interactions within the state itself hold the potential to shape and reshape policy implementation priorities and practices and may do so in ways that diverge from GNH policy intentions and the GNH image of the state. This situation becomes increasingly complex given that the disaggregated components of the democratized and decentralized state also engage with societal actors in the process of GNH policy implementation.

1.2. Society
The dispersal of political power through the decentralization of the state has been paralleled by a recognition that the state must partner with social actors in the pursuit of GNH. The state
should not be the sole source of power. It needs to engage with a broadened range of domestic development partners, including civil society organizations and the private sector (Planning Commission 1999b: 52; GNH Commission 2009a: 51; RGoB 2005b: 3; Udsholt 2010). This sentiment is clearly outlined in Bhutan 2020, written in 1999:

[W]e can no longer assume that the Royal Government should be held solely responsible for the nation’s future development. These responsibilities should be shared and new partnerships should be formed with agents of change and development. These partnerships can and should take numerous forms in recognition of the growing complexity and the challenges faced. They should include the private sector as a means for generating self-sustaining growth; they should include the religious institutions as a means for maintaining our commitment to the spiritual and cultural dimensions of development; and they should include the growing number of national NGOs that are committed to the principles of justice, equity, social harmony and cultural and environmental conservation. (Planning Commission 1999b: 52)

These non-state actors are more recent additions to the GNH governance framework but hold the potential to bring very different priorities than the state to the process of GNH policy implementation. In addition, Bhutan has had a long relationship with international donors as key non-state development partners who may also bring their own domestic and institutional priorities. Moreover, these state and non-state actors all exist within the context of Bhutan’s earlier conflict involving the ethnic Nepalese in the south. As a considerable minority within Bhutan, the ethnic Nepalese population represents a social force that has the potential to imprint its own priorities on how GNH policy is implemented. Overall, the result is a diverse mix of societal actors that are expected to engage as governance partners in implementing GNH but who may have dramatically divergent priorities and practices inconsistent with the image of GNH. Each of these societal actors and their potential to influence policy implementation is addressed in turn.

1.2.1. The private sector

Bhutan’s history as a subsistence agricultural society combined with a dispersed and isolated population far from internal and external markets has meant that the country has no significant history of private enterprise (RGoB 2005a: 74; Sinpeng 2007: 28-30). Its history of subsistence agriculture also means that no oppositional landed elite exists in Bhutan (Rose 1977: 224). In addition, economic growth under the fourth king was driven primarily by the government controlled hydropower sector, so Bhutan has experienced no significant process of industrialization nor the development of a strong industrial or working class (Sinpeng 2007: 28-
Given the lack of a vibrant private sector, the Bhutanese government has actively sought to stimulate and engage private sector actors as key partners in the country's development. This is laid out in *Bhutan 2020*:

> We must continue with the progressive redefinition of the role of the Royal Government from that of ‘provider’ to that of ‘enabler’ of development, with a continued emphasis on the creation of conditions that mobilize the energies and imagination of people, enable entrepreneurship to flourish, and make it possible for the private sector to become a more active partner in the nation's future development. (Planning Commission 1999a: 38)

A significant attempt to foster a private sector began with the 6th Five Year Plan (1987-1992) and continues up to the present. Yet success has been limited with the sector often described as “nascent”, “sluggish” and “embryonic” (Mathou 2000: 249; Planning Commission 1999b: 29; Turner et al. 2011: 191). From 2000-2005, the formal private sector generated only 7-8% of total national revenues, with employment estimates ranging from only 1-8% (RGoB 2005a: 75). Part of the problem has been an inability to effectively reform a challenging private sector policy framework. A World Bank/IFC report ranks Bhutan 142nd out of 183 countries on its *Ease of Doing Business* index (World Bank/IFC 2010). Factors that contribute to this challenge are related the country’s size, topography, geography and history. The sector is held back by dispersed, small and isolated markets; poor transportation infrastructure given the mountainous terrain; low access to foreign technology; complex regulatory procedures; poor access to capital and a mismatch between labour force skills and private sector needs (World Bank 2010).

In 2008, the government of Bhutan recognized the lack of progress made in stimulating a private sector. The release of the 10th FYP stated flatly that the private sector “… has been unable to fulfill its potential as an engine of growth and employment” (GNH Commission 2009a: 79). The embryonic nature of the private sector should not, however, discount its potential to imprint its priorities on the process of GNH policy implementation. Privatization of the tourism sector, one of the more significant sectors of the economy, occurred in the 1990s and tourism companies represent a potentially significant governance player. More broadly, the Bhutanese government has recently redoubled its efforts to promote a more vibrant private sector through various initiatives in the 10th FYP (2008-2013), including directly building human resource capacity through short term training. An improved regulatory framework has recently been pursued through the passing of the *Economic Development Act 2010* and *Foreign Direct Investment Act 2010* as well as the development of a draft *Micro, Small and Medium Enterprise*
(MSME) Policy. The 11th FYP (2013-2018) is also expected to put greater emphasis on private sector participation in public affairs through increased public-private partnerships (Chhetri 2011a). Some success appears to be emerging. Recent figures show that medium sized businesses have increased sales by 35% and their employment by 25% (World Bank 2010: 9). Increasing capacity within the private sector has also led to calls for increased transfer of the delivery of public goods and services to private sector actors (Dorji & Schreven 2007).

The desire for the private sector to act as a development partner as the engine of equitable economic growth is paralleled by emerging incorporation of private sector actors as partners with government in the policy and planning process. Private sector actors were involved in the definition and conceptualization of the overall themes, priorities and strategies of the 10th FYP (GNH Commission 2009a: 53). Some sub-sectors within the private sector have formed and registered civil society organizations (CSOs) to advance their policy interests with government. Overall, these small but growing changes in the vitality of the private sector are reshaping the governance landscape in Bhutan. The private sector increasingly has the opportunity to engage directly with the state. It might be expected that private sector actors may attempt to impose priorities focused on greater economic growth, potentially upsetting the integrated balance intended by GNH. Further, there is a recent increase in foreign direct investment, particularly in the tourism sector, that holds the potential to impact GNH policy implementation and reshape perspectives of local private sector actors. According to Mathou: "Although the private sector is still in its infancy, entrepreneurs are forming a new category in the society whose role will be decisive in the coming years" (2008: 38). The influence of the private sector, while still small in size, holds significant potential given the government’s ongoing priority to foster its vibrancy as a governance partner.

1.2.2. Civil society and Civil Society Organizations (CSOs)

Bhutanese society has traditionally been characterized as having a low level of political consciousness (Mathou 2000: 231, 245-246). The elite have historically been made up of state officials (Rose 1977: 224; Turner et al. 2011: 191). The result has been a general perception among those outside of Bhutan that the country lacks a civil society (Ura 2004a: 17-18). Yet Bhutan has a long early history of vibrant and informal traditional associations at the local level, particularly due to the rugged and isolated nature of the country that inhibited early travel by state officials (Ura 2004a: 6). Under the third and fourth king, however, the role of local informal associations, particularly those involved in resource management, was initially circumscribed
(Galay 2001: 214-216; Ura 2004a: 12-13). Nonetheless, beginning in the early 1970s, informal traditional associations were joined by a small number of non-traditional civil society organizations. With a much greater degree of formal structure, the newly emerging CSOs addressed such areas as youth and women’s issues, religious festivals, non-religious entertainment and poverty alleviation (Galay 2001: 207-212). Labelling these organizations at the time as independent CSOs, however, is difficult. They largely became links between the government and the people, promoting awareness and implementation of the king’s priorities (Galay 2001).

The process of democratization brought with it an increased emphasis on fostering a more genuine and vibrant CSO sector. The *Civil Society Organizations Act of Bhutan* was passed in 2007. Following the enactment of the Act, the Civil Society Organisations Authority was created in 2009. The primary role of the Authority is to promote the growth of the CSO sector and act as a communication bridge between the sector and the government. By 2012, twenty-three CSOs were registered with the Authority. The emergence of the CSO Act and CSO Authority represents a significant advancement in formalizing a structural framework for CSO participation in Bhutanese governance. Yet challenges remain as, in a number of cases, several CSOs continue to have ties to the royal family as patrons.

Evidence of greater CSO engagement with policy implementation is emerging. Several CSOs have recently become members of autonomous agencies within the state, such as the Association of Bhutan Tourism Operators (ABTO) and Guide Association of Bhutan (GAB), which are members of the Tourism Council of Bhutan (TCB). Membership in the TCB positions these CSOs to directly interact with the state in shaping how policy implementation unfolds. This opens up opportunities for these CSOs to both imprint their priorities on the state or to be co-opted by the state. Civil society organizations that are members of autonomous agencies are paralleled by other CSOs that remain completely independent and those with royal patrons. The policy priorities of different kinds of CSOs may therefore diverge. Space for CSO influence on the GNH policy implementation process may be opening, but how CSOs engage with components of the state and with one another is potentially very fragmented, rooted in a mix of diverse and complex priorities.

Formal CSOs represent only a part of civil society in Bhutan. The monastic order also holds a key position within Bhutanese society. Its potential influence on governance, however, is less
obvious. The monastic order had significant influence on the Bhutanese state prior to the creation of the absolute monarchy in 1907 (Kinga 2009: 57-156). Yet it has been largely marginalized as a governance player since then, a situation that continues today. During the years of the absolute monarchy the religious establishment became dependent on the state, although its power over religious life remained intact, a situation that was mutually acceptable (Mathou 2000: 237-239; Rose 1977: 149; Turner et al. 2011: 189). The nature of Bhutanese democratization has created a framework that continues to formally restrict the potential of the monastic order to have political influence. Article 3 of the constitution describes Buddhism as the spiritual heritage of Bhutan with the king as the protector of all religions in the country. It also entrenches state funding for Buddhist monastic bodies. At the same time, the constitution clearly separates institutional religion from politics. Religious institutions and personalities are required to remain “above politics”, a phrase that has been interpreted by the government as requiring monks to be barred from holding political office or even voting (Hangen 2011: 130).

The lack of political influence in both the monarchical and democratic states, however, does not completely discount the potential influence of the monk body on governance. The monastic order maintains considerable moral authority in Bhutan. It potentially shapes and influences the values that underlie the formulation and implementation of GNH policy. As new state and non-state governance actors emerge, the role of the monastic order in shaping the value foundations of policy may critically impact the way these actors implement GNH policy.

1.2.3. The Lhotshampa minority

GNH is constructed on a foundation of Buddhist values tied to the majority Drukpa culture. Unlike the Drukpa, the Lhotshampa of the south are ethnic Nepalese who are largely Hindu, although a minority practice Buddhism. The original Nepalese immigrants came from the eastern hills of Nepal in the 1860s to fill labour shortages in Bhutan (Joseph C. 1999: 131; Kharat 2004: 79). This initiated an ongoing migration from Nepal to Bhutan that culminated in the granting of equal citizenship to Nepalese immigrants in 1958. The migration of Nepalese to Bhutan was part of a larger process of Nepalese migration throughout the region. Large immigrant populations also arose in Darjeeling, India, and constituted the majority of the population in independent Sikkim (Banki 2008; Hutt 2003: 22-24).

The granting of Bhutanese citizenship in 1958 to Nepalese immigrants was accompanied by a set of policies that promoted integration of the ethnic Nepalese into larger Bhutanese society (Hutt 2003: 145-6). Regional events beginning in the mid-1970s, however, had significant
implications for Bhutan, exploding into violence by the early 1990s. In 1975, the autonomous state of Sikkim voted in a referendum to merge with India. The immigrant Nepalese population in Sikkim played a key role in pursuing the merger (Banki 2008: 36). Immigrants of Nepalese origin also formed the Gorkhaland National Liberation Front in Darjeeling in the 1980s and violently pursued the creation of a separate state within India (Banki 2008: 37; Hutt 2003: 194). Both of these developments alarmed the Bhutanese king and elites who increasingly viewed the on-going influx of Nepalese immigrants into Bhutan, some of them illegally, as a potential threat to sovereignty. Banki (2008: 36) states that the importance of these events to the Bhutanese mentality cannot be overstated. They spurred the fourth king to initiate a series of policies intended to consolidate a coherent national identity that would avoid ethnic fragmentation and promote national unity. This included revisions to the Citizenship Act to make it more restrictive, the identification and expulsion of illegal immigrants and the implementation of a set of national standards referred to as “one nation, one people” that specified national dress, language, architectural form and etiquette, all rooted in the Buddhist Drukpa culture.

While the stated intent of these reforms was to foster unity and harmony among diverse ethnic communities (Planning Commission 1999b: 8), the immediate impact was inflamed tensions and perceptions of marginalization among the Lhotshampa population (Rizal 2004: 157). By the early 1990s, tensions devolved into violence perpetrated by both Lhotshampa and the Bhutanese army (Hutt 2003: 205-220; Joseph C. 1999: 145-146). In the face of the spiralling violence, large numbers of Lhotshampa fled Bhutan or were expelled, with approximately 100,000 ending up in refugee camps in Nepal (Khanal 1998: 152; Rizal 2004: 151). A fundamental disagreement continues to exist over their citizenship, with the Bhutanese government considering many of them illegal immigrants with no claim to citizenship (Hutt 2003). Bilateral talks between Bhutan and Nepal on the process of citizenship verification have largely been unsuccessful and, at one point, were completely derailed when refugees attacked Bhutanese verification officials visiting the camps (Banki 2008). Given the intractable nature of the problem, resettlement of the refugees to third countries gained momentum in 2009 as a means of addressing the issue.

The inability to verify genuine Bhutanese citizens in the refugee camps had implications on the process of democratization in Bhutan. A number of political parties formed in the camps but with no effective citizenship verification process in place, they were not allowed to take part in the 2008 election (Gellner 2007: 86; Whelpton 2008: 190). Violent anti-democratic insurgent groups
also emerged in the refugee camps (Whelpton 2008: 190). Little is known about these groups, which include the Bhutan Tiger Force and the United Revolutionary Front-Bhutan (URFB). In early 2008 a series of bombs exploded in Bhutan with the URFB claiming responsibility (URFB 2008). The URFB is also confirmed to have attacked and killed a group of Bhutanese forest rangers in 2008 (U.S. State Department 2008). In May and October 2011, several more bombings attributed to and claimed by the URFB occurred in two Bhutanese towns on the border with India, although they caused little damage.

Ultimately, the sporadic nature of the attacks by external insurgent groups likely has little impact on the implementation of Bhutanese development policy. The refugee situation may also be ultimately resolved, however unsatisfactorily, through third country resettlement. Yet the very existence of the conflict raises significant questions about the nature of GNH and its potential as a vehicle to promote an ethnic-based or royalist agenda. At the same time, the legacy of the conflict on Lhotshampa remaining in Bhutan today is unclear. On the one hand, no overt discrimination appears to exist in Bhutan and Lhotshampa are represented in all sectors of Bhutanese life, including the civil service, private sector, CSOs, parliament and cabinet, and with equal access to services, education and healthcare. On the other hand, the psychological toll on this population and its implications on their perception of the Bhutanese state and GNH policy, including ethnic Nepalese directly involved in GNH policy implementation, is difficult to discount. Potentially competing interests and values rooted in ethnicity or religion may emerge in the implementation of GNH policy, particularly as political space has opened with decentralization and democratization. As outlined in the methodology chapter, direct exploration of the ‘southern’ issue was not possible. Neither the ethnicity nor religion of respondents was tracked nor were direct questions asked about the impact of the southern issue on the implementation of GNH. Nonetheless, the study took an indirect approach by sampling a southern dzongkhag and five gewogs as a means to explore the policy implementation priorities and practices of officials within the south and compare these with those of respondents outside of the south. The ethnic cleavage holds significant potential to drive competing priorities and practices in the implementation of GNH policy.

1.2.4. International donors and development partners

Migdal and Schlichte (2005: 32-34) argue that societal interactions are not limited to domestic societal actors. International actors may also play a role in engaging with domestic actors and the state. In Bhutan, international donors have been recognized by the state as key
development partners in the implementation of GNH policies (Planning Commission 1999a: 21-22). They have been a critical source of development funding. At the same time, donors – bilateral, multilateral and NGO - can bring their own interests and intentions that may not converge with national development priorities or may even subvert them (Escobar 1995; Ferguson 1994; Ramalingam et al. 2008: 62). The absolute monarchy demonstrated sensitivity to this potential in its engagement with donors. Since planned development activities began with the 1st FYP in 1961, Bhutan has been selective in the donors with which it will engage. It has chosen to partner only with those that are perceived to have values and interests consistent with Bhutan’s development priorities. It has rejected offers of assistance from those that do not (Planning Commission 1999a: 21; Upreti 2005: 8; Verma 1988: 221).

By far the most important donor from the 1960s to the present has been India. Aid from India has not only been critical for funding much of Bhutan’s GNH focused development, but has provided a significant geopolitical benefit to India given Bhutan’s strategic location related to China and separatist insurgent groups in Assam (Choden 2004: 122). Beginning in the third king’s rule, India provided 100% of the funding for the first two FYPs from 1961-1971. Indian aid in these years was notable for its flexibility. Funding for the first three FYPs was in the form of grants to be used for any development purpose (Misra 2007). The proportion of Indian aid related to total development funding has decreased as Bhutan has increasingly achieved significant success at generating domestic resources. Nonetheless, it remains Bhutan’s largest development and trading partner, representing approximately 64% of all aid inflows from external donors over the last decade (GNH Commission 2011b: 67).

The fourth king expanded the sources of aid beyond India beginning with the 3rd FYP. Bhutan signed a technical assistance agreement with UNDP in 1973, followed by the development of programming with UNICEF in 1974 and UNESCO and WHO in 1975. Multilateral donors were perceived by Bhutan as being less likely to impose alternative agendas than bilateral donors (Verma 1988: 222). In addition to the development of aid relationships with the UN system, the World Bank, European Union and Asian Development Bank have also become key donors in Bhutan. Bilateral aid from countries other than India was not completely rejected, however. While aid was rejected from both superpowers during the cold war and is not currently sought from the United States government, Bhutan has established strong aid relationships with Japan,
the Netherlands, Austria, Denmark and Switzerland, and has also engaged with non-traditional donors like Kuwait, Thailand and Singapore.

The Bhutanese government, in both the monarchical and democratic regimes, has committed itself to a strategy of self-reliance to ultimately wean the country off external assistance, ideally by 2020 (Planning Commission 1999b: 60). This began with the 3rd FYP which, after 100% Indian funding for the previous two plans, incorporated 5% of the funding from internal Bhutanese resources. The proportion of Bhutan’s internal contribution to funding the FYPs has risen ever since. By the 6th FYP, Bhutan’s internal resources represented 33% of total resources. In fiscal year 2009/2010, Bhutan’s internal resources contributed 50% of total resources compared to 36% from external grants (MoF 2011). Overall, the aid to GDP ratio declined from 50% in the 1980s to 25% in the 1990s and 18% by 2010 (GNH Commission 2011b: 66; SAAPE n.d.: 53).

In addition to its focus on self-sufficiency, Bhutan emphasizes a National Execution modality of aid delivery as a means to better promote national ownership of the development process. This is most clearly reflected in its relationship with UNDP (RGoB/UNDP 2005). National Execution designates an appropriate agency within the government of Bhutan as the coordinating body for all UNDP funded activities. It assumes all responsibility for the design and implementation of UNDP initiatives but remains accountable to UNDP for financial reporting and achievement of results. The National Execution model used with UNDP has permeated Bhutan’s work with other donors. As a result, donor harmonization, a key principal of the Paris Declaration on Aid Effectiveness, is increasing in Bhutan as external development resources are now often directed through national mechanisms with a Bhutanese preference for sector or general budget support (GNH Commission 2011b: 71). Overall, donor respondents point to Bhutan’s low level of corruption as a key reason for the ability to use aid modalities that stress Bhutanese control over the planning and use of external grants. Consistent with increased harmonization and budget support, Bhutan and its donors are also slowly moving from stand-alone project-based initiatives to programme-based development, although project-based initiatives still make up a majority of external development grants (MoF 2011; 2012).
Bhutan’s insistence on choosing the donors with which it will work and using aid modalities that emphasize Bhutanese control significantly reduces the potential for its donor partners to influence GNH policy implementation in ways that are not consistent with Bhutanese interests. Yet donor priorities cannot simply be ignored. This is for two reasons. First, a reduced role for donors in a National Execution framework does not automatically mean no role in influencing how donor funding is used through national mechanisms. Second, several donors have decided to phase out funding and ultimately withdraw from Bhutan between 2013-2018. Phasing out is justified by these donors given the advancements Bhutan has made in development and its desire to be self-sufficient by 2020. On the one hand, this represents a further milestone on Bhutan’s road to self-reliance. On the other hand, early withdrawal of donor funds prior to Bhutan achieving self-sufficiency may also affect GNH policy implementation in negative ways as a decline in external aid threatens to increase fiscal deficits (GNH Commission 2011b: 69).

The role of international donors, both in terms of their active influence on policy implementation and their passive influence through withdrawal, must be taken into account as part of the governance process in the implementation of GNH policy in Bhutan.

1.2.5. Societal actors and GNH: Concluding comments

Societal actors represent a potentially significant range of forces that can imprint their priorities on the implementation of GNH policies. While the private sector, civil society and international donors are meant to be key partners in the implementation of GNH, as non-state actors their priorities hold the potential to diverge from the state’s GNH intentions and image. The priorities among different non-state actors also hold the potential to diverge from one another. The practice of GNH policy implementation is therefore subject to a potentially complex mix of priorities and pressures within a disaggregated state and the societal actors with which state actors engage. As the state-in-society lens argues, these priorities are open to being reshaped in emergent and unexpected ways through complex policy implementation interactions among governance actors. The GNH image of the state is subject to being acted upon in potentially subversive ways. This situation has not gone unrecognized by the Bhutanese government. Indeed, since around 2008, a series of GNH policy structures and instruments have been designed to navigate and shape the process of designing, implementing and measuring GNH policy. As a whole, these GNH tools attempt to shape the agency of governance actors with potentially competing priorities and pressures in a manner that successfully generates GNH outcomes. The next section turns to an analysis of these tools as a second component of the GNH governance framework.
2. THE GNH GOVERNANCE FRAMEWORK: GNH STRUCTURES AND INSTRUMENTS

Bhutan’s Gross National Happiness development strategy represents a serious approach to conceptualizing and operationalizing development in multidimensional terms. As part of the overall image of the Bhutanese state, it portrays the state as leading a coherent and consistent process to establish the conditions for the achievement of individual and collective happiness. As this chapter has demonstrated, however, the GNH strategy and image exist within a governance framework of multiple actors – both within the state and society – who may have divergent priorities and face diverse pressures that influence their practices in the GNH policy implementation process. The potential for political struggles that may subvert both the achievement of GNH outcomes and the overall GNH image of Bhutan is very real. At the same time, there has been a consistent recognition that GNH requires on-going adaptation, responsiveness and openness to learning as the development context becomes more complex (Mathou 1999: 618; Planning Commission 1999b: 53; Upreti 2005: 6). Two forces have driven recent adaptation in the GNH governance framework, leading to the creation of a range of GNH specific policy tools.

First, Bhutan and GNH became the focus of growing international academic interest. For much of the fourth king’s rule, the four pillar framework of Gross National Happiness acted as a philosophical guide to policy implementation (Brassard 2008: 13; Rinzin 2006: 30-34; Thinley in McDonald 2010: 1-2). This early restriction of GNH to a philosophical guide generated significant academic debate. A number of non-Bhutanese commentators argued that GNH was too ambiguous and needed to be properly operationalized by developing a more rigorous set of policy tools and a set of indicators (Hershock 2004; Hirata 2003; Sharrock 1999; Tideman 2004). Others argued that GNH would lose its uniqueness and flexibility if overwhelmed by rigorous definition and explicit policy tools, especially those that attempted to quantify it (Mancall 2004: 34; McDonald 2009: 614; Stehlik 1999). During the initial period of the fourth king’s rule, the Bhutanese government adhered to the latter view, or at least saw no urgency in further operationalizing GNH instruments (Brassard 2008: 13; Rinzin 2006: 34; Thinley in McDonald 2010: 1-2). However, international academic debate combined with a second force, democratization, to drive GNH adaptation. The transition to democracy in Bhutan, a process fueled by Gross National Happiness, subjects the operationalization of GNH to democratic politics. As a result, GNH is viewed as requiring ‘safeguards’ be put in place to ensure collective
action remains consistent with the goals of Gross National Happiness (Dessallien 2005). The values of caution and balance that are the hallmarks of GNH are meant to be applied to democracy as well.

A number of key policy actors interviewed at the central level outlined that the combination of international academic debate and democratization drove a shift in Bhutan’s official position as support grew for designing explicit GNH governance tools. The design of a systematic set of GNH structures and instruments was initiated in the middle of the first decade of the 2000s. Respondents involved in the design of these tools argued that they are a necessity to firmly institutionalize and embed GNH within political, administrative and bureaucratic systems so GNH becomes an inherent part of Bhutan’s democratic regime. At the same time, the policy tools demonstrate a sensitivity to complexity. Most are designed to recognize the integrated and interrelated nature of economic, social, ecological, cultural and governance systems that can lead to emergent and unexpected outcomes. Their construction recognizes, as outlined in the complex adaptive systems literature, the need to be multidimensional, flexible, adaptable and open to learning.

The GNH policy tools represent a relatively new addition to the GNH governance framework. They are meant to shape and constrain the priorities and practices of the expanded set of actors involved in operationalizing GNH in order to successfully achieve multidimensional development outcomes and reinforce the GNH image of the state. The remainder of the chapter provides an overview of these GNH governance tools. All of the GNH structures and instruments are reviewed, with special attention paid to those involved in policy implementation.

2.1. The Gross National Happiness Commission (GNHC)

The Gross National Happiness Commission came into existence on January 24, 2008. It replaced the former Planning Commission created in 1971. The GNHC is the apex body responsible for the operationalization of GNH. It is responsible for ensuring that GNH is mainstreamed into all policy-making, planning and implementation. Membership in the GNH Commission is made up of the prime minister as chair, the Cabinet Secretary as vice chair, all secretaries to the ministries, the head of the National Environment Commission Secretariat and the Gross National Happiness Commission Secretary. The GNH Commission is supported by
the GNH Commission Secretariat. The Secretariat is responsible for setting national priorities and goals for the Five Year Plans, allocating resources for the FYPs, coordinating the FYPs at the level of central ministries and agencies, supporting and strengthening dzongkhag and gewog level administration and coordinating the management of foreign aid. The GNHC also draws upon the expertise of the Centre for Bhutan Studies (CBS), an autonomous research body created in 1999. CBS played a key role in the construction of a variety of GNH tools to be discussed below, and carries out research to ensure the GNH Commission is kept updated.

2.2. GNH Index (GNHI) and GNH National Accounts

The Gross National Happiness Index (GNHI) was developed in 2008 as a tool to measure GNH policy outcomes and to use this information to inform policy formulation and implementation. Construction of the GNHI drew upon the influential work of Sabina Alkire and James Foster on multidimensional poverty measurement (Ura et al. 2012). With the completion of the GNHI tool, nationally representative surveys were undertaken in 2008 and 2010 using the index to measure overall happiness in Bhutan. Such national surveys are to occur every five years.

The index reconceptualized the four pillars of GNH into nine domains. These include psychological wellbeing, health, time use, education, cultural diversity and resilience, good governance, community vitality, ecological diversity and resilience, and living standard. Measuring the nine domains makes use of 33 indicators further disaggregated into 124 variables (see Appendix A). The nine domains are weighted equally and their results are clustered into a single aggregate measure of national GNH that is decomposable to enable comparisons of GNH across geographic districts, time, demographic categories and the nine domains. Beyond its use in measuring policy outcomes, the GNHI is meant to act as a practical policy tool to operationalize GNH. Given its decomposable nature, it can inform both policy making and implementation in multiple ways (GNH Commission 2009a: 55; Ura et al. 2012: 133) and has been designated as the “overall yardstick” for measuring the results of Bhutanese development in quantitative terms (GNH Commission 2009a: 55). At the same time, the GNHI is considered a “living experiment” intended to be dynamic and open to evolution based on learning (GNH Commission 2009a: 19; Ura et al. 2012: 133).
Bhutan has recently used the GNH as the basis for establishing the world’s first comprehensive set of national accounts (Thinley 2012). The GNH Accounts will move beyond mere measurement to assess value, providing an overall account of Bhutan’s economic, natural, human, social and cultural wealth.

2.3. GNH Policy Screening Tool

The policy screening tool is an instrument that requires both policy makers and the GNH Commission Secretariat to separately evaluate a draft policy based on the dimensions of GNH. The intention is to ensure that all of the various dimensions of development that might otherwise be ignored or emerge as externalities elsewhere are taken into account when evaluating a draft policy. The tool is comprised of a set of screening questions based on the dimensions of GNH (see Appendix B). For each screening question, a draft policy is ranked using a four point scale measuring either negative, uncertain, neutral or positive impact of the policy on the issue represented in the screening question. For the policy to pass the screening exercise, it must score an average of 3 out of 4 on each question. There are currently 26 screening questions although, according to key respondents, the number has evolved as learning has occurred through their use. Each screening process involves approximately 15 relevant stakeholders from a range of backgrounds who engage with one another in assigning points and providing a rationale for these points for each screening question.

The GNH policy screening tool is part of a larger Protocol for Policy Formulation. The Protocol ensures that the GNH Commission and its Secretariat are involved throughout the process of policy formulation to ensure GNH is mainstreamed into all draft policies before they are introduced to Cabinet. The Protocol guides the relationship between individual ministries and the GNH Commission in this process (see Appendix C). Once the draft policy receives GNHC endorsement through the Protocol and its GNH screening tool, it can be submitted to the Cabinet by the concerned ministry for approval.

2.4. GNH Project Screening Tool

The Project Screening Tool is intended to ensure the multiple dimensions of GNH are infused into projects that implement GNH policy. The tool is very similar in structure to the GNH Policy Screening Tool. It is comprised of a set of screening questions rooted in the dimensions of GNH
and is intended to shape project implementation in a manner that takes these dimensions into account. Unlike the policy screening tool, which is a single set of 26 screening questions used for all draft policies, the project screening tool is adapted for projects by specific sectors (see Appendix D for an example). Individual project screening tools exist for 19 different sectors, including such things as agriculture, forestry, education, youth, media and trade (CBS n.d.). Overall, the project screening tool is intended to guide the practices of governance actors involved in operationalizing individual projects that implement GNH policy. Both the project screening tool and the policy screening tool are attempts to ensure multiple GNH dimensions are considered holistically in policy formulation and implementation.

2.5. GNH Committees

Accompanying the creation of the GNH Commission in 2008, the government of Bhutan also approved the creation of GNH Committees. These committees are to exist within each ministry and agency in the central government as well as within each local government at the dzongkhag and gewog levels. Their role is to act as functional linkages to the GNH Commission and to ensure that GNH is mainstreamed into the implementation of all policies throughout all levels of government (GNH Commission 2012). GNH Committees are therefore intended to act as a discussion, monitoring and learning body during the process of policy implementation.

2.6. Five Year Plans (FYPs)

Five Year Plans are not new in Bhutan. They have been the central planning tool for Bhutanese development since 1961. Currently, the GNH Commission plays the lead role in coordinating the FYP process. The 10th FYP (2008-2013) is the first to explicitly frame the FYP as an instrument for achieving GNH and use the GNH Index as the instrument for measuring the development outcomes of the FYP (GNH Commission 2009a). Given the significant decentralization that has occurred in Bhutan, the 10th FYP combined top-down and bottom-up planning to ensure all levels of government are incorporated into a cohesive planning process. This included creating plans for each sector (at the ministry level) as well as within all 20 dzongkhags and 205 gewogs. Dzongkhags and gewogs were given autonomy over the design of the priorities and strategies of their individual Five Year Plans, but these were to be coordinated with national sectoral priorities and targets.
In addition to providing a greater role for local governments, the 10th FYP also introduced new management tools to ensure the FYP is directed towards the achievement of GNH outcomes. Results-based management (RBM) has been designated as the overall management approach. RBM is a management tool that moves away from process management to management for the achievement of clearly defined results conceived at various levels (Cummings 1997; Hatton & Schroeder 2007). As part of the RBM approach, actual plans within the FYP are based on a three year multi-year rolling process. While the five year plan provides the longer term perspective, the three year rolling plan is based on a 1 + 2 year model (1 year actual and 2 years estimate) to allow for greater predictability. The multi-year rolling plan is rolled over each year and operationalized through yearly annual work plans. The RBM process inaugurated in the 10th FYP is supported by a Planning and Monitoring System (PLaMS) for the reporting of physical progress in plan activities, a Public Expenditure Management System (PEMS) for the reporting of financial expenditures related to plan activities, and a Multi-Year Rolling Budget (MYRB) to promote performance budgeting consistent with the 1 + 2 three year rolling plan. All of these tools are to guide the management of annual plans towards the achievement of GNH results (GNH Commission 2009a: 53-57).

2.7. GNH Check

The GNH Check is a tool meant to assist local governments in the annual process of planning, implementing and monitoring development initiatives that operationalize the Five Year Plan at the local level. The Check enables communities to assess their identified development priorities against four criteria rooted in a modified version of GNH (see Appendix E). By assessing proposed local development initiatives against these criteria, the GNH Check intends to mainstream GNH at the grassroots level, ensuring the implementation of local development activities that remain consistent with the multidimensional and integrated nature of GNH.

Collectively, these tools represent an adaptation of GNH as it responds to democratization and increased international academic interest. They are now a key part of the GNH governance framework, a framework that brings together a broad range of GNH governance actors paired with a range of GNH policy tools. Together, this framework is intended to guide agency to promote the achievement of GNH outcomes. It is intended to bridge the GNH image with GNH practices.
3. CONCLUSION

This chapter and the previous one have provided a contextual foundation for analyzing agency in the Bhutanese case of implementing GNH as a multidimensional development strategy. Together, they have outlined the potential disconnection that exists between the GNH image of the state and the practices of governance actors in GNH policy implementation. On the one hand, GNH has been constructed as part of the image of the Bhutanese state, a state that is attempting to foster, in partnership with other development actors, the multidimensional conditions for happiness rooted in Buddhist values. On the other hand, this strategy and image exist alongside the reality of multiple governance actors from within the state and society who engage with one another in the practice of GNH policy implementation. This multitude of actors is a constituent part of the good governance pillar of GNH; the actors within the governance framework reflect the make-up of the ‘good’ in good governance in Bhutan. At the same time, as the state-in-society lens suggests, these same actors may have competing priorities that they attempt to imprint on the policy implementation process in ways that could undermine GNH outcomes and, subsequently, the GNH image of the state.

The GNH specific tools are meant to address this challenge and to do so by recognizing the complexity of the governance context. Yet little is known about the actual application and effectiveness of the overall GNH governance framework in the policy implementation process. Does it effectively navigate and shape the practices of fragmented state and non-state policy implementation actors? Or do these actors engage in struggles that impact the implementation process in ways inconsistent with GNH policy intentions and the GNH image? Does the GNH governance framework offer a potential model for shaping agency to effectively achieve human development outcomes in other contexts? The next section of the study explores these questions through an empirical analysis of the implementation of four GNH policies.
PART FOUR

IMPLEMENTING FOUR GNH POLICIES
CHAPTER SEVEN

MEDIA POLICY

One of the cultural highlights of the Bhutanese calendar is the tshechu. Across the country and at different times of the year, forts, known as dzongs, and monasteries play host to costumed and masked characters performing a variety of traditional dances rooted in Bhutanese religious mythology. Watching a tshechu is said to be good for one’s karma as sins are washed away. The tshechu in Thimphu, the capital, is broadcast on the Bhutan Broadcasting Service enabling those who cannot attend to watch it on television, a medium that was banned until 1999 in order to protect the country from unwanted external influences. An everyday encounter at a Thimphu bakery in September 2011, however, clearly demonstrates the ability of the Bhutanese media to help one wash away sins while also potentially partaking in new ones. The shopkeeper at the bakery watches the Thimphu tshechu on a television perched on top of the counter. The image of the tshechu’s traditional dancers in masks and costumes is suddenly interrupted as a child emerges from the back room of the bakery and changes the channel. Costumes and masks again fill the screen. But these costumed characters are very different. They are the Undertaker, CM Punk and Rey Mysterio of World Wrestling Entertainment, an American based wrestling empire of global proportions. The jarring juxtaposition of graceful traditional dancers acting out cultural morality tales and hulking wrestlers performing violent moves like the ‘tombstone piledriver’ and ‘choke slam’ on their opponents points to the key challenge for Bhutanese media policy: how should an increasingly free and competitive Bhutanese media contribute to GNH?

This chapter analyzes the implementation of media policy in Bhutan as it attempts to foster a “GNH media”. It begins with a short overview of the foundations of the Bhutanese media industry. It then analyzes media policy in three main sections that parallel the research questions of the study: policy intentions, which reviews the government’s initial media policy priorities and their connections to GNH; policy implementation, which analyzes the interactions and practices among multiple governance actors as they strive to imprint their potentially competing interests on the implementation of the government’s policy intentions; and policy outcomes, which compares the outcomes of media policy as of 2012 to original GNH policy intentions as a means to assess the impact of the interactions among governance actors in the process of policy implementation.
Overall, the chapter demonstrates that there has been both conflict and cooperation among media stakeholders in policy implementation and that GNH governance structures and instruments have played a very limited role in shaping these interactions. In the case of conflicts, the good governance and cultural pillars have both been subject to competing interpretations that pit aspects of GNH against one another in the search for balance. Nonetheless, the Ministry of Information and Communication has largely been able to dominate these interactions and influence the nature of policy implementation based on its particular GNH interests, resulting in policy outcomes that, for the most part, are on a trajectory that is consistent with the initial GNH policy intentions. This is due, in part, to an apparent shared commitment among all media stakeholders to a common set of values that are consistent with GNH, whether they realize this consistency or not, resulting in conflicts over how these values are specifically expressed in policy implementation, not over the values or policy priorities themselves. Despite the common set of values, media stakeholders do not share a common commitment to GNH as a national development project. The resulting paradox is policy outcomes that may generally reflect GNH values and policy intentions, but the emergence of a potential fraying of the larger image of the Bhutanese state as a coherent GNH state.

1. BACKGROUND: FOUNDATIONS OF THE BHUTANESE MEDIA
The emergence of what is known as the mainstream media in Bhutan – newspapers, radio and television – has its foundation in two developments in the 1960s and 70s. An official government gazette, known as Kuensel, was created in 1965. This was followed in 1973 by the establishment of an amateur radio station by a group of volunteers from the National Youth Association of Bhutan. The station, which would ultimately become the Bhutan Broadcasting Service (BBS), turned into a public broadcaster in 1979 when it was taken over and incorporated into the Ministry of Communications. Neither Kuensel nor BBS radio were intended to act as media outlets in the conventional sense. They served the development communications needs of the government, acting as the mouthpiece of the monarchical regime to disseminate information related to activities in the process of planned development (Mehta & Dorji 2006: 113; DoIM 2010: 47). Donors played a central role in funding the development of the required infrastructure for both Kuensel and BBS. Various UN agencies, the government of India, Danida and, more recently, JICA have been the key donors supporting media infrastructure development.
In 1986, as the infrastructure required for professionalizing Kuensel and BBS increasingly took shape, the government moved to broaden their impact. Kuensel’s role as a government gazette ended and it officially launched as a government owned national newspaper publishing in multiple languages. BBS also initiated a daily broadcast in four languages. Both BBS and Kuensel remained extensions of the civil service with content controlled by the government. By 1992, however, a significant change occurred. The fourth King issued a royal kasho, or edict, delinking Kuensel and BBS from the government. Both became autonomous corporations governed by an editorial board comprised of representatives of media professionals, scholars, government and eminent citizens (DoIM 2010: 48). The government’s subsidy to Kuensel also ended in 1999, although BBS continued to receive government funding for all capital costs and the majority of operating costs.

The King’s justification for delinking Kuensel and BBS from the government was anchored to the need for both to serve the process of decentralization (see Pek 2003: 7). While the nature of the newly autonomous media’s role in contributing to decentralization was not explicitly set out in the King’s kasho, respondents, including former journalists at Kuensel, suggest the role of the media remained that of a one-way disseminator of information but with the added dimension of better informing citizens to effectively engage in decentralized development planning. There is some evidence of a minor move to editorial independence in Kuensel following the 1992 kasho (Mehta and Dorji 2006), but both BBS and Kuensel remained subject to significant government censorship and also practiced self-censorship. The shift to autonomy for Kuensel and BBS, while constrained by ongoing censorship, laid the foundation for the development of a Bhutanese media industry that would become a significant focus of GNH policy concern over the following two decades.

2. POLICY INTENTIONS
The primary intention of Bhutanese media policy since the establishment of Kuensel and BBS as autonomous corporations has been to broaden and liberalize the media as a free and responsible industry. Broadening the media began in 1999 with the introduction of television, including foreign cable television channels. Multiple cable providers sprung up offering a variety of channels, primarily from India. BBS Television was also established in 1999 as a public broadcaster to provide local content. Prior to 1999, television had been kept out of Bhutan for a variety of reasons, with the fear of negative cultural influences being a key concern (K. Wangdi
Its legalization in 1999 came during the 25th anniversary of the fourth King’s coronation, but the reason for its introduction is not completely clear. Indeed, its introduction was notable for its apparent lack of preparation (Pek 2003: 19). Yet, the introduction of television was the beginning of a concerted effort to construct a coherent GNH media policy supported by a legislative and regulatory framework. In 2003, the Department of Information and Media (DoIM) was created within the Ministry of Information and Communication (MoIC). DoIM’s mission is explicitly linked to fostering a knowledge-based democratic society while one of its stated objectives is to promote the pillars of GNH (DoIM 2012a). The creation of DoIM was followed in 2006 by the passing of the Bhutan Information, Communications and Media Act 2006 (BICM Act). As Bhutan’s first media act, it took its direction from what was at the time the draft version of the constitution. The constitution signalled the direction of media policy in the context of Bhutan’s formal move from an absolute to a constitutional monarchy. The fundamental rights entrenched in the constitution include two directly related to media. Article 7.3 guarantees the right to information for all Bhutanese while Article 7.5 guarantees freedom of the press, radio, television and other forms of information dissemination. To fulfill this constitutional mandate, the BICM Act outlines its priority areas: facilitating privatization, fair competition and investment in the media industry; promoting universal service by improving media reach to rural areas; and clarifying the role and autonomy of the regulatory body, the Bhutan InfoComm and Media Authority (BICMA).

A policy of open licensing is the cornerstone for pursuing the priority of creating a free, privatized and competitive media industry with greater rural reach. Open licensing allows the entrance of new, private media outlets, or ‘media houses’ as they are referred to in Bhutan, to compete with one another and with Kuensel and BBS. No longer controlled by government, prospective media houses are free to enter the market as long as they meet the licensing requirements. Two key policy themes related to GNH emerge from this. First, using open licensing to create an increasingly privatized and liberalized media is viewed by the government as a means to foster the role of the media as a critical institution for promoting the good governance pillar, particularly as it relates to consolidating Bhutan’s emerging democracy. Respondents within MoIC and DoIM as well as multiple government documents (BICMA 2010a: 9).

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9 In addition to submitting the appropriate application paperwork and appropriate fees, the BICM Act outlines that licensing requirements require that a media house is not foreign owned nor has any single investor who owns more than 25% of another media outlet. Further, an application for a license can be rejected if it represents a threat to the sovereignty of Bhutan.
DoIM 2010: viii, xi; GNH Commission 2009a: 149) detail the importance of a free and competitive media in promoting good governance as officially constructed as a GNH pillar: acting as a watchdog to promote government accountability and transparency, informing and empowering a participatory citizenry, and providing a voice to the voiceless.

Second, liberalizing and privatizing the media through open licensing as a vehicle for good governance also opens Bhutan up to increased international media content, and entertainment programming in particular, that introduces external cultural influences into the country. This is not viewed as inherently negative. Indeed, the official construction of the cultural pillar of GNH understands Bhutanese culture as dynamic and evolving. At the same time, there is a recognition that outside cultural influences may introduce cultural values and practices that move beyond contributing to a dynamic Bhutanese culture and instead erode Bhutan’s cultural uniqueness, both in terms of outward expressions, like dress and language, and internal values, such as balance, moderation, interconnection to all things and sustainable consumption.

The open licensing policy therefore represents a single GNH policy priority that engages two key GNH pillars but does so in a way where they may potentially conflict. A roundtable meeting between Bhutan and its international donor partners drew attention to this tightrope, suggesting the media could help Bhutan “leapfrog into the 21st century” by creating an informed citizenry yet noting the “possible negative fallout on the culture and traditions” (cited in Pek 2003: 7). To address the tightrope that open licensing represents, Bhutanese media policy prioritizes not only fostering a free, privatized and competitive media, but a responsible media as well; a free media that pursues its role in good governance and as a cultural convenor in a manner that is appropriate for a GNH society. As such, the implementation of open licensing policy is supported by several additional strategies and regulations. DoIM maintains three key strategies to support the emergence of a media that is both free and responsible. First, it is focused on the provision of required infrastructure to promote national reach. Second, the Department is committed to implementing capacity development initiatives to professionalize media players to strengthen their ability to contribute to good governance and cultural promotion both effectively and responsibly. Third, direct support from DoIM in the development and promotion of local content is intended to assist emerging media players to balance global media content. DoIM’s three support priorities are set out in the 10th Five Year Plan (2008-2013), the first plan to be explicitly directed towards GNH and to use results based management as a tool to guide all activities towards GNH results. The 10th FYP contains additional strategies, such as the
promotion of media literacy among the population, but the bulk of financing is directed to professionalizing an independent media and developing and promoting local content to balance global programming.

In addition to supporting the open licensing policy through DoIM’s three proactive strategies, content regulations have been developed by BICMA, the regulatory body, to promote a free yet responsible media. These regulations, focused on such things as the portrayal of violence, crime, sexual behaviour and addictive substances, regulate content related to the media’s role in both news reporting and cultural programming.

A number of government respondents portray the balance of a free and responsible media in the Bhutanese context as something more than is found in a responsible media industry elsewhere. In a GNH society, a responsible media needs to be a “GNH media”, which, in the words of one respondent, involves “media plus” that goes beyond its traditional mandate. Several policy documents also speak of the specific need for the media to uphold the principles of GNH (see, for example, BICMA 2010a: 5; DoIM 2010; 2012: 2). Yet, beyond the regulations around media content, what this actually means in practice as the media pursues its dual roles related to the good governance and cultural pillars of GNH is not clearly outlined. There are notions of “creating national consciousness” and “counter[ing] the predominance of consumerism” and “creat[ing] content that include but are not limited to the 4 pillars, 9 domains and 33 indicators” (DoIM 2010: XX, XIX; 2012: 13), which provide some direction but are open to different interpretations. Ultimately, this lack of clarity has shaped many of the interactions and struggles among governance actors during the implementation of media policy. The next section turns to an analysis of these interactions.

3. POLICY IMPLEMENTATION

The state-in-society lens suggests that disaggregated state and non-state actors interact with one another in ways that may be conflictual or cooperative as they strive to impose their priorities on society. Furthermore, these interactions may be characterized by different patterns or sites of domination and may generate emergent issues that reshape policy actors’ priorities and subsequent actions during policy implementation. The potential result is policy outcomes that are inconsistent with initial policy intentions. Media policy in Bhutan has been subject to these shifting interactions and emergent priorities. Bhutan’s media policy intends to create a free and responsible media that contributes to good governance and Bhutanese culture in ways
that are consistent with GNH. This is to be achieved by open licensing of media houses to promote a free and privatized media, regulation to ensure a free media that is a responsible one, and government-led programming on capacity development and local content meant to strengthen a free and responsible GNH media. The implementation of these policy priorities has witnessed a variety of interactions – cooperation, conflict, isolation – across different components of the state and society as they attempt to imprint their priorities on the policy implementation process. In some cases, interactions have created emergent issues that shift priorities and constellations of governance actors.

This section analyzes these dynamic interactions in the policy implementation process. It starts by outlining the emergence of new media actors from the process of open licensing. It then turns to an analysis of four implementation issues that have arisen as these actors engage with one another: i) barriers to promoting media professionalism, ii) open licensing and the threat to media sustainability, iii) conflict over the regulation of news content and iv) inconsistencies in cultural content. Each of these issues demonstrates either a clash of priorities, hurdles to realizing common priorities, or divergent understandings of GNH pillars. At the same time, the different priorities and divergent understandings of GNH are paradoxically rooted in a common set of values consistent with GNH held by all types of governance actors.

3.1. The Emergence of New Media Actors

The immediate effect of the implementation of the government’s policy of open licensing was the emergence of new, private media players. Following the passage of the BICM Act in 2006, Kuensel, BBS and the cable television providers were joined by multiple new private newspapers and radio stations. By 2012 there were seven radio stations and 12 newspapers covering national affairs for a population of fewer than 700,000 people. By mid-2012, six applications for domestic television stations were also being considered by BICMA, the regulatory authority.

Other new media actors focused on providing support to the growing media industry also emerged. The Bhutan Centre for Media and Democracy (BCMD) formed in 2008 and is one of the first registered civil society organizations in Bhutan. Its role focuses on the provision of education and training for media stakeholders to support their role in Bhutanese democratization. More recently, The Bhutan Media Foundation (BMF) began operating in 2011. The BMF’s primary activities also focus on professionalizing the media. Unlike BCMD, BMF is
not a CSO but a foundation with royal links. The current king has taken an interest in the media and its role in fostering a vibrant democracy (see, for example, DoIM 2010: vii). As a result, BMF was established through a royal kasho and provided with seed money by the king.

The successful emergence of new media actors – private, public, CSO, foundation – has created a foundation for the free and responsible media envisioned by the government’s GNH policy intention. It has dramatically altered the Bhutanese media landscape. Kuensel and BBS now compete with a sea of private media houses with several supportive agencies in place to foster professionalism and responsibility. Significantly, as a society committed to achieving GNH with its underlying values of balance and harmony, the new media actors are not meant to solely engage in competition with one another but are intended to be collaborators and partners with government in the execution of GNH media policy (GNH Commission 2009b: 219). There is significant potential for the new media actors to engage as governance partners. Both BCMD and BMF are committed to professionalizing the media to enhance its role in promoting democracy and good governance, a key GNH priority of the government’s media policy. In addition, respondents from the private media houses described their priorities in ways that directly reflect the GNH policy intentions of government: acting as a democratic watchdog, providing a voice for the voiceless, informing and engaging a democratic citizenry and promoting a dynamic Bhutanese culture. Profit is not absent as a priority, but respondents often emphasized that profit is a means to better their role in promoting Bhutanese democracy or culture. As will be shown, however, few private media stakeholders explicitly link these priorities to GNH.

Despite similar stated priorities, the actual policy implementation practices and interactions among the various media stakeholders illustrate that their ability to engage as collaborative governance partners has been challenging. The next section turns to an analysis of four policy implementation issues. They illustrate that policy implementation, as the state-in-society lens suggests, has sometimes been dynamic, forging emergent and unexpected challenges that drive new priorities and shifting constellations of alliances among governance actors. In other cases, clear opportunities to ally and collaborate to achieve common interests have been missed.
Box 1. Key Actors in Media Policy Implementation

**i) State actors:**
Centre: Department of Information & Media (DoIM) within the Ministry of Information and Communications (MoIC), Bhutan InfoComm Media Authority (BICMA) (Autonomous regulator)

**ii) Autonomous corporations:** Bhutan Broadcasting Service (BBS), Kuensel (newspaper)

**iii) Non-state actors:**
Private sector: Private media houses and associations (newspapers, radio stations, movie production companies, cable providers)
CSOs: Bhutan Centre for Media and Democracy (BCMD)
Foundations: Bhutan Media Foundation (BMF)

**International donors**

### 3.2. Four Implementation Challenges

#### 3.2.1. Barriers to media professionalism

One of the key policy implementation strategies of the government is to professionalize the emerging media players to support their role in good governance and as cultural convenors. Many of those working within the media are self-taught. The result is a general lack of professionalism, particularly as the media industry grows and human resources requirements increase. Indeed, some of the harshest criticism of poor professionalism comes from editors, journalists and radio jockeys themselves. They speak of inaccurate reporting, sensationalism and poor grammar. One editor, referring to his own newspaper, claimed “You know I am reluctant to let my kids read the paper and learn the English language from there.”

Despite the widespread recognition of the need for more professionalism and its identification as a policy priority, collaboration among media stakeholders to promote professional capacity has not reached its potential. DoIM has provided a range of capacity building opportunities to the
media houses. This often involves bringing in international experts to facilitate training workshops or providing exposure visits outside of Bhutan. Donors have played a key role in funding these capacity development initiatives and providing scholarships for international attachments. But media houses have not always been full partners in these initiatives. In some cases, this is not by choice. Newspapers in particular are often unable to release anyone to attend training sessions given their small staff with tight publishing timeframes. In other cases, a number of respondents had misgivings about the international trainers that often facilitate the capacity development workshops, citing a lack of relevance to the Bhutanese context. More significantly, mistrust and suspicion exist, particularly among the newspapers. Mistrust, according to some respondents, fuels a concern about attending training with competitors where sharing journalism techniques and strategies may be required.

Respondents from the media houses outline the same concerns about capacity building initiatives spearheaded by the Bhutan Centre for Media and Democracy. Moreover, DoIM and BCMD have done a poor job of integrating their training and workshop initiatives to build on their respective strengths and avoid duplication. A BCMD respondent argued that the CSO has not yet been able to carve out a clear role for itself when interacting with DoIM. While providing support to DoIM in designing media literacy and other programs, for example, BCMD was subsequently unsuccessful in then accessing DoIM funds to engage with the Department in implementing these initiatives. DoIM respondents conceded that it needs to do a better job engaging with BCMD in order to avoid duplication, yet closer engagement is further hampered by the constraints BCMD faces as a registered CSO. The CSO Authority requires submission of a three year workplan that a BCMD respondent claimed allows little room for flexibility when new issues and opportunities emerge. The lack of greater integration between DoIM and BCMD is likely to extend to the Bhutan Media Foundation’s relationship with DoIM once the newly created BMF initiates its capacity development activities. In particular, respondents at DoIM outlined their reluctance to engage closely with BMF given its link to the king through its seed money, believing they cannot be viewed as having direct links to the monarch.

The inability of the various media stakeholders to collaborate more effectively on professionalization is a missed opportunity. This is not to suggest that no capacity development has occurred as multiple initiatives have been undertaken. But the limitations put on professionalization by mistrust, insufficient attention to training integration, and concern over royal links have inhibited the overall effectiveness of the government’s strategy of promoting the
responsible media aspect of a GNH media. Significantly, this has occurred despite there being no conflict across the media stakeholders over the policy priority itself of professionalizing the media.

The issue of mistrust among the media houses is a significant one with broader implications for policy implementation. The suspicion evident among the newspapers is a spin-off of the open licensing policy. The resulting rapid growth of newspapers has led to regular movement of editors and journalists across newspapers as they are lured by better pay packages. Respondents in the government view this as a positive development as it signals market principles at work that will improve the quality of journalism. Most newspapers, however, view one another with deep suspicion as a result. Beyond just impacting the willingness of some to attend capacity development initiatives together, this suspicion has often inhibited the ability of newspapers to collaborate to impose their collective interests on policy implementation, particularly in the face of an emergent sustainability crisis brought on by the open licensing policy.

3.2.2. Open licensing and the threat to media sustainability

The emergence of new media actors was the most immediate effect of the policy of open licensing. Their emergence has occurred in the larger context of Bhutan's nascent private sector. Private media houses and Kuensel, which lost its government subsidy in 1999, are dependent on advertising for their survival. Yet the nature of Bhutan’s private sector – tiny and primarily composed of businesses related to international tourism or small retail outlets – offers few sources of private advertising revenue. Government departments and ministries represent the major source of advertising. As the media industry quickly expanded, the government decided that fostering a free media that avoids monopolies requires government advertisements to be shared across all media houses. A 2007 circular from the Finance Ministry instructed all government ministries to distribute their advertisements accordingly. This has had two significant effects. First, it provided a guaranteed source of revenue, making entrance into the media industry attractive. Many newspaper respondents described the perception of the media industry as a ‘cash cow’ given the automatic access to government advertising, which represents between 80-90% of the funding brought in by media houses (DoIM 2010: 35). Second, and paradoxically, guaranteed government advertising revenue has become a threat to the sustainability of the media industry. Guaranteed revenue has attracted the establishment of far more media houses than can be sustained by finite government advertising funds.
Newspapers are particularly vulnerable as by 2012 there were twelve national newspapers serving a country of under one million people. A number of respondents from newspapers and government suggested Bhutan’s size could be adequately served by four or five national newspapers. Nonetheless, government respondents were adamant that the constitutional guarantee of a free media required to promote GNH does not allow limits to be placed on the number of media licenses. Newspaper respondents outlined their concern that the resulting decrease in the percentage of government advertising revenues they receive has started to undermine their ability to undertake investigative journalism that holds government to account, has driven the use of journalistic shortcuts that reduce professionalism and limits their ability to place journalists throughout the country to give voice to rural issues. An internal conflict within the good governance pillar of GNH therefore exists. The financial sustainability problem, brought on by the need to foster a free media consistent with the good governance pillar of GNH, is a direct threat to maintaining the media’s role in effectively promoting the good governance pillar.

The challenge of sustainability has created an emergent set of conflicting interests. Several private newspapers have prioritized the need to decrease competition as a means to create a smaller, more sustainable newspaper industry that can exist on the available government advertising revenue. Respondents framed this priority in good governance terms, suggesting the current implementation of open licensing policy is irresponsible as it subverts the creation of a sustainable newspaper industry that can adequately play a governance role upholding the values of accountability, transparency, pluralism of views and participation. DoIM, in contrast, has maintained its original priority, with respondents arguing that the sustainability issue created by open licensing will foster a more professional GNH media. It will weed out weak newspapers, leaving those that are most effective in carrying out their governance watchdog role and providing a forum for informing and engaging the participation of citizens. Opposing positions on the implementation of the open licensing policy are therefore rooted to the same set of good governance values.

The values underlying both DoIM’s position and that of the newspapers may be the same, but their opposing priorities for achieving these values have led to attempts to influence policy implementation in conflicting ways. Different newspapers have pursued their emergent priority of decreasing competition through two strategies. First, a number of respondents from private newspapers described their attempts to convince DoIM to place a moratorium on licensing new
newspapers. These attempts have been tepid and have not met with any success. Respondents from the newspapers offered no evidence that they have been able to collaborate on this effort despite their common interest. Indeed, quite the opposite is the case as mistrust again intrudes on effective collaboration. In the face of the private media’s inability to collaborate, the government has not been confronted by any effective pressure to refocus the way media licenses are distributed.

The second interest of a number of private newspapers has been to pursue greater revenue by attempting to expand their operations through acquiring other newspapers or converging their existing content with other media platforms. The 2006 BICM Act, however, places limits of cross-media ownership in order to avoid media monopolies that infringe on GNH by limiting competition and diverse media voices. Cross-media ownership is defined in the Act as any combination of components of the media. The Act further states that no one with over twenty-five per cent of the “total paid up capital of any other person engaged in the ICT and media business in Bhutan” is entitled to apply for another media license. The implementation of this provision, however, has been a source of confusion, particularly around the difference between cross-media ownership and single media concentration. Respondents from the media houses, government and BICMA all recognized this confusion, but pointed the finger at one another as its source: BICMA respondents suggested the government has not been consistent in its views of applying the Act while media houses are too lazy to read the Act; respondents from DoIM suggested the media houses are interested in pursuing monopolies and have fuzzied the issue as a result; the media houses argued the definition of cross-media ownership changes from Minister to Secretary to Director to the regulatory authority. As a result of this confusion, respondents from the media houses claimed that attempts to broaden their operations either through acquisition of similar media or convergence with different forms of media have gone nowhere. Further confusing the situation is the case of BBS, an autonomous corporation with government subsidy, which already has a cross-media format given its radio and television stations. BBS is discussing even greater convergence by using the same journalists across both its television and radio operations in order to cut costs. According to one exasperated newspaper editor: “I don’t get it, the law is a double standard.” Despite the inconsistency, the private papers by 2012 had been unsuccessful in pushing an interpretation of the Act that would allow them to expand their operations and increase revenues.
The inability of newspapers to mobilize as an industry has enabled the Ministry to pivot, where necessary, to address pressures around the sustainability issue on its own terms. In one case, this has enabled the Ministry to continue to successfully pursue its original policy intentions while responding to newspaper pressures. In a second case, the Ministry’s actions have spurred new, emergent patterns of interactions among media stakeholders that have influenced the process of policy implementation in ways that are not completely consistent with the Ministry’s GNH policy objectives.

The first case involves the Ministry’s response to the issue of cross-media ownership. In 2012, the Ministry developed and released a draft media Bill known as the Bhutan Information, Communications and Media Amendment Bill 2012 to address a number of shortcomings in the BICM Act of 2006. One of the issues is clarifying the nature of cross-media ownership. The existing Act’s confusing language around cross-media ownership and single media concentration is replaced in the current draft with the distinction of a 25% limit of market share of an individual media sector or 25% of market share of the combined media, with definitions of market share provided for each form of the mainstream media. By doing so, the draft Bill clarifies the issue, but does not bend to the desire of some private sector newspapers to allow greater media concentration.

The Ministry’s second policy pivot to address the emergent sustainability issue is an attempt to develop a more effective advertising policy. This initiative has led to a much more complex set of interactions, emergent priorities and shifting alliances among media stakeholders. In 2009, the Department of Media and Information within the Ministry began considering the implementation of a circulation audit for the newspaper industry as part of a broader process of creating a new government advertising policy. The audit would establish circulation numbers to be used as the basis for distributing government advertisements as opposed to the current practice of sharing them across all media houses. Higher circulation would merit greater government advertising. Government respondents were clear on the link between the circulation audit and the promotion of the good governance pillar of GNH. First, basing ad distribution on circulation will promote and reward professionalism among newspapers in their role as government watchdog, while removing those newspapers that lack professionalism and are merely taking advantage of guaranteed advertising money. The clear assumption is that more professional newspapers will gain greater circulation. Second, increased circulation has a potential relationship to increased rural reach, so those newspapers with greater circulation will
likely be more effective in informing and engaging rural readers as democratic citizens. Overall, distributing advertisements based on circulation is a strategy expected to decrease the number of newspapers to a more appropriate level for the size of the population, thereby promoting sustainability and improving the quality of the newspapers as contributors to GNH.

Guidelines for the circulation audit were developed with technical input of the Audit Bureau of Circulations from India. Respondents from DoIM argued that such external input is critical to ensure consistency with international standards. The first audit was initiated in 2010 despite the absence of a larger, completed advertising policy under which the audit would take place. At the time, six newspapers were in existence in Bhutan. Reaction to the proposed circulation audit was swift. Four of the six newspapers refused to take part. While the government’s reason for the audit was rooted in a good governance justification, so too was the justification of the four newspapers for refusing to participate. Respondents from each of these four newspapers were consistent in their argument that the audit would be a death knell for a free and vibrant media that contributes to Bhutanese democracy. They argued that a free and competitive media industry is still developing in Bhutan and an unequal playing field currently exists. All point to Kuensel as having forty years of experience, being a majority government-owned newspaper and having a history of donor support to develop its publishing infrastructure. In contrast, as of 2010, no private newspaper had been in existence for more than four years or received direct donor assistance. Respondents argued that Kuensel would therefore have by far the largest circulation given its history, resulting in government advertisements flowing to primarily Kuensel, choking revenue to emerging newspapers. The result: media pluralism that provides multiple voices, an initial GNH policy intention, would be lost.

Respondents from these four newspapers are not opposed to circulation auditing in principle. They argued, however, that it should wait several years until the private newspapers are better established and are genuine competitors with Kuensel. More fundamentally, they also oppose the focus on circulation alone. While not invoking GNH’s multidimensional approach explicitly, respondents from the private newspapers argued that in order to promote a media industry that contributes to the national good in Bhutan, an audit should include other dimensional and integrated criteria, such as employment generated by a newspaper, quality of content as a government watchdog, degree of national coverage, local content and provision of a voice for the voiceless. Several respondents also argued that designing such criteria should not draw upon technical input from an external organization as was done with the Circulation Audit.
guidelines, suggesting Bhutan’s media landscape is unique. Audit guidelines, in their view, need to account for this uniqueness.

In the face of opposition from four newspapers, the two remaining newspapers – Kuensel and Bhutan Observer, one of the first private newspapers - agreed with the need for a circulation audit. Similar to the view of respondents from DoIM, Kuensel respondents believed auditing will solve the sustainability crisis and promote a more professional media industry capable of playing a key role in Bhutan’s democracy. Bhutan Observer maintained some of the same concerns as the other private newspapers about the fairness of a circulation audit, yet agreed that circulation auditing is in the interest of promoting transparency in the industry.

The response to the proposed circulation audit again illustrated the curious case of different media stakeholders taking opposing positions, with these opposing positions both justified in terms of promoting good governance. Moreover, the proposed audit also had the effect of forging a fractured alliance among some of the private media houses despite their distrust of one another. While respondents from the private media houses all acknowledged their history of being unable to effectively work together to pursue common priorities, the four newspapers allied to oppose the audit and directly approached the Prime Minister. Significantly, he sided with the private newspapers against DoIM, justifying his position in GNH terms of maintaining a free and competitive media: “In no way the auditing is going to alter the commitment of the government to ensure the growth of vibrant media.” He continued: “What you should be mindful of is that the Royal Government of Bhutan has not taken any policy decisions with respect to any change in the way advertisements should be placed with various forms of the media or with various papers” (cited in Dema 2010). The Prime Minister further stated that a new advertising policy would not be implemented under his government.

Faced with the position of the Prime Minister, DoIM went ahead with the circulation audit in 2010 as merely a voluntary process. Only Kuensel and Bhutan Observer participated. Audits again took place in 2011 and 2012 with several media houses again not taking part. The Director of DoIM was blunt in his assessment of the inability to effectively address the advertising issue through a mandatory audit: “distributing advertisements without knowing the reach and audience is like winking at a woman in the dark” (cited in Delkar 2012).
Curiously, the temporary alliance of the Prime Minister and the four private newspapers in opposition to DoIM’s circulation audit has not completely subverted the Ministry’s interest in implementing an advertising policy based on auditing. The Ministry built on the voluntary circulation audit with the 2012 release of a draft copy of Government Advertising Guidelines (with the rather unfortunate acronym, for the media at least, of GAG). The guidelines outline a set of criteria for placing government advertisements, including i) the reach of the newspaper, which will require auditing; ii) transparency through the publication of advertising rates and audited figures on reach; iii) investment in the promotion of the Dzongkha language; and iv) the promotion of GNH values, which are distinguished from values that promote consumption and commercialism (DoIM 2012b). The guidelines are just that – guidelines – with the cabinet having no intention of considering an actual policy change. By June 2012, however, they were beginning to take effect despite the refusal of the Prime Minister to pursue a policy change, with several ministries using them to guide their placements of advertising (M. Dorji 2012a). According to the Secretary of MoIC, “even if the cabinet doesn’t pass it formally, we will start moving in because the advertisers are beginning to do it” (cited in M. Dorji 2012a).

The use of voluntary guidelines with no formal policy change supporting them suggests, on the one hand, that the Ministry continues to be successful in pursuing its interests even in the face of a lack of support from the Prime Minister. One the other hand, the voluntary guidelines had begun, by August 2012, to sow confusion. This, in turn, betrayed differences within the Bhutanese state and its autonomous agencies over how to engage in media advertising for the benefit of a GNH media. Newspapers reported a dramatic decline in advertising from all government ministries since the introduction of the new GAG guidelines. They viewed this as an attack on the media by the government in the face of critical reporting (Arora 2012). They also pointed to the announcement made by the Election Commission of Bhutan (ECB), an autonomous body that receives government funding. The announcement stated that ECB would restrict its future advertising and announcements to Kuensel, BBS and Kuzoo Radio based on a circular from the Ministry of Finance to cut costs, pressure from MoIC, and the results of the voluntary 2012 audit (Kuensel 2012a; D. Wangdi 2012).

The outrage of private media houses in response to this announcement was paralleled by anger from the Minister of MoIC, who claimed ECB should not have issued the notification and was trying to embarrass the government (Arora 2012). The Prime Minister’s office released a press release outlining that the government had no role in ECB’s decision and that the Ministry of
Finance circular was directed to all government agencies to decrease all spending in all areas, not just advertising. The government further reiterated its position that advertising revenue should be spread as broadly as possible, keeping in mind fiscal restraints, and that the current government would not enforce MoIC’s advertising guidelines (Kuensel 2012b). In light of the government’s clarification, the ECB backed down from its original position and announced it would continue to distribute its advertisements broadly across the media houses (Kuensel 2012a). The Ministry’s attempt to address the sustainability crisis through voluntary advertising guidelines has therefore been only partly successful and has revealed fractures across components of the state and an autonomous agency on how advertisements should be used to foster a free and responsible GNH media.

3.2.3. Conflict over the regulation of news content
The policy priority of fostering a free and responsible media as part of Bhutanese democratization requires an appropriate framework to regulate news content in a way that is consistent with a free media in a GNH society. Respondents in government and the regulatory agency emphasized the need for a ‘light touch’ approach to regulation, preferring capacity development and education as a means to foster a responsible media. The Bhutan InfoComm and Media Authority is mandated as the body to implement media regulations. BICMA was separated from MoIC as part of the 2006 BICM Act, although its employees remained civil servants. Its mandate is directly linked to GNH, with its vision statement outlining BICMA’s goal of providing “free and fair use of the information and communications for all Bhutanese citizens, towards enhancing the achievement of Gross National Happiness” (BICMA 2012).

Since 2006, BICMA has developed a range of rules and regulations for the media industry in accordance with provisions on content found in the 2006 BICM Act. Two of these, Code of Ethics for Journalists and Rules on Content, are particularly significant for their implications on the media in its news reporting and watchdog role. The Code of Ethics outlines, among other things, the requirement for journalists to avoid content that is obscene or glamorizes violence, gambling, alcohol, tobacco or drugs (BICMA 2007: 3). Journalists are also to place the national interest ahead of all else (2007: 7). The Rules on Content similarly state that content that is harmful to national interest and security is not permissible. In addition, media content is to uphold Bhutan’s priorities, including Gross National Happiness (BICMA 2010a: 5). These provisions are intended to ensure that the media not only pursues its good governance role as a watchdog and public engagement platform, but does so responsibly in a GNH society.
Applying these regulatory principles in practice has generated confusion and conflict. Again, opposing positions are tied directly to the values underlying the good governance pillar of GNH. Media house respondents pointed to multiple conflicts with BICMA over different interpretations of the role of specific content in contributing to good governance. A frequently cited example was related to newspaper reports on tobacco, an issue that was very controversial given the passage of an anti-tobacco law in 2011 with particularly harsh prison penalties for relatively small amounts of tobacco possession. In some cases, publication of these stories was met with warnings from BICMA for their inclusion of photographs of cigarettes. BICMA warnings, according to the newspapers, were justified by the Authority in GNH terms, with photographs of cigarettes deemed contrary to GNH values as outlined in the Code of Ethics and Rules on Content. Individual newspapers pushed back, arguing BICMA’s response was a complete misinterpretation of what “glamorizing” tobacco means. Newspaper respondents located their opposition to the warnings in terms of good governance. They argued that publishing stories about the anti-tobacco law with accompanying photographs of cigarettes is a central part of their role in holding government to account and pressing it on perceived injustices. According to one exasperated newspaper editor: “They [BICMA] totally miss the point…. If we apply their formula we cannot run any news....” The bureaucratization of GNH through media regulations has therefore contributed to confusing practices within BICMA related to the appropriate expression of GNH values, a confusion with implications for free speech. In this instance, operationalizing the balance inherent within GNH has, in practice, again laid bare the potential for incompatibilities to arise within the good governance pillar.

The results of newspapers pushing back on BICMA’s regulatory decisions have been mixed. Some reported an ability to resolve the issue while others suggested BICMA will not listen to alternative interpretations of the regulations. The frequent inability of the newspapers to successfully influence BICMA’s interpretation of content regulations has led to a deep frustration with what is perceived as its lack of professionalism. Respondents from newspapers complained that the result of BICMA employees remaining civil servants is rigid, misinformed interpretations of the regulations by people with no media backgrounds. Greater professionalism around content regulations has become an emergent interest of the media houses as a result.

BICMA respondents did not necessarily disagree. On the one hand, they argued that violations of the GNH related regulations in news reporting are due to the media’s ignorance of the
regulations. On the other hand, they conceded that there is a professionalism issue within the Authority. Despite the 2006 BICM Act’s separation of BICMA from the Ministry, respondents from both the Ministry and BICMA recognized that the lack of professionalism is linked to BICMA’s continuing ties to the civil service. This has impaired media knowledge and promoted caution in interpreting regulations.

BICMA respondents further argued that their lack of true autonomy from the government hinders their ability to act professionally in other ways. BICMA painted itself as a junior partner, citing, for example, the government “bullying” BICMA by taking its building away and giving it to an international donor, requiring BICMA to rent inferior premises. BICMA respondents also perceived the regulator as not being a priority for government funding. The end result is BICMA’s emergent interest in de-linking from the civil service in order to act as a truly autonomous and professional body. The conflict between BICMA and the newspapers over the nature of news reporting has therefore led to a common priority – the need to address the issue of professionalism in the Authority.

Two notable issues have emerged in light of the common interest in increasing regulatory professionalism. Many newspaper respondents spoke about the need to form a press council that can engage in self-regulation. The press council is not meant to replace BICMA, but take on regulatory duties related to everyday complaints on content that should not require direct BICMA involvement. DoIM respondents supported the idea of creating a body made up of media houses themselves. This common interest would seem to bode well for collective action towards the creation of a self-regulating body. By the end of 2011, however, a press council had not yet emerged. Again, mistrust among newspapers has been a key barrier. Almost without exception, the newspapers recognized the need for self-regulation through a press council, yet most further recognized their inability to work together in setting one up. One newspaper editor put it bluntly: “But you know how things are in the media sector, one journalist or paper can never get along with other papers or journalists.” As a result, several respondents from the private media suggested that it is up to the government to take leadership on forming a press council: “They have to push us.” Distrust again subverted the ability of the private sector media to more effectively engage with one another to address the common regulatory challenges they collectively face.
The inability of the private newspapers to act collectively has not meant the issue of regulatory professionalism has gone unaddressed. It has allowed the Ministry to address the issue on its own terms. DoIM has not taken a lead role in forming a press council despite the desire of some respondents from private newspapers for them to do so. Indeed, DoIM respondents were bemused by the idea, suggesting that there is no leadership role for government in forming a self-regulating press council in a truly free and independent media industry. The Ministry has, however, chosen to address the issue of delinking BICMA from the civil service in order to promote greater professionalism. The draft of the new *Bhutan Information, Communications and Media Amendment Bill* released in 2012 attempts to establish greater autonomy of BICMA by reducing its links to the civil service. The draft Bill adds private sector representatives to BICMA’s membership and replaces the current position of Director, who is appointed by the Royal Civil Service Commission, with a Chief Executive Officer recruited through an open competition. The CEO will be responsible for recruiting employees subject to approval by members of the Authority.

Overall, differences over how regulations around news content have been applied illustrate that various media stakeholders continue to agree on the underlying values of good governance – promoting transparency, accountability, inclusion and participation - but disagree over how these values are expressed. The differences also fueled a common emergent priority to better address the issue of professionalism in content regulation. Ultimately, the private sector actors have again been less able than the Ministry to imprint their priorities given their mistrust of one another. Moreover, the challenges related to content regulation have not been limited to news content and investigative reporting. Inconsistencies in the regulation of cultural content and language have also emerged.

3.2.4. Inconsistencies in cultural content
The conflicts characterizing the regulation of news content have not been as evident in the implementation of strategies to promote and regulate cultural content. Media houses have been willing collaborators with DoIM in its initiatives to promote local content, particularly when financial support is available. For example, DoIM partnered with one newspaper by providing financial assistance to develop a children’s page with local cultural content to counter what is known as the “Korean Page” found in some other newspapers. The Korean page features
articles and photographs of South Korean and other international celebrities. DoIM also funded the development and production of comic books that tell the stories of traditional Bhutanese characters. In addition, DoIM provided funding to BBS Television to support the development of *Druk Superstar*, a talent show based on the *American Idol* model. DoIM’s funding came with the requirement that the show include contestants from remote areas of the country and that traditional Bhutanese music be a core part of the show.

Collaborating on the development of local cultural content is paralleled by a variety of content rules and regulations developed by BICMA intended to promote Bhutanese cultural values and practices. The *Rules on Content* (BICMA 2010a) outline a set of general principles as well as specific details around the nature of media content. The rules are explicitly located within a GNH framework. Media content is to maintain harmony, balance and the principles of Gross National Happiness. Content must not undermine the sovereignty or security of the state and must be consistent with the ‘sensitivities and expectations’ of Bhutanese cultural values. More specifically, content cannot glamorize violence or depict it exploitatively, incite crime or hate propaganda, depict explicit sexual activities or promote religious intolerance. Advertising content is also addressed, with advertisements for alcohol and tobacco banned. None of this is controversial or opposed by the media houses. Respondents were clear in their support for promoting Bhutanese cultural values and practices as a means to balance international cultural content, although they rarely framed this support in GNH terms. Indeed, some outlined the need to go even further than the regulations, with one private media house detailing its efforts to voluntarily ban vehicle advertisements as they embody values rooted in over-consumption and environmental degradation.

The focus of the regulations on a set of Bhutanese cultural values is accompanied by several regulatory requirements related to overt expressions of culture. The *Rules on Content* require that media programming be in English or Dzongkha, unless otherwise approved by BICMA. As the national language, the promotion of Dzongkha is viewed as a key part of fostering a national

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10 Many respondents spoke derisively about the Korean page, suggesting it is an obvious attempt by certain newspapers to generate profit at the expense of local culture. The editor of one newspaper that includes a Korean page tells a very different story, stating that readers’ feedback about the page is “very underwhelming” and that celebrity pictures are primarily helpful for “fill[ing] the space when we’re hard up for news.”

11 This voluntary ban on vehicle advertisements was short lived as the financial sustainability crisis faced by the newspaper industry intruded.
cultural identity. Other regulations, to be discussed below, also place restrictions around the depictions of clothing that are not a part of the national dress, one of the most visible expressions of Bhutanese culture. At the same time, there are exceptions to these regulations given the international origin of some media programming. The public radio broadcaster, BBS Radio, is also exempted from the language regulations and is allowed to broadcast in Sharchop and Nepali, the languages of eastern and southern Bhutan, in addition to English and Dzongkha. The implementation of these regulations and their exceptions has shaped the nature of cultural programming inconsistently across different media platforms, leading to a cultural cocktail as the media industry tries to navigate how a dynamic Bhutanese culture should be expressed.

Private radio focuses almost exclusively on entertainment. Little news reporting occurs, although, according to BICMA, this will change once the private stations have matured and developed greater professionalism. The nature of private radio’s programming – music and call-in shows - is largely a reflection of the regulations around language that allow only English or Dzongkha programming. Music programming offers what is popular among listeners in those two languages: English language popular music from North America and Dzongkha language rigar, a Bhutanese form of popular music with Indian and western influences that uses a vernacular form of Dzongkha. Rigar’s incorporation of local and international musical influences is accompanied by the frequent use on the air of “Dzonglish”, a form of speaking that is a mash-up of the two languages. Respondents from private radio stations made no apologies for this hybridity. They view their programming as a key Bhutanese cultural vehicle, embodying a cultural dynamism that is desirable if Bhutanese music is to grow, evolve and maintain its popularity. Moreover, respondents did not see this expression of cultural dynamism as a threat to underlying Bhutanese cultural values. “Modern communication”, according to one station manager, “makes the way we bring our experiences together easier. I wouldn’t say that those modern changes have affected as to who we are or what we do or what our values are.”

Call-in shows are similarly viewed as vehicles for promoting a cultural dynamism that strengthens Bhutan’s traditional culture. Radio has provided a relatively new (at least in Bhutan) form of technology that is to be taken advantage of to preserve and promote the oral tradition that is central to Bhutanese culture. Call in shows, according to respondents from private radio stations, do not just allow music requests, but involve the sharing of stories and information across a much larger geographic area, creating cultural bonds and cohesion beyond local
communities. Some shows also incorporate the sharing of traditional poetry or have been hosted by radio personalities that take on the character of traditional Bhutanese figures. The medium allows for evolution and dynamism, according to multiple respondents, but the cultural practices and values themselves are preserved through this dynamism. A number of respondents from government lamented the dominance of a hybrid culture on private radio, but relatively little regulatory action or conflict has occurred among media stakeholders.  

The cultural hybridity of private radio programming driven by the nature of content regulations is far less evident in the television industry. On the one hand, BBS Television broadcasts news and entertainment programming in English and Dzongkha with content that is almost entirely local. On the other hand, cable television is subject to far less regulatory constraints given its international origin. The government has regulated the number and kinds of channels on cable stations to include three entertainment channels, two channels each for sports and news and one with local content (Pek 2003: 21), but the specific content of cable channels represents a cultural and linguistic free-for-all of global proportions: Bollywood movies, American reality shows, Australian versions of American reality shows, South Korean music programs, Indian serials, UK nature shows, American and Indian cartoons, American movies, and news broadcasts ranging from CNN to BBC to Al-Jazeera. With this programming comes a barrage of Indian advertisements for consumer goods, many of which, such as the ubiquitous ads for skin lightening cream, are based on perceptions of beauty defined in western terms.

Some censorship of language and extreme violence occurs in India, but regulation by BICMA of specific content and language within television shows does not occur given the foreign source of the channels. BICMA has taken steps to ban entire channels as being antithetical to GNH, including Fashion TV, MTV and a sports station that carried wrestling. Success, however, has been limited as the ban on the wrestling channel in particular was lifted after public outcry. A night of cable television viewing in Bhutan is therefore not one of traditional or even hybridized Bhutanese cultural entertainment. It is an evening of potential exposure to the glorification of consumerism, violence, crime and sex appeal.  

12 Some respondents report some regulatory action by BICMA related to radio, though none discussed the exact nature of this regulatory action.

13 Some of this programming borders on the extreme, such as the early evening broadcast of Hostel: Part II, an American movie considered to be one of the classics of the ‘torture porn’ genre which graphically depicts brutal violence. While Indian censorship removed the actual depictions of torture, it simply left the nature of the violence to the viewers’ imaginations as the entire plot revolves around torture.
among cable providers and the government have not been particularly conflictual. Yet, the lack of overt conflict may soon change. By 2012, BICMA began to accept applications for licenses for local television stations. Given the nature of cable, this has generated debate within Bhutan around the proper GNH role of local, private television stations and how quality programming that is culturally appropriate and financially sustainable can be achieved (Chhetri 2011b). That debate has not yet been resolved.

The domestic movie industry is not considered part of the mainstream media in Bhutan, but its experience with regulation provides a striking counterpoint to the cable television industry. While radio illustrates cultural hybridity and cable television a cultural free-for-all, regulation of domestic movies represents a cultural straight jacket. Bhutanese-made films have experienced enormous success domestically despite the small size of the country. Bollywood movies in Bhutanese cinemas were completely supplanted by locally produced movies in the early 2000s. The success was market driven with no regulations around the national origin of movies Bhutanese theatres are required to show. Bhutanese films maintain many of the filmmaking conventions of Bollywood but are developed around Bhutanese themes, cultural practices, norms and stories. And while this content has proven to be popular from a market perspective, it is also mandated and strictly enforced by BICMA.

The *Film Guidelines and Code of Practice* require Bhutanese films to uphold national harmony and Gross National Happiness (BICMA 2010b: 3). In practice, this requires movie-makers to adhere not only to the prohibitions found in the *Rules on Content* on violence, crime, sexuality, religious intolerance and addictive substances, but the mandatory use of national dress and the Dzongkha language in all movies. Further, a Film Review Board reviews all movies to ensure the content of publicly exhibited films is “not antithetical” to the cultural values of the Bhutanese (BICMA 2010c: 6). Review panels not only catalogue objectionable scenes and language, but assess a range of technical issues, including the quality of the acting, choreography, special effects, musical score, lyrics, dialogue, editing, script, sound, cinematography and the appropriateness of the movie’s title to its story line (BICMA 2010c: 10). The result, according to a representative of the Motion Picture Association of Bhutan, is creative paralysis and cultural stagnation: “when you have too many regulations... you tend to make a documentary based on a script that has been provided by the regulatory authority.” Another respondent in the industry was less charitable, sarcastically stating “even if you have made a very shitty movie, since the language spoken is Dzongkha it is a contribution to the nation.”
What is particularly intriguing is that despite the uneasiness of private sector movie stakeholders with the strict regulations around cultural content, these same stakeholders are very positive about their role in promoting the cultural pillar of GNH. At the same time, there appears to be emerging some subtle and slightly subversive pushback by the industry to BICMA’s tight regulation. Several movies have recently been filmed outside of Bhutan, including in the United Kingdom. According to several respondents in the industry, the reason for moving to a much more expensive filming location was to incorporate different cultural themes. In particular, filming in London enabled the filmmakers to portray Bhutanese characters and experiences without the confines of traditional Bhutanese national dress.

The varied regulatory standards across radio, television and the movies have been the main media arena for negotiating what a dynamic Bhutanese culture looks like. For the most part, the regulatory process has not been one of significant conflict between media houses, BICMA and the government. However, conflict has intruded in the implementation of language regulations in the newspaper industry. The promotion of Dzongkha is a key part of the cultural pillar of GNH. The Rules on Content state that media content is to be in English and Dzongkha unless otherwise allowed by BICMA. Nonetheless, while English language newspapers are required to produce both English and Dzongkha language editions, the reverse is not the case for newspapers that publish only in Dzongkha. Private newspaper respondents are clear that they support in principle the idea of publishing in both Dzongkha and English as a means to promote the national language as part of Bhutanese culture. They also feel that it enhances their role in supporting democracy by providing information to the many rural people who do not speak English. Nonetheless, the private newspapers have pushed back vigorously against the requirement to publish in both languages given the significant additional costs. Some have defied the regulation, deciding to simply stop publishing a Dzongkha edition. One respondent reported publishing a blank page as their Dzongkha edition to protest the lack of government support and the perceived lack of fairness of the regulation. While the paper re-started its Dzongkha edition under the threat of losing its license, by mid-2011 it was again considering stopping or at least reducing the Dzongkha edition to an insert within the English edition.

By early 2012, a notable policy pivot arose, illustrating an emerging ability of the media houses to influence DoIM’s implementation of media policy. In February 2012, the Journalists Association of Bhutan (JAB) was established, bringing together journalists from the newspapers
as well as a few from radio and television. JAB had initially been started in 2006 but fell into dormancy given the inability to coordinate it effectively. With its renewal in 2012, it submitted a proposal on behalf of its members to the government to stop publishing Dzongkha editions of English newspapers. The Ministry responded with a moderation of its position. It proposed that government advertisements not be distributed to those newspapers “destroying the language”, while the government will buy up copies of those papers with good quality Dzongkha editions and distribute them to schools and institutions as a form of government subsidy for those who promote the Dzongkha language (Pelden 2012). The Ministry’s proposal is not yet approved by the GNH Commission or cabinet. It does, however, represent a rare case of the newspapers successfully cooperating to impose their collective interests onto the nature of policy implementation in a way that reshapes the government’s preferred implementation strategies.

3.3. Gross National Happiness and the Implementation of Media Policy

The preceding analysis illustrates that multiple practices and interactions among diverse media actors have occurred in the process of implementing media policy. Different media stakeholders have tried to act upon the implementation process in ways that favour their specific priorities. In this process, the analysis demonstrates that the Ministry, including DoIM, has been more successful than other media stakeholders in promoting its policy interests, which are explicitly tied to GNH. At the same time, notable for their near absence in shaping the interactions of media stakeholders are the GNH specific governance tools. The 10th plan and its results based management (RBM) strategy, which locate all planning and management within a GNH framework, have guided DoIM’s strategies of developing professionalism through capacity development and promoting local content. The current and past Five Year Plans have also guided international donors who align both the nature of their activities and their timeframe with the FYPs. Beyond this, however, GNH tools have had little influence. The new draft of an updated Media Act will need to go through the policy protocol process at the GNH Commission with its GNH Policy Screening Tool, but this is still to occur. The GNH survey using the GNH Index has captured data related to the media, but its recent publication of results has not allowed it to influence the policy process (at least at the time of data collection). Further, GNH structures and tools specific to implementation are absent. According to respondents, an active GNH Committee within the Ministry, which is intended to oversee and guide policy implementation so it remains consistent with GNH, does not exist. The GNH Project Screening Tool has also played no role, despite there being a screening tool specific to the media (CBS 2012 – see Appendix D). Moreover, a number of respondents from both state and non-state
media organizations demonstrate a surprising ambivalence or confusion related to the GNH policy instruments. One suggested they are “too complicated”, while another largely dismissed them as confusing, directly demonstrating that confusion by stating “there are so many things, like RBM and MDGs that it gets confusing.” Others suggested that the tools, and the GNH Index in particular, have muddied the understanding of GNH by broadening it beyond four pillars to nine domains, 33 indicators and over 100 variables. Still others argued that the GNH tools and the larger GNH discourse have become the domain of non-Bhutanese academics and Bhutanese government elites with poor communication to civil servants and the average Bhutanese citizen.

GNH structures and instruments may be largely absent in media policy implementation, but the analysis above also demonstrates that a common set of values consistent with GNH appear to be held by all media stakeholders. Different priorities among different stakeholders are related to specific strategies for realizing the government’s GNH policy intentions rather than fundamental differences over the policy intentions themselves. All stakeholders agree that a free and competitive media should play a key role in promoting good governance by fostering the values of transparency, accountability, inclusion and participation. Also not in dispute is the importance of maintaining and promoting cultural values of balance, harmony, moderation and responsible consumption. There is also common agreement on the value of promoting Bhutan’s national language as part of the country’s cultural uniqueness. All of these are values that underlie the official construction of GNH and its pillars. GNH governance instruments may be absent, but underlying values consistent with GNH appear to fill the void and shape the practices of governance actors. The differences that do exist are over the appropriate expression of these values.

A significant caveat must be added to the above discussion. When pressed to further elaborate on these values, respondents within and outside of government demonstrate a significant difference. Most respondents in government and those in Kuensel and BBS describe these as GNH values. With the exception of respondents in the movie industry and one newspaper editor, private sector media houses do not, usually referring to them as Bhutanese or Buddhist values. This is no mere semantic difference. The apparent existence of a common set of values that is consistent with GNH values is not shared by a common, explicit commitment to GNH itself. Quite the opposite is often the case. The use of the term “GNH media” by government respondents is contrasted by the tendency of many respondents in private media houses to
place the media *in opposition* to GNH. For these respondents, the role of the media is to critique GNH and hold it to account. The media is not a contributor to the process of realizing GNH but a watchdog of that process as part of its governance role – separate, critical and, if necessary, opposed. In this sense, the notion of a “GNH media” is vigorously opposed by these respondents, with some calling it offensive and an attempt by government to co-opt the media. One flatly stated “we will never be a GNH media.” Another claimed “we should not become part of it [GNH] but have to examine it to decide whether to accept it or trash it.” A third described the application of a GNH label to the media as a convenor of a dynamic Bhutanese culture as “quite stupid.” Multiple respondents claimed that the interest of government in a “GNH media” is an attempt to impose “happy stories” on the media. Government respondents were clear that this is a misinterpretation and that the media’s role in promoting GNH should include both positive and critical stories, but some media houses remain suspicious of a “GNH media” as one whose independence is curtailed by government.

Common values are therefore interpreted differently in their connection to GNH, resulting in the contestation of the notion of the media contributing to GNH as a national strategy. Indeed, the position that the media should play a role in opposition to GNH is a reflection of an alternative understanding of GNH. While those who support a GNH media did so in terms of its larger contribution to a national Bhutanese project and identity – Migdal’s image of the state - those in opposition commonly described GNH as merely a policy agenda of the government of the day. As such, the media must remain necessarily separate from GNH and, by definition, the government. There can be, for these respondents, no GNH media.

The experience with implementing media policy therefore demonstrates a number of competing forces. The implementation process has created multiple media actors who engage in frequently conflictual and emergent interactions. GNH governance structures and instruments are largely absent in shaping these interactions, yet a common set of values linked to GNH seems to underlie and shape the priorities and practices of all stakeholders. All of this occurs in the context of dramatic disagreements over the nature of GNH and the media’s role in its realization. Implementing the government’s initial GNH policy intentions has therefore been subject to notable power dynamics. The next section turns to analyzing the policy outcomes generated by these power dynamics.
4. POLICY OUTCOMES

The formulation of media policy in the early 2000s illustrated the government’s intention of fostering a free and responsible media that contributes to Bhutan’s democracy while preserving Bhutanese culture as a dynamic force within a globalized media landscape. These policy intentions are couched within the good governance and culture pillars of GNH. Media is to pursue its role as a democratic watchdog and a platform to inform and empower a democratic citizenry in a way that upholds GNH values. It is also to act as a cultural convenor that navigates both international and domestic programming in a manner that is consistent with GNH values and consolidates Bhutanese culture understood in dynamic terms. The process of implementing media policy has been subjected to multiple interactions among media stakeholders as they attempt to impress their specific interests and priorities in a manner that shapes policy implementation in their favour. How has this implementation process impacted the nature of policy outcomes? Are outcomes consistent with the government’s original GNH policy intentions or have they been subverted by the multiple interactions that have acted upon the process of implementation? A fairly detailed picture of media policy outcomes can be drawn from a variety of sources. Three media studies were undertaken in 2003, 2008 and 2010 by a combination of consultants, DoIM and international donors (Pek 2003; DoIM 2008; DoIM 2010). The 2010 GNH survey using the GNH Index also provides insight on Bhutanese people’s perceptions of the freedom of the media. The interviews undertaken for this study offer additional data on policy outcomes. Finally, these primarily internal sources of data are complemented by annual Freedom of the Press reports from Freedom House that provide an external assessment of the freedom of the Bhutanese media. This section assesses policy outcomes in three ways. First, it focuses on whether or not a free media has emerged in Bhutan. Second, it assesses its success in contributing to good governance in a responsible manner. Third, it assesses the media’s success in preserving and preserving Bhutanese culture in a globalized media landscape.

4.1. A Free and Competitive Media

Freedom House ranked Bhutan as “not free” in its 2002 edition of the Freedom of the Press, the first year Bhutan was ranked (Freedom House 2002). The Freedom House index ranks countries as free, partially free or not free based on three categories – legal, political and economic environments – involving 23 questions with 109 indicators. Out of a possible score of 100, with greater press freedom indicated by a lower number, Bhutan scored 72. This is not surprising given the lack of a legal framework in 2002 and the existence of only Kuensel and
BBS, both autonomous corporations with continued connections to government, alongside cable television stations. By 2012, the outcomes of media policy paint a significantly different media landscape. The policy of open licensing has contributed to the clear emergence of media pluralism. A country of about 700,000 people now has 12 newspapers, seven radio stations, approximately 40 cable channels, a single national television station and at least six local, private television license applications pending. There is little cross-media ownership or monopolistic practices (DoIM 2010: 28). The increasing pluralism is matched by a significant degree of freedom. Journalists do not face threats to their safety (DoIM 2010: 60). Nor is there government censorship, which was common in the past (DoIM 2010: 21). Respondents in both private and public media describe the current freedom with phrases such as “a dramatic sea-change” and “now like heaven”. The process of policy implementation illustrated significant conflicts over regulation of news reporting, but these were rooted in different interpretations of specific aspects of the regulations rather than attempts to censor content and silence the media. Almost without exception, respondents from media outlets state that they are largely free of government influence, with many lauding the prime minister of the day in particular as someone who takes press freedom seriously.

**Multiple newspapers now compete with Kuensel**

At the same time, respondents talk openly about self-censorship, particularly when it comes to the royal family, the monk body and sensitive national security issues like Chinese border incursions. While self-censorship clearly impinges on the freedom of the press in Bhutan, its origin needs to be understood. Self-censorship is not a response to fear of government
retaliation. Wangchuk (2007: 284) argues that what is often perceived by western observers as media control misses the reality of Bhutanese editorial policy rooted in a strong tradition of national loyalty, particularly to the monarchy. Self-censorship is a voluntary decision to contribute to a perceived collective national good. Respondents make the same case. Self-censorship is, according to one, not “…because of intimidation but because it is in our blood.” Another refers to it as “personal sensitivities” suggesting, in the case of the royal family “it’s not like Princess Diana and Dodi Fayed, we basically draw a line.”

A number of challenges to press freedom still remain. Individual members of the bureaucracy are reported by respondents to occasionally attempt to influence editorial content through a threat to withdraw government advertising. Bureaucrats also often remain as hurdles to effectively accessing information (DoIM 2010: 8). Moreover, the constitutionally guaranteed right to information has still not resulted in a Right to Information (RTI) Act despite an attempt in 2012 by a National Council member to introduce it as a private member’s Bill (M. Dorji 2012b). Private newspapers have also faced editorial pressure from their shareholders, although this is not common (DoIM 2010: 9-10). Further, given the few private sector companies that advertise in the media, there have been cases where those that do advertise try to influence content given the high demand for their advertising (DoIM 2010: 10).

Despite these challenges, all respondents in the media felt that a genuinely free media is emerging in Bhutan. Bhutanese citizens largely concur with this position. The 2010 GNH Survey found that 73% of those surveyed thought the media was either completely free or quite free. Only 15% felt it was not free (CBS 2011: 390). In 2011, at the time of data collection, Freedom House ranked Bhutan’s media as “partly free”, with its score improving to 57 from 72 in 2002 (Freedom House 2011). To put this in a regional context, Bhutan was ranked last in media freedom in 2002 among the seven members of the South Asia Association for Regional Cooperation (SAARC). In 2011, Bhutan’s ranking among the now eight members of SAARC moved up from last to fourth. Justification for Freedom House’s 2011 ranking of Bhutan as only partly free is based on its lack of RTI legislation, Kuensel’s generally favourable reporting on the government, problems with the circulation audit and, somewhat oddly, a report of a newspaper’s truck being vandalized.

Bhutan’s media continues to face challenges, and the financial sustainability issue continues to represent a real threat to the existence of a broad and vibrant media, but the outcomes of media
policy by 2012 demonstrate the existence of an independent media that is significantly freer than before. The existence of an increasingly liberalized media on its own, however, does not guarantee a media that is successfully contributing to good governance nor does it necessarily avoid cultural dilution, the two key GNH policy concerns attached to fostering a free media.

4.2. A Free Media and Good Governance

One of the policy goals of fostering a free and competitive Bhutanese media is to promote the media’s role in contributing to the good governance pillar of GNH. As Bhutan’s democracy emerges and consolidates, the media is intended to be a key player in holding the elected government to account and providing a forum to engage the Bhutanese as informed and empowered democratic citizens. The media, and newspapers in particular, have taken on the watchdog role of holding the government to account with considerable vigour. On the one hand, most respondents from private media houses are highly complimentary of the government, recognizing its commitment to a free press and appreciative of DoIM’s role in providing capacity development opportunities (whether they can attend them or not). On the other hand, the media has not hesitated to hold the government to account in ways that were not possible during the monarchical regime. Multiple examples exist of the media uncovering, reporting on and condemning corruption within government, including cases that allegedly directly touch high ranking government officials. The media has harshly criticized the government on such issues as a decades old case of allegedly illegal land transfers to Bhutanese elites, including a former prime minister; misappropriation at the Ministry of Health; the inappropriate use of official vehicles; a lottery scandal and the nature of enforcement of the Tobacco Control Act. The government has not shied away from engaging with the media despite the often critical coverage. Several media respondents reported regularly phoning and speaking with cabinet ministers. Monthly “Meet the Press” sessions are held that involve wide ranging questions addressed to the prime minister and cabinet, with one particularly infamous 2011 session involving a journalist walking out on the prime minister. Overall, the media’s role as watchdog had contributed to a reshaping of political culture in Bhutan (DoIM 2008: 64). By 2010, a survey of Bhutanese citizens showed that the media is viewed as a “torchbearer” in its role of criticizing government and illuminating issues of public interest (DoIM 2010: 43).

The media has also achieved a notable degree of success as a forum to inform and engage the population as democratic citizens. The Bhutanese media is viewed as having greater credibility than international media (DoIM 2008: 30). It is also recognized by the public as an important
platform for the free expression of opinion (DoIM 2010: 6). Nonetheless, significant challenges remain. First, the emerging role of the media as a platform for informing and engaging citizens is tempered by the on-going challenge of professionalism. Although the media has notable credibility in the eyes of the Bhutanese population, cracks in this credibility are appearing as people increasingly question the quality of reporting and its growing sensationalism as the industry becomes increasingly competitive (DoIM 2008: 38; DoIM 2010: 46, 58). Second, the effectiveness of the media in engaging a democratic citizenry remains hampered by an enduring hesitancy among Bhutanese to make their positions public (DoIM 2010: 43). The media platform exists, but use of it remains limited. How this plays out in the future is an open question particularly as new media emerges in Bhutan.

At the time of data collection, the use of new media in Bhutan was growing but still in its infancy (DoIM 2010: 78). As it emerges on a wider scale, it will provide a broader media platform for citizen voices, potentially in unfiltered and anonymous ways. A third challenge to engaging democratic citizens is the issue of access related to a considerable rural/urban gap (DoIM 2010; Pek 2003: 47). Some of this is due to the rugged, mountainous nature of Bhutan which has made electrifying the country a difficult process. It is also a reflection, however, of the location of all main media outlets within the capital. Some newspapers have posted correspondents in rural areas, but cost remains an inhibiting factor given the finite revenue available through government advertising.

Overall, the policy outcomes related to the media’s role in good governance illustrate a media growing into its role as a government watchdog in spite of the country’s history of government control. The outcomes also illustrate the increasing perception of the media as a platform for citizens to gain information and make their views known, although the evidence suggests citizens themselves have not yet gained the confidence to engage in public discourse on a large scale. At the same time, underlying all of this remains a continuing problem with a lack of professionalism rooted in the media’s largely self-taught skills, which one high ranking bureaucrat in the Ministry suggested will take a generation to fully address. When compared to the original intentions of media policy, this situation suggests that the current trajectory of the media in its good governance role is generally consistent with initial GNH policy intentions. Professionalism and sustainability problems remain, but there is no fundamental challenge to the good governance role itself.
4.3. A Free Media and Cultural Preservation

The intent of Bhutan’s media policy has been to foster the media’s role in the good governance pillar of GNH while protecting against the potential dilution of the cultural pillar brought on by a free media in a globalized context. Both regulations and proactive strategies to develop local content have been used to promote cultural values and practices in programming. As the process of implementation demonstrated, however, these regulations have varied dramatically across media platforms. The outcomes that have emerged suggest this has contributed to a cultural cocktail with both consolidating and weakening forces on Bhutanese culture.

The development of local content has achieved some notable results. For example, the development of such shows as Druk Superstar and Bhutan Star, another BBS show with a similar format, have proven to be immensely popular. While they have a structure similar to the multiple versions of American Idol that have sprung up globally, they maintain to a distinctly Bhutanese cultural ethic.14 Others have not achieved sustained success, such as the children’s page developed by one newspaper in collaboration with DoIM as a means to offer an alternative to the Korean page. The children’s page was not financially sustainable once DoIM funding ended. Despite a mixed record of success, consumption patterns of entertainment media over the last decade illustrate an increasing preference among Bhutanese for local programming (DoIM 2008: 51). For example, while 34% of respondents in the 2008 media study had access to international radio stations, less than 9% actually listened to these stations, representing a significant drop from the 2003 media study (DoIM 2008: 12). Further, Kuzoo FM, a private local radio station known for its use of radio jockeys taking on the personas of historical Bhutanese characters, was the first preference for entertainment programming, significantly higher than international television stations (DoIM 2008: 26). The popularity of rigsar music on Bhutanese radio stations and the complete dominance of Bhutanese films in local cinemas further illustrate the success of local content that incorporates international influences. The importance of both in contributing to a dynamic Bhutanese culture was recognized by the former prime minister. At a joint sitting of Parliament in 2011, he stated “The positive impact of the film and music industry on popularizing and enriching our Bhutanese culture, traditions and the national language is indeed highly praiseworthy.” He continued, “Who could have imagined that one day Bhutan

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14 An excellent example occurred in one episode of Bhutan Star where a judge consulted historical scriptures in order to assess the accuracy of the traditional lyrics sung by one young contestant (Hindustan Times 2011).
would not only give birth to its own film industry but that, in such a short time, our creative talents would combine to bring about the maturation of a film and music industry that would halt the cultural onslaught by the combined might of Hollywood and Bollywood” (cited in N. Tshering 2011).

Bhutanese movies dominate the domestic market

The flip side of the success of the media in preserving and promoting a dynamic yet distinctly Bhutanese culture is evidence of emerging cultural changes that collide with traditional Bhutanese cultural practices and values. The inconsistencies in language regulations across different forms of media have contributed to changes in language use, often to the detriment of Dzongkha, the national language. Dzonglish is increasingly used, while young people are also increasingly learning Hindi from Indian television shows and incorporating westernized forms of English (Pek 2003: 51, 54). In addition, both the 2003 and 2008 media studies found television beginning to have a significant influence on attitudes towards dress, with people increasingly preferring western fashion to the gho and kira, Bhutan’s distinctive traditional dress for men and women respectively (DoIM 2008: 53; Pek 2003: 57).
The changes in language use and dress are part of a larger lifestyle adjustment driven primarily by television. Both the 2003 and 2008 media studies found that television has contributed to altered sleep patterns, less reading, delayed meals and less radio listening (DoIM 2008: 57-59; Pek 2003: 47-49). The 2008 media study found that television did not change the frequency of religious practices such as prayers and offerings, but that they are now often done while watching television, a situation which apparently decreases by half the merit gained through these practices (DoIM 2008: 57). Finally, there is increasing evidence of the emergence of a fledgling culture of consumerism and consumption. While there is skepticism among Bhutanese about advertising, the 2008 media study found evidence that television was successfully promoting increased material desires and commercial priorities (DoIM 2008: 46-47).

The cultural outcomes of media policy are therefore mixed. The demand for local content and the success of promoting a dynamic Bhutanese culture has occurred concurrently with changes in cultural and lifestyle practices in ways that diverge from Bhutan’s traditional cultural values. This is not surprising, particularly given that the inconsistent regulations across media platforms have muddied what a dynamic Bhutanese culture might look like. While not surprising, it makes an assessment of the cultural outcomes in relation to policy intentions somewhat difficult. Without question, a dynamic, sometimes hybridized form of Bhutanese culture has resulted from media programming accompanied, on the one hand, by considerable success of traditional cultural programming, particularly in the movie industry, and, on the other hand, international programming infused with a different set of cultural values and practices. The question of what a dynamic Bhutanese culture looks like in the media remains an open one. This is perhaps unavoidable. Respondents within MoIC voiced concern about the impact of international programming on Bhutanese cultural values, but viewed the differences in cultural outputs as an inevitable and ongoing process of negotiating external cultural influences. Policy outcomes therefore suggest not a diversion from original policy intentions, but the reality of an often ambiguous and on-going process of negotiating a national culture within a free media providing international content.

Where the on-going negotiation of culture will lead as Bhutan’s media landscape continues to expand and mature is not clear. Several clues, however, are evident. One of the significant findings of the 2008 media study was a distinct rural/urban split when it comes to accessing international media content, with urban Bhutanese far more likely to consume international
media programming (DoIM 2008: 11). If this pattern persists as Bhutan continues to urbanize, foreign media content and its accompanying values may gain a greater foothold in the country. This is compounded by demographic trends. Bhutan’s population is young. The 2008 study found that the international media’s influence on dress and behaviour increases among the youth (DoIM 2008: 55). The increasingly young and urban character of Bhutan therefore opens the door to increasing external media influence in ways that may not converge with traditional notions of Bhutanese culture.

5. CONCLUSION
The outcomes of Bhutan’s media policy suggest that the government’s initial GNH policy intentions have largely been preserved even as the media continues to face some notable challenges related to sustainability, professionalism and the on-going negotiation of a dynamic Bhutanese culture. The multiple media actors that have engaged in the process of policy implementation may have dramatically different priorities over how specific aspects of media policy should be implemented, but their common commitment to a common set of values means they do not dispute the core of the government’s GNH related policy priorities: a free and responsible media that contributes to good governance and the promotion of Bhutanese culture. Moreover, they demonstrate a commitment to a common set of values that are the same as those that are the foundation of the official construction of Gross National Happiness, whether they recognize this connection or not.

At the same time, the Ministry has, with some exceptions, usually been the dominant actor in the process of policy implementation. Several conclusions arise from this situation. First, the role of civil society actors is somewhat marginal in influencing the policy implementation process. The Bhutan Centre for Media and Democracy, a CSO, has been successful in providing a range of educational and capacity development initiatives for the media industry, but it remains constrained by CSO regulations and an inability to better integrate with the Ministry in common objectives. The Bhutan Media Foundation was too new at the time of data collection to have any discernible impact. Second, many private sector actors, and the newspapers in particular, have significant potential to influence policy implementation yet have not been able to do so consistently given their on-going mistrust of one another. The recent formation of the Journalists Association of Bhutan and its ability to impact the policy on Dzongkha editions of English newspapers demonstrates that this may be changing, but it remains too early to assess JAB’s long term impact. On the other hand, private radio stations have been able to pursue their
priorities within the confines of existing, sometimes inconsistent, regulations. Private sector media actors therefore exhibit different patterns of influence in different contexts. Third, donors are not particularly visible as actors attempting to impose a set of priorities on policy implementation. Their role has been largely focused on infrastructure development and the provision of funding for training, all guided by Bhutan’s Five Year Plans. In addition, donors who have supported the media in the past outline the move to greater reliance on budget support modalities that place decision-making directly in the hands of the government. As a result, little opportunity has arisen for donors to directly influence the specific nature of policy implementation. Moreover, respondents from government and donor agencies argued that there are no considerable differences in priorities between the two, particularly around the media’s role in democratization.

The result of the general inability of CSOs, most private sector media houses and donors to impose alternative priorities on policy implementation has meant that the general absence of GNH structures and instruments has not diluted the ability of the Ministry to pursue its own GNH related priorities. The existence of a common set of values across governance actors further supports this ability. Yet, the policy implementation experience also illustrates that the Bhutanese state has not always acted as a coherent entity, despite its reputation as a strong state. The Prime Minister’s siding with an alliance of private newspapers to oppose DoIM’s proposed circulation audit demonstrates a clash of priorities within the state over the shape of policy implementation. BICMA’s varied regulations on content across media platforms also suggest an autonomous body linked to the state with divergent practices within itself. Finally, the August 2012 blow-up over the Election Commission of Bhutan’s decision to limit its advertising to three media houses has laid bare differences in the priorities and practices between the ECB, MoIC and the Prime Minister. Despite the Ministry’s frequent dominance in policy implementation, the state has experienced a fracturing of its application of power as different constellations of actors interact, ally and confront one another.

All of this points to a larger issue. Policy outcomes, for the most part, are on a trajectory that is largely consistent with policy intentions rooted in GNH, recognizing, in particular, that negotiating a dynamic Bhutanese culture is an on-going process. Yet the experience of implementing media policy suggests that despite policy outcomes that generally reflect the GNH priorities of the Ministry, the larger notion of the Bhutanese state as a coherent GNH state may be subject to fraying at its edges. Migdal’s conception of the state is that of a body with a
coherent and dominant image but with actual practices within its components and their interactions with non-state actors that may chip away at this coherent image. The Prime Minister’s temporary alliance with private newspapers on the circulation audit in opposition to DoIM, BICMA’s divergent regulatory practices, and differences over ECB’s advertising policy are at odds with the image of the Bhutanese state as a coherent and purposeful entity with a singular pursuit of GNH as a well-defined national project.

Even more significantly, the competing perceptions of GNH held by many private media houses, regardless of their apparent commitment to values consistent with GNH, contribute hairline fractures to the image of the Bhutanese state as an emerging GNH state. In particular, GNH envisioned as merely a government agenda that needs to be critiqued and, where necessary, opposed by the media suggests not the consolidation of a coherent guiding national ideology but a development concept that is deeply contested. Indeed, respondents from government demonstrated an increasing resignation that the notion of a “GNH media” as part of a larger national GNH identity may need to be reconsidered. Following a two day meeting in June 2011 with all media stakeholders to discuss the notion of a GNH media, a meeting that many suggested simply generated greater confusion, a senior bureaucrat displayed a growing resignation over whether there ever might be a clear understanding of a “GNH media” that is acceptable to all stakeholders. Media policy outcomes may largely reflect original GNH policy intentions, but the larger image of the Bhutanese state in pursuit of becoming a GNH state is increasingly vulnerable.
CHAPTER EIGHT
TOURISM POLICY

Western style coffee shops have recently popped up in Bhutan’s capital. It is a common sight to see international tourists having a coffee after a day of cultural siteseeing or hiking. The conversations that can be overheard often represent in microcosm the challenge faced by a tourism industry located in a country pursuing the economic, cultural and ecological balance required by GNH. Between snippets of conversation around how Bhutan must maintain its traditional culture and unspoiled environment as a bulwark against western modernization, one such tourist berated a coffee shop’s waitress for not selling Diet Coke. Balancing the need to preserve its culture and environment with the need to generate economic growth through a tourism experience that attracts international tourists is the core issue faced by Bhutan’s tourism industry. Bhutan’s tourism policy strives to address this issue head on.

Through an analysis of the interactions among tourism governance actors and the impacts of these interactions on tourism outcomes, this chapter argues that Bhutanese tourism policy has navigated a sustainable path that balances the economic, cultural and environmental pillars of GNH. This path has been characterized by cooperation, conflict and isolation among governance actors. No single actor, state or non-state, currently dominates the process of policy implementation. The result is diverse patterns of domination, to use Migdal’s phrase, in different contexts. Further, the different patterns of domination have not been shaped in any significant way by the GNH specific policy tools. Nonetheless, a sustainable path has been achieved as a result of a common commitment to a common set of values that underlie Gross National Happiness. Tourism outcomes have ended up reflecting tourism policy intentions despite different patterns of domination and the general absence of GNH tools.

Yet not all is positive in the implementation of tourism policy. While tourism outcomes have been consistent with GNH, a recent focus on accelerating economic growth holds the seeds of a potential undoing of the cautious balance of the economic, cultural and environmental pillars. Just as significantly, differences over the preferred nature of tourism governance have emerged in the policy implementation process despite the common commitment to common values. These differences once again threaten to paradoxically erode the image of the Bhutanese state
as an aspiring GNH state despite the actual achievement of GNH outcomes in the tourism sector.

The chapter is again structured to follow the three research questions that frame the study. The first section outlines the GNH intentions of Bhutanese tourism policy. The second analyzes the practices and interactions that have occurred among governance actors in the implementation of this policy intention. The third section analyzes the policy outcomes generated by these interactions and compares them to the GNH policy intentions to assess whether Bhutan has achieved a sustainable tourism sector that contributes to GNH. A conclusion synthesizes the argument.

1. POLICY INTENTIONS

The tourism industry in Bhutan began in 1974. In that year, around twenty foreign guests participated in the fourth King’s coronation, paving the way for the inauguration of Bhutan’s tourism sector (Imaeda 2008: 21). Two hundred and seventy-four official international tourists visited Bhutan by the end of 1974, travelling overland from India given the absence of an airport within the country at the time (DoT 2005: 15). From these humble beginnings, the tourism industry in Bhutan has become an increasingly important component of the country’s GNH-driven development. By 2012, the number of international tourists visiting Bhutan reached 54,685 and tourism was the highest earner of foreign currency exchange (RMA 2012: 161; TCB 2012: 14). Over the period of 1974 – 2011, the overall GNH intention of tourism policy has generally followed a consistent trajectory. How this policy intention is to be achieved, however, has evolved considerably.

The Bhutanese government has always understood tourism as a multisectoral industry with potential to impact a diverse and integrated set of socio-economic, cultural and ecological systems. The overall intention of tourism policy reflects this understanding. Policy since 1974 has prioritized the promotion of tourism as a means to fuel economic growth that maximizes foreign currency exchange and employment opportunities while minimizing the potential negative impacts of this economic growth on traditional culture and the environment. Policymakers recognize that bringing foreign tourists into the country has the potential to degrade traditional culture through the introduction of foreign values, particularly related to consumption, and the commodification of cultural and religious sites and activities. Similarly, tourists may also degrade Bhutan’s environment given the country’s enormous potential as an
unspoiled trekking destination. Maximizing economic growth while minimizing negative cultural and environmental impacts has therefore been the overarching GNH intention of Bhutan’s tourism policy since its initiation in 1974.

Multiple policy documents outline this policy intention in remarkably consistent terms over time (see, for example, DoT 2005: 67-71; GNH Commission 2009a: 106-107; NEC 1998: 51; Planning Commission 1999a: 20, 35-36; Planning Commission 2002: 105; DoT 2001: 18; RGoB 2010: 16-17; RGoB 2011a: 3). Respondents from within the tourism industry, including those from government, CSOs and the private sector, also consistently understand tourism policy in these terms, frequently contrasting Bhutan’s approach to neighbouring Nepal, which is viewed as a cautionary tale of cultural erosion and ecological degradation driven by mass tourism. Moreover, government documents explicitly connect Bhutan’s tourism policy to Gross National Happiness, outlining the cautious balance of the economic, cultural and economic pillars of GNH as the hallmark of tourism policy (DoT 2005: iii, x, 71; NEC 1998; RGoB 2001: 18; 2011a: 3).

The primary tool used to pursue Bhutan’s balanced GNH approach to tourism has been a daily tariff system. Independent travel is not allowed in the country. Tourists are required to take an all-inclusive package tour for which they pay an expensive daily tariff in foreign currency. The intention behind the high cost of the tariff is twofold. First, it limits the number of tourists who can afford to visit the country in order to mitigate negative impacts on Bhutan’s culture and environment. Second, the tariff’s high cost contributes to economic growth despite the limit it places on tourist numbers. The tariff is therefore a single tool that drives economic growth while limiting negative impacts of this growth on cultural and ecological systems.

The cultural and environmental components of Bhutan’s tourism policy are not, however, confined to mitigating negative influences. In addition to the tariff, a second key characteristic of Bhutan’s tourism policy has been the provision of two types of tourism packages: cultural tourism and nature tourism, primarily trekking (Rinzin 2006: 86; Ritchie 2008: 276-280). On the one hand, Bhutan’s unique culture and pristine environment need to be protected through the tariff from the potential excesses of tourist generated economic growth. On the other hand, this unique traditional culture and protected environment are themselves the characteristics of Bhutan used to market the country as an exotic tourist destination (DoT 2005: 71-72; GNH Commission 2009a: 106-107; Planning Commission 1999a: 36; Planning Commission 2002:
Bhutan’s culture and environment need to be protected from excessive numbers of tourists while simultaneously acting as the drawing card to attract limited numbers of high paying tourists. Protection and promotion go hand in hand. This has the potential to act as a virtuous GNH circle: protecting Bhutan’s culture and environment will reduce negative externalities generated by tourism and keep both traditional culture and the environment intact; actively promoting this protected culture and environment will in turn increase Bhutan’s attraction as an exotic and exclusive (as well as expensive) tourist destination, further fueling economic growth and consolidating Bhutan’s cultural and ecological identity.

The potential virtuous GNH circle, however, contains the seeds of a contradiction that is not widely recognized in policy documents. The need to protect Bhutan’s culture and environment from the potential excesses of economic growth demonstrates a tension across the economic, cultural and environmental pillars of GNH. Conversely, actively strengthening and promoting an intact traditional culture and pristine environment as a means to attract high paying tourists demonstrates that the GNH pillars can also be mutually reinforcing. This contradiction – GNH pillars that are both in tension and mutually reinforcing – has played out in the process of policy implementation. While the overarching GNH policy intention has remained consistent since 1974, how this apparent contradiction is balanced in practice has evolved. Moreover, an evolution in tourism governance has witnessed clashes over the nature of this balance among new and emerging tourism governance actors. These clashes have demonstrated some fracturing within the Bhutanese state and an ability of tourism governance actors from the private sector and civil society to influence the nature of policy implementation in some contexts but not others. Significantly, these non-state actors have largely pursued their interests in a manner consistent with GNH.

2. POLICY IMPLEMENTATION
Central to the state-in-society approach is the notion of multiple patterns or sites of domination where actors from the state and society interact in the creation of change. The state is neither a singular and autonomous actor nor a hostage to societal interests as other theoretical traditions suggest. Components of the state and society engage, ally and conflict with one another as they strive to impose their interests on the policy process. Such different patterns of domination have arisen in the implementation of tourism policy in Bhutan. In some cases, the same types of actors wield different degrees of influence in different contexts. Tourism policy implementation has not been subject to a consistently dominant source of power.
This section analyzes the practices and interactions among policy implementation actors and the resulting patterns of domination that have evolved as tourism policy has been rolled out. It focuses first on an analysis of the implementation of tourism policy in general from 1974 to 2011, followed by an assessment of the specific case of ecotourism as a recent initiative characterized by a broadened set of governance actors. Three key themes emerge in this analysis. First, an on-going evolution in tourism governance has occurred as the government has responded to the emergent outcomes of tourism policy. The dominance of the monarchical state has been replaced by an experimental governance model that seeks to embed effective decentralization and horizontal decision-making across state and society actors. Operationalization of this model, however, has led to differences over the appropriate form of tourism governance as a component of GNH. Second, the emergence of a decentralized tourism governance model has led to an implementation process characterized by cooperation among the expanded set of tourism actors as well as conflict and, on occasion, isolation of some governance actors from others. In these cases of cooperation, conflict and isolation, the patterns of domination are frequently different despite often involving the same set of actors. At the same time, they demonstrate increasing policy muscle within the private sector and civil society as well as a fracturing of influence across different components of the state. Third, the GNH tools are again notable for the limited role they play in shaping interactions and conflicts among governance actors. Nonetheless, the interactions are, regardless of the different patterns of dominant actors, once again undergirded by an apparent common commitment to the set of values that underlie GNH. When policy conflict does occur it is over the proper balance of the GNH pillars or the nature of the good governance pillar, not over GNH or the policy intention itself.

The following analysis is divided into five sections. The first three trace the historical evolution in the implementation of tourism policy since 1974. The fourth analyzes the recent emergence of ecotourism and how it stands apart from the larger process of implementation. The final section draws out the implications of the process of implementing tourism policy for GNH.
2.1. ‘High Value, Low Volume’: Safeguarding Culture and the Environment

Bhutan’s tourism policy in the early years was termed ‘high value, low volume’ to demonstrate its priority of generating economic value through foreign exchange and employment while minimizing the tourist footprint through limited numbers. The daily tariff was set at $130 per day per person, with a surcharge for individuals or very small groups. A lower tariff was applied to trekking tours, although this differential tariff was abolished in 1997 (Gurung & Seeland 2008: 494). The tariff was used to cover the costs of the all-inclusive tour packages and pay external tourist agencies responsible for marketing and recruiting tourists. A government royalty built into the tariff was used to fund the Bhutanese government’s social programs, including universal healthcare and education.

Tourism packages focused on either cultural activities or trekking. At the same time, strict regulations were placed around these activities. Tourists could only visit Thimphu and Paro, two urban centres in the west, until parts of the dzongkhags of Punakha and Wangdue Phodrang were opened in 1978 (Brunet et al. 2001: 252). The remainder of the country’s twenty
dzongkhags remained closed in order to limit the cultural and ecological imprint of international tourists. The lack of an international airport until 1983 and domestic airports until 2011 further restricted the ability of tourists to visit much of the country.

In addition to geographic limitations, specific directives from the monarch further contributed to safeguarding cultural and environmental interests. A statement from the King in 1986 in response to complaints from a district monk body demonstrated the willing subordination of economic interests when they threatened cultural ones:

I acknowledge the receipt of your letter, which states that the continuous entry of foreign tourists into sacred places like dzongs, lhakhangs, goendheys etc., which are abodes to our guardian deities, is not based on faith or devotion but for entertainment purposes. I agree that it poses a risk of defilement of sacred and distinct places, and it would hinder our preservation efforts.... Therefore I am ready to accept the prohibition as proposed by the Dratshang and Dratshang Lhentshop in consultation with the Department of Tourism, for the benefits of our country and religion. The sacred places depict our true identity, our sovereignty, our unique tradition and culture. Henceforth, it is important to conserve the roots of future security and insurance rather than concentrating on temporary revenue generation. (In Nishimizu 2008: 8)

Trongsa Dzong. The significance of dzongs, or forts, makes them major tourist attractions

A number of areas have also been closed for national security reasons, including the border region with China and the southern jungles. The latter were infiltrated in the 1990s by Indian separatist groups. In the only military action ever undertaken by the Royal Bhutan Army, Indian militants were driven out of Bhutan in 2003 in a campaign led by the fourth King.
The willingness to subordinate economic interests to cultural and religious concerns as a means to pursue the balance of GNH was further evident in Bhutan’s approach to mountaineering. The country has many peaks that have never been summited, including the world’s highest unsummed mountain, making mountaineering a potentially lucrative tourism product. Despite the economic opportunity mountaineering represents, it was banned in 1987 after complaints to the King and National Assembly that the sport violated the sacred places of local deities on the mountain peaks (Tashi 2009). In neighbouring Nepal, mountaineering has provided significant economic benefits to the country while simultaneously wreaking ecological and cultural damage (Burns 2011: 83). Bhutan, in contrast, has chosen to continue to forego the potential economic gains of mountaineering, even turning down a US$ 1 million offer from a climbing club for the right to climb a single peak (Burns 2011: 83).

The tightly controlled implementation of tourism policy in the early years reflected the nature of tourism governance at the time. Tourism policy was the sole domain of the monarchical regime (Brunet et al. 2001: 254). No other governance actors existed to exert pressure on the implementation process. The Department of Tourism was responsible for organizing and delivering all aspects of the tourist experience – marketing, itineraries, transportation, guiding, food and accommodations (DoT 2005: 15). A minor shift in governance occurred in 1983. To better promote commercialization of the industry, the Bhutan Tourism Corporation (BTC) was created as a corporate entity to lead the implementation of tourism policy. The change in governance structure did not represent a change in policy focus nor in central control over policy implementation. BTC remained wholly government owned and operated (Rinzin 2006: 80; Ritchie 2008: 275). Safeguarding Bhutan’s culture and environment from potential excesses arising from tourism’s pursuit of economic benefits remained central. Indeed, concern over rising tourism numbers, which reached approximately 3,000 in the late 1980s, led to an increase in the daily tariff to $200 per day in 1989 in order to slow the growth in numbers yet maintain the industry’s economic impact (DoT 2001: 22; NEC 1998: 51). Placing this decision in a regional context demonstrates the degree of Bhutan’s caution: Nepal received approximately 250,000 annual tourists in the same time period (Government of Nepal 2008: 8).

A decision with significant implications for future tourism governance occurred in 1991. The tourism industry was privatized, enabling private tour operators to replace the government as the front line providers of tourism packages. The Tourism Association of Bhutan (TAB), later renamed the Department of Tourism in 1999, replaced the Bhutan Tourism Corporation which
was privatized and licensed as a tour operator. The reason for privatization was twofold. First, the government recognized the emerging economic potential of tourism and decided to spread the benefits and employment opportunities more broadly by fostering private sector development (Rinzin et al. 2007: 110). Second, the decision was driven by increasing pressure from the private sector itself for incorporation into the tourist industry (Rinzin 2006: 80). While this foreshadowed an increasingly muscular role for the private sector as a future tourism governance actor, implementation of tourism policy at the time remained the domain of the central government and guided by the 8th Five Year Plan (DoT 2001: 24).

The initial privatization of the tourism industry did not represent full liberalization. Licenses for private tour operators were capped at thirty-three. By 1999, however, further pressure from the private sector led to full liberalization (Ritchie 2008: 276). Private tour operators, who work in partnership with external travel agencies, have since mushroomed to over 600 companies (RMA 2012: 163). The entrance of private sector tour operators was accompanied by the development and enforcement of several sets of rules and regulations to ensure these operators engage in their practice in a manner that is consistent with the cultural and environmental pillars of GNH. Regulations provide direction for tour companies around the use of vehicles, approved accommodations, meal entitlements for tourists and visa procedures. (in ABTO n.d.: 13-37). A Code of Conduct for guides provides further regulations around wearing national dress and recommendations related to behaviour, equitable treatment of tourists, respect for culture and waste disposal (in ABTO n.d.: 18-19). Regulations around trekking and other nature activities are stringent, requiring the use of kerosene instead of fuelwood, tenting in designated campsites only, directions for disposing of biodegradable waste and bath water, requirements for carrying out non-biodegradable waste, the use of ‘toilet tents’, suggestions for avoiding fuel consumptive foods, and the prohibition of picking flowers and plants (NEC 2004).
The move to privatization with stringent rules and regulations demonstrates the ability of the government to rebalance the economic, cultural and environmental pillars of GNH in response to the perceived economic potential of the tourism sector. It also demonstrates the continued dominant role of the central government in shaping the nature of policy implementation at the time. But privatization also paved the way for emerging changes in tourism governance. The entrance of private sector players was followed by the creation of an association to speak with one voice on behalf of private tour operators. The Association of Bhutanese Tour Operators (ABTO) was formed in 2000 and registered as an official civil society organization following the 2007 passage of the Civil Society Organizations Act. ABTO’s mission is to represent and promote the interest of its members in a manner that is consistent with Gross National Happiness (ABTO 2009: 1-2). In addition to the formation of ABTO, the Tourism Development Committee (TDC) and Tourism Development Fund (TDF) were also created in 2000. The TDC brought together appropriate government departments and private sector representatives to discuss the direction of tourism policy while the TDF, which is managed by ABTO, is used to fund the development of tourism activities and marketing (Rinzin 2006: 83-84, 88). Changes to the distribution of the daily tariff reflected the new governance reality. Of the $200 per day tariff in high season, $20 was given to the external tour agency as a commission for recruiting tourists, $65 represented the royalty paid to the government and $10 per tourist was deposited into the TDF. The remainder was paid to the individual tour operator to pay for the all-inclusive activities.

As Bhutan entered the new millennium, the tourism industry was considered by the government to have reached critical mass (DoT 2001: 25). The focus on ‘high value, low volume’ had been maintained and balanced the economic, ecological and cultural pillars of GNH through a range of regulations, restrictions on regions open to tourism and the use of the tariff to maintain limited numbers of high paying tourists. The private sector and ABTO had also emerged as new players in the tourism industry to spread the benefits of tourism, although the government maintained significant control over the implementation process. Writing in 2001, Dorji argued that Bhutan’s approach to tourism represented “perhaps the best example” of a sustainable tourism industry (T. Dorji 2001: 91). As the consolidation of the industry took shape and its potential as an economic engine became even more evident, however, an emerging shift in the government’s policy priority occurred, as did an increasing governance role for the private sector and civil society organizations.
2.2. ‘High Value, Low Impact’: Evolving Emphasis on Economic Growth

The number of international tourist arrivals to Bhutan rose significantly after liberalization in 1991. Arrivals increased by 30% in 1992 followed by annual average growth of 11% until the global downturn in tourism after the September 11, 2001, terrorist attacks in the United States (Rinzin 2006: 85). While numbers were still low by regional standards - 7,559 arrivals in 2000 (DoT 2001: 26) – the increase contributed to a further evolution in thinking among Bhutanese policymakers. In 1989 the tariff had been increased given the concern over potentially unsustainable tourist numbers. By 2000, however, the growing shift away from an agricultural economy combined with a population growth rate of 3.1% led to tourism being viewed in a new light (DoT 2001: 22). Increasing tourist numbers to drive greater economic benefits represented a means to address demographic challenges and economic restructuring. This sentiment is clear in Bhutan 2020, the country’s development vision written in 1999: “The need to accelerate the pace of employment generation provides a compelling reason for us to reconsider the place of tourism in our future growth strategies” (Planning Commission 1999a: 26). Bhutan 2020 called for tourism revenues to increase by 100% by the end of 2012 and 150% by 2017 (Planning Commission 1999b: 27). The earlier approach of ‘high value, low volume’ was replaced by ‘high value, low impact’, a subtle change in wording but a clear shift away from minimizing tourist arrivals to one that put greater emphasis on increased arrival numbers that remain culturally and ecologically sustainable (Rinzin 2006: 81).

The shift to ‘high value, low impact’ did not represent an abandoning of cultural and environmental considerations in favour of greater economic growth. The government released the Bhutan National Ecotourism Strategy in 2001. The strategy emphasized that ‘high value, low impact’ is to remain consistent with GNH and be a “values-led” approach rather than market led (DoT 2001: 34). The Strategy was not an ecotourism strategy as generally understood (Brunet 2001: 253-254; Gurung & Seeland 2008: 492-493). Rather, it defined ecotourism in broader terms as “styles of tourism that positively enhance the conservation of the environment and/or cultural and religious heritage, and respond to the needs of local communities” (DoT 2001: 31). It therefore re-emphasized culture and environmental conservation as core components of Bhutan’s overall tourism approach while adding the need to be locally responsive. Specifically, the Strategy called for greater incorporation of dzongkhag level governments in implementing tourism policy and for a more effective partnership with the private sector (DoT 2001: 25, 57).
A comprehensive tourism plan soon followed to put the 2001 Strategy document into action. The *Sustainable Tourism Development Strategy*, frequently referred to as the Tourism Master Plan, was released in 2005. The lead role in developing the Master Plan was taken by the Austrian Development Agency with cooperation from SNV, a Dutch development organization. The Plan focuses on increasing tourist numbers to promote economic growth yet remains explicitly linked to GNH, emphasizing the need to integrate cultural and environmental issues (DoT 2005: 71-75). Significantly, the Plan places more emphasis than in the past on moving beyond just the protection of culture and the environment to their use as attractions that make Bhutan a niche destination. A ‘double strategy’ is outlined to pursue this emphasis (DoT 2005: 69-70). First, authentic cultural tourism products in existing tourism regions of the country are to be promoted to high-end tourists willing to spend beyond daily average amounts. The focus is on creating an appropriate high-end experience through upgraded and luxury hotels, transportation and food services. Second, restricted regions of Bhutan are to be opened up for nature tourism for tourists interested in Bhutan as a biodiversity hotspot, not as a high-end cultural experience. This latter strategy opens the possibility for greater community involvement and impact through community or farm stays.

Taken together, the Ecotourism Strategy of 2001 and Tourism Master Plan of 2005 represented a subtle shift in degree. The overall GNH policy priority of using tourism as an engine of economic growth while maintaining Bhutan’s culture and environment remained the same. The shift to a greater emphasis on economic growth was in response to demographic and economic changes and the potential tourism holds to address these changes. Focus was now placed on attracting more tourists to increase economic outputs through the active promotion of Bhutan’s traditional culture and pristine environment as exclusive tourism products. The potential for a virtuous GNH circle, where GNH pillars are mutually reinforcing, was in place: actively promoting a protected culture and environment would draw more tourists and tourism dollars, requiring further protection of the country’s culture and environment to continue to promote Bhutan’s uniqueness as a high-end and exotic tourism destination. Maintaining such a virtuous circle requires a delicate balancing act that brings in more tourists but avoids too many to prevent the erosion of the country’s cultural and environmental uniqueness.

Cracks of discontent among tourism stakeholders began to emerge despite the existence of a tourism strategy that represented a potential virtuous GNH circle. Respondents from private tour companies and ABTO criticized the Tourism Master Plan not for its contents, but for the
perceived lack of consultation by the Austrians who led the Plan’s development. Paralleling the discontent over perceived exclusion was the emergence of new tourism related civil society organizations. The Handicrafts Association formed in 2005 followed by the Hotel Association in 2008 and the Guide Association of Bhutan (GAB) in 2009. Both the Handicrafts Association and GAB are registered CSOs. Respondents from a number of these associations were clear that the impetus for their formation was the sense that their voices were not being heard by government, relevant donors or other private sector actors. With their emergence, the associations have contributed to a new tourism governance context. They represent their members’ particular interests in an industry that has historically been the domain of state institutions. At the same time, their emergence is not viewed as a threat by government. Indeed the Bhutanese government has played a role in the formation of the associations, often including a financial role, viewing them as necessary non-state voices that can contribute to the policy process.

The supporting role of government in the formation of the associations suggests an opportunity for government to co-opt and dominate these non-state voices. Moreover, the associations themselves have experienced suspicion of one another, opening them up to a divide and conquer strategy by the state tourism body. In particular, respondents from ABTO and GAB, CSOs representing tour companies and tour guides respectively, claim they initially had an uneasy relationship given ABTO’s concern that GAB would be a platform for guides to make salary demands on the tour companies. The co-opting of CSOs and associations by the state, however, has not occurred in any significant way. As the strategy of ‘high value, low impact’ has recently been implemented, non-state actors have increasingly found an independent voice to oppose further acceleration of the economic growth component of tourism policy. Beyond the increasing influence of non-state voices, dzongkhag and gewog level administrations have also, in some cases, begun to influence the implementation of tourism policy. Significantly, these divergent poles of influence have consistently pursued their interests and priorities rooted in GNH or its underlying values.

2.3. Implementing ‘High Value, Low Impact’: Accelerating Economic Growth and Governance Conflict

2.3.1. Developing a new governance framework
The emergence of new tourism actors, both private sector and CSOs, was accompanied by a notable evolution in the key institution responsible for tourism policy. In 2008, the Department of
Tourism was replaced with the Tourism Council of Bhutan (TCB). The creation of TCB illustrates an understanding among policymakers of the multisectoral nature of tourism and the necessity for a policy body that is not limited to a single department or ministry. TCB is described by a senior respondent within the Council as a governance experiment. Unlike most countries of the Global South that maintain a Department of Tourism or countries in the North that largely leave the tourism sector in the hands of the private sector backed by a regulatory regime, Bhutan’s TCB model is an autonomous council of state and non-state stakeholders. TCB is chaired by the Prime Minister with multi-sectoral ministerial representation from the Ministries of Economic Affairs, Foreign Affairs, Agriculture and Forests, and Home and Cultural Affairs. The Secretaries of the GNH Commission and Land Commission are also members. Private sector and CSO representation on the Council includes the Bhutan Chamber of Commerce, ABTO and the Hotel Association. TCB is mandated to formulate and implement tourism policy, develop regulations, diversify tourism products and lead human resources development in the sector. It is accountable to the National Assembly. The council of TCB is supported by a Secretariat. The TCB Secretariat was officially delinked from the civil service in 2012, giving it financial and human resources autonomy. At the same time, TCB remains the policy arm of the government (Bhutan Observer 2012).

The TCB model is intended to avoid turf wars by promoting decentralization and multi-sectoral, horizontal coordination across state and non-state actors. It is also intended to increasingly work with dzongkhag level governments and administrations in implementing tourist initiatives. A senior TCB respondent describes the Council as “a bold step” that takes decentralization seriously unlike other government agencies where there is “a slip between the cup and the lip.” At the same time, the respondent also recognized that the centralized history of the country means the TCB experiment may take time to work out the appropriate form of decentralization as it applies to tourism policy.

The 10\textsuperscript{th} Five year Plan (2008-2013) incorporates TCB as the lead implementation agency for the ‘high value, low impact’ policy strategy\textsuperscript{16} (GNH Commission 2009b: 377). It targets an

\textsuperscript{16} What is notable about both the 10\textsuperscript{th} FYP and the 2005 Tourism Master Plan is their tendency to revert to using the phrase ‘high value, low volume’ instead of ‘high value, low impact’ (DoT 2005: 71; GNH Commission 2009b: 377). In the case of the Master Plan, the two phrases are used interchangeably (DoT 2005: 47). This is indicative of a general confusion among many tourism stakeholders around terminology. Various incorrect versions of the phrase were used by respondents, including ‘low value, high volume’, and ‘high impact, high volume’. Nonetheless,
increase to 9% of tourism’s contribution to national revenue, a 30% growth rate in tourist arrivals and 40% increase in employment growth in the tourism sector (GNH Commission 2009a: 109).

While the Plan follows the strategy outlined in the 2005 Tourism Master Plan, it needs to be further situated in the context of the release of two poverty analysis reports in 2004 and 2007. The 2007 report found that 23% of Bhutanese live in poverty when measured in terms of household consumption (NSB 2007). Both reports emphasized to policymakers that despite Bhutan’s record of overall progress, poverty remains a significant challenge requiring greater focus (MoA 2009a: 2-3; NSB 2007: 5). Accordingly, the 10th FYP, which was the first plan to be explicitly developed as a GNH plan, was designed around an overall objective of poverty reduction, primarily by boosting economic growth through the vitalization of targeted industries, including tourism (GNH Commission 2009a: 25-57). The Plan is clear that this approach specifically emphasizes the equitable socio-economic development pillar of GNH but is wholly consistent with the overall four-pillared aims of GNH (GNH Commission 2009a: 25). In essence, the Plan represents not an abandoning of some GNH pillars, but the rebalancing of the pillars to better emphasize economic growth given the significant problem of rural poverty.

The greater focus on the economic development pillar in the 10th FYP was given further impetus through the government’s creation of the Accelerating Bhutan’s Socio-Economic Development initiative (ABSD). ABSD was created to accelerate the most important aspects of the 10th FYP, including tourism. Its tourism focus was on developing new tourist products and amenities, opening new regions to tourists, upgrading tourist accommodations and developing domestic airports, all while continuing to maintain cultural and environmental protection. McKinsey & Company, an international consulting firm, was recruited in 2009 to provide advice and implement ABSD as a partner of TCB. By October 2009, Cabinet approved McKinsey’s strategy for implementing the tourism component of ABSD.

McKinsey moved forward with implementing its strategy in partnership with TCB and with other stakeholders and levels of government as collaborators. An international marketing strategy was designed around Bhutan’s growing reputation as a country committed to happiness. Increased access to and within Bhutan was created through opening domestic airports, adding new international flights and opening up protected areas of the country to tourists. Improved

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despite the inaccurate use of terminology, stakeholders had a common understanding of the focus of tourism policy i.e. ‘high value, low impact’.
standards were promoted through the rating of hotels, opening of the Royal Institute of Tourism and Hospitality and expanding training for guides. Infrastructure was also improved through the building of several hotels with foreign direct investment, which had previously been avoided in Bhutan. New tourism products were developed, including the creation of festivals in several dzongkhags. These festivals were designed to promote Bhutan's unique cultural heritage and attract increased numbers of tourists in low tourist season. Moreover, the festivals were designed around specific cultural activities and practices that, in some cases, had faded. For example, in one case, traditional dances that had been lost were reintroduced as part of a dzongkhag festival, enabling locals who took part in the performance to not only increase their incomes but revive their own cultural traditions - the virtuous GNH circle in action. While the virtuous circle has not always been completed in these new festivals, they hold significant potential for strengthening and reclaiming cultural traditions while also generating tourist dollars.

What is notable in the creation and offering of the new tourist festivals and other new tourism products is the different roles played by tourism actors in different geographic contexts. This is particularly evident in the inconsistent roles played by the relevant dzongkhag and gewog administrations.

2.3.2. Dzongkhags and gewogs: divergent patterns of cooperation with McKinsey and TCB
Respondents in this study came from four dzongkhags, two of which have significant tourism activities. In both of these dzongkhags, respondents share McKinsey’s and TCB’s priority of accelerating the economic impact of tourism. At the same time, their roles in realizing this priority are very different. One of these two dzongkhag administrations has played a central role in the creation of a new festival and tourism development more generally. The dzongkhag had been off-limits to tourists until recently. Demand for tourism at the gewog level, however, made its way up through the dzongkhag government to the National Assembly resulting in the dzongkhag being chosen to take part in a pilot project of creating dzongkhag level tourism development plans. In this context, dzongkhag officials have had significant input into the nature of tourism activities in the region, including the development of the new dzongkhag festival and the decision to limit tourist accommodations to homestays rather than building new hotels.

17 In the case of one new festival held in the north of the country in 2011, poor marketing and ineffective collaboration between TCB and tour operators resulted in almost no tourists attending, limiting the economic impact but providing locals with an opportunity to gain knowledge and experience of past cultural traditions. One official suggested the 2011 festival be considered a ‘trial run’.
TCB’s role has been a supportive one, marketing and providing funding for the first two years of the festival as well as offering training and grants to local people who are interested in turning their homes into homestays. The decentralization of implementing tourism initiatives does not go beyond the dzongkhag, however, given the need for an integrated dzongkhag wide tourism framework. As a result, gewog officials play only minor roles. Respondents at the gewog level outline that their role has been restricted to identifying locals who are interested in starting homestays.

In contrast, officials from the second dzongkhag, which also has significant tourism activity, detail an almost complete lack of involvement in implementing tourism initiatives or engaging with TCB and private tour operators. These officials recognize that there is significant potential to collaborate with other governance actors, yet collaboration does not happen given the dzongkhag government’s focus on other priorities. TCB, as a result, plays the central role in operationalizing tourism activities in the dzongkhag with private tour operators as the front-line face of the tourism industry. Indeed, the Dzongkhag Planning Officer argued that the nature of tourism privileges the private tour operators as they recruit the tourists, book the hotels, provide transportation and accompany tourists on their visit to the dzongkhag. As a result, the Officer argued that “it is driven by the tour operators and there is no need for us.” The lack of engagement with TCB and tour operators at the dzongkhag level is mirrored at the gewog level within this dzongkhag. An elected gewog official described the role of the local government and administration in implementing a new festival as insignificant, stating “we make the seating arrangements; no planning.” Tourism occurs directly in their gewogs, but their formal role as governance players is, like the case of gewogs in the other dzongkhag, largely passive.
There are, however, notable exceptions to the passive role played by most gewogs. Two gewogs in this second dzongkhag have attempted to freelance outside of official channels. In one case, gewog officials are planning to start a farm visit and you-pick program for tourists interested in agricultural tourism. In the second gewog, the gup, who is the head of the gewog government, has started to plan his own annual traditional archery tournament as a tourist event that will benefit his gewog economically. His goal is to plan and implement the tournament before going to TCB for support, as he suggested there are “too many formalities” working through official government channels.

Such freelancing, while limited to only two gewogs in the study, holds the potential for the development of unofficial tourism activities that are not guided by GNH principles or violate the GNH intentions of tourism policy. In both cases, however, the opposite is the case. Officials in both gewogs frame, unprompted, their unofficial tourism initiatives in terms of integrating and balancing economic, cultural and environmental concerns, although this is not done with explicit reference to GNH. The freelancing by gewog level officials is not an attempt to imprint a set of priorities that are inconsistent with GNH or tourism policy, but to avoid a governance structure that the officials view as too restrictive and slow.

The experience of different dzongkhags and gewogs in developing and implementing new tourism products illustrates diverse patterns of influence among similar types of state actors in different geographic areas. The actors are the same, as are their priorities - greater emphasis on increased economic growth that remains culturally and ecologically sustainable. Their practices, however, differ in different locations. The state-in-society approach suggests such diverse practices and different patterns of power within the state have the potential to transform or undermine the coherent image of the state as an autonomous actor. In this particular case, the impacts of divergent practices on the state’s image as an aspiring GNH state are mixed. The different practices do not represent instances of different components of the state promoting priorities that diverge from the government’s official position of how the economic, cultural and environmental pillars of GNH should be balanced. Even in the case of freelancing gewogs, informal tourism activities remain consistent with these GNH pillars and do not undermine GNH as a national strategy. The divergent practices do, however, suggest a challenge to the governance pillar of GNH, at least in terms of tourism governance. Similar actors with consistent priorities implemented through inconsistent practices obscures the image of a cohesive GNH
state acting with singularity. GNH as a whole is not being undermined; the image of a cohesive
GNH state is.

The differences across dzongkhags and gewogs should perhaps not be overstated given the
small number in this study where this is evident. Turning to the implementation of another
component of McKinsey’s strategy, however, reveals dramatic differences across state and
society actors over not only the preferred nature of tourism governance but over the proper
balance of the economic, culture and environment pillars of GNH as well. These differences
culminated in confrontation. The nature of the confrontation illustrates not only further
differences in the practices of individual components of the state, but the growing ability of
CSOs and the private sector to impose their priorities on policy implementation in a manner that
they perceive as being more consistent with the values underlying GNH.

2.3.3. The private sector and CSOs: opposing McKinsey and TCB
One of McKinsey’s proposals to accelerate the economic growth component of tourism policy
was particularly controversial. McKinsey recommended that the tourism industry be completely
liberalized by removing the daily tariff and required package tour as a means to attract 250,000
international tourists by 2013. Given the centrality of the tariff to tourism policy since 1974 and
the fact that there were only 23,480 international tourist arrivals at that time in 2009 (RMA 2010:
23), McKinsey’s recommendation represented a radical restructuring of Bhutan’s tourism
industry. McKinsey’s proposal was approved by the Prime Minister and cabinet in October 2009.
Without exception, respondents from the various tourism related civil society organizations as
well as private tour operators and guides describe this decision as being taken without any kind
of meaningful consultation by McKinsey or TCB. Some describe being taken completely by
surprise. Others describe what they perceive as an intentional approach by McKinsey and TCB
to divide tourism stakeholders by discussing the proposed strategy with individual stakeholders
only. According to a respondent from ABTO, “they are trying to play something like divide and
conquer… they were trying to play a dirty game.” What is striking about this comment is that
ABTO is itself a member of TCB. A respondent from the TCB Secretariat, perhaps not
surprisingly, did not concur with this assessment from ABTO. He suggested that TCB is
genuinely trying to promote a partnership approach yet sometimes gets tripped up given the
residue of absolutism built up over the country’s 100 years of monarchical rule. Whatever the
actual case, non-state stakeholders feel they were left out of the decision making process on an
issue - the tariff - at the heart of Bhutan’s balanced and cautious approach to tourism. Moreover,
this perception is not limited to non-state governance actors. A respondent with a senior position in the Department of Forests and Parks Services also outlined his concern that McKinsey and TCB did not consult with the Department despite the potential impact of expanded tourism on Bhutan’s forests, which cover 70% of the country.

Some private tour operators supported the removal of the tariff, arguing it will improve professionalism in the industry by increasing competition which, in turn, will increase profits for successful companies. The Hotels Association and Handicrafts Association remained neutral. Significant opposition arose, however, from ABTO, GAB and some individual private tour operators and guides. In a handful of cases, tour operators opposed the liberalization of the industry for primarily economic reasons. They view the high tariff as a mechanism to ensure a degree of profit with little risk. However, the vast majority of respondents, including those from private tour companies, opposed the removal of the tariff in GNH terms, whether they explicitly recognize this or not. They accused TCB and the government more generally of being too driven by economic concerns that will erode Bhutan’s traditional culture and environment. According to one private tour operator, “As Bhutanese, we feel so much for preservation of culture and identity. If we liberalize we’ll be no different than Nepal….” Another talked about leaving the industry and encouraging his children to find different careers given his perception that the increasing economic focus would erode family values and cultural life. Such opposition to McKinsey’s liberalization proposal appears counter-intuitive coming from the private sector. Yet it is completely consistent with the Buddhist values of balance and harmony that underlie GNH. In this context, several private sector respondents argued that maintaining the high tariff represents a “check and balance” on economic growth that ensures meaningful balance and harmony between economic, cultural and environmental concerns both now and in the future. One respondent referred to the tariff’s ability to act as such a check and balance as the embodiment of good governance in the tourism industry, a comment that effectively integrates all four GNH pillars.

This GNH argument is, in some cases, expanded upon in a manner that demonstrates a nuanced understanding of the interconnectedness among economic, cultural and ecological systems. A number of private sector and CSO respondents argued that dropping the tariff and increasing tourist arrivals to 250,000 by 2013 will not only erode culture and the environment, which is unwanted on its own terms, but will also erode the exotic and exclusive image of the country as a niche tourist destination. This, in turn, will decrease its attraction to tourists and
subsequently reduce the industry’s future economic potential. This sentiment is common. Liberalization will “damage the whole image of Bhutan.” Increased tourist numbers “may be good but it is more important to sustain ourselves in the long term.” Bhutan’s image “will be destroyed” by mass tourism. These non-state respondents demonstrated an insightful understanding of the potential virtuous GNH circle tourism represents and how this circle might be ruptured by targeting too many tourists too soon for immediate economic gain.

An assumption underlying this latter position is that the country has insufficient carrying capacity to absorb 250,000 tourists by 2013. According to one respondent: “my worry is that we don’t have a viable system to handle 250,000 tourists... [increasing] tourist numbers is not just buying two new aircrafts and having 600 licensed operators and hotels. There are so many other things to it like how we look after our garbage and cultural things.” Other respondents outline their concerns using a variety of metaphors. A respondent from ABTO argued “if you have guests coming to your house, the best thing to do is to prepare your house, you can’t ask the guests to come and then prepare the house at the same time.” Similarly, a private tour operator suggested “if you want to have a football match, if you can’t bring your team to a certain standard, it’s a lost game.” For these respondents, the 250,000 tourists target is not necessarily rejected in principle, but its achievement by 2013 is, given the perceived negative impacts on culture, the environment and Bhutan’s tourism image: “if you told me 250,000 in ten years, then maybe we have time to prepare the system.”

Disagreements over McKinsey’s proposal to drop the tariff and target 250,000 annual tourists are, at their heart, disagreements over the proper balance of the economic, cultural and environmental pillars of GNH. While TCB and McKinsey prioritized greater economic growth through tourism as a means to re-balance the GNH pillars given the amount of poverty in the country, the operationalization of this in the tourism industry came under fire as not a re-balancing, but an unbalancing. The economic pillar from this perspective is viewed as having taken precedence over the cultural and environmental pillars in the immediate term, which will ultimately end up eroding the economic pillar in the long term. The criticisms from the private sector and CSOs of the strategy put forward by McKinsey and TCB further translated into criticisms of TCB itself. Assessments of TCB are blunt, ranging from “TCB is too focused on numbers” to “TCB always has an agenda that is just based on profit” to “TCB is confused.” One respondent claimed that TCB’s focus on economic growth “frightens me.”
The opposition of many tourism stakeholders to McKinsey’s and TCB’s liberalization proposal took a dramatic turn in February 2010. At a stakeholders meeting in Thimphu, the Prime Minister, as the Chair of TCB, set out the new policy direction based on McKinsey’s approved strategy. While The Hotels Association and Handicrafts Association remained neutral, other associations and private sector stakeholders opposed the Prime Minister based on their concerns over the negative impact on Bhutan’s culture, ecology and tourism image. Faced with a group of allied stakeholders opposing the new policy direction using a GNH argument, the Prime Minister made a dramatic reversal by the end of the meeting. McKinsey’s proposal, despite cabinet approval, was dropped. Ultimately, the tariff was maintained and actually increased from $200 per day to $250 per day during high season. In addition, the 250,000 targeted tourist arrivals was reduced to 100,000. The tariff continues to provide 10% to the external tour operator, 35% royalty to the government, 2% tax and the remainder to the Bhutanese tour operator (RMA 2013: 175).

The complete reversal by the Prime Minister represented a significant triumph for many within the private sector and civil society. A policy change rooted in GNH – accelerating economic growth through increased tourist numbers to address neglected poverty - was overruled based on oppositional arguments that also appealed to the GNH pillars in a more integrated way. Non-state actors had successfully imprinted their priorities over the initial wishes of the government. The significance of this was not lost on respondents from ABTO and private tour operators. One stated “we had a better case than McKinsey who were paid US$9 million by the government.” Another suggested that their opposition and balanced position “made the government think about why we want to stop it [liberalizing the industry].” Again, it is significant that this conflict was not over GNH itself or over the broader intention of tourism policy. Competing positions were framed in GNH terms. The differences arose over how the economic, cultural and environment pillars of GNH should be properly balanced and expressed.

The good governance pillar of GNH was not immune from the conflict over the appropriate balance of the other three pillars. Many respondents from the private sector and civil society characterize the Prime Minister’s and TCB’s initial decision to move forward with McKinsey’s proposal to remove the tariff as bad governance. They were increasingly impatient with what they perceive as on-going centralization at their expense. Some respondents were willing to give TCB the benefit of the doubt while others were much more confrontational. In both cases, however, they were clear on the challenges. One respondent stated, rather politely, that TCB “is
not convenient.” Another argued “They [TCB] often turn a deaf ear to us.” A third stated “They [TCB] do listen, but whether they take it seriously is debatable.” Still another claimed TCB is “centralized and doing everything themselves.” In this context, the latter respondent framed his organization as “a competitor with government.” What is remarkable about the claims from the last two respondents is that both of them represent associations that are actually members of TCB. Moreover, their impatience with TCB’s perceived control is somewhat selective. Both also claim that TCB needs to play the lead role in building the capacity of the private sector. Dissatisfaction with the nature of decentralization and horizontal cooperation is clearly evident among CSO and private sector actors, yet the nature of what they believe decentralization should look like remains somewhat messy. It was argued earlier that the inconsistent tourism roles played by dzongkhags and gewogs fray the image of a coherent and cohesive state. The significant dissatisfaction among non-state actors on the very nature of decentralization further erodes the perception of a coherent state partnering with non-state actors in a cohesive governance framework. And the challenge to the good governance pillar does not end there. Many respondents characterized the Prime Minister’s reversal on the tariff and the target of 250,000 tourists as a triumph of non-state governance actors over the state and its partnership with McKinsey. The reality is more complicated.

2.3.4. Conflicting priorities within the state

The government did not act as a single, coherent entity in its pursuit of liberalizing the tourism industry. A respondent who had worked at the Department of Forests and Parks Services (DoFPS) at the time and remains involved in the tourism industry outlined the role he and a number of his colleagues played in the run up to the drama surrounding the opposition to TCB’s support for McKinsey’s proposal on the tariff:

Personally, from our side [DoFPS], because I know many tour operators, we exchanged in a lot of dialog and said that ‘you guys should go against the government.’ For us, we work in the government and it is very difficult for us. We passed our statement [to TCB] but it is not correct to go further against the government in principle. I agree with that. So you as private operators have the right to make sure it [removing the tariff] doesn’t happen.

According to this respondent, personnel from the DoFPS took this position as they disagreed with the economic emphasis driving the removal of the tariff given its potential impact on Bhutan’s environment. By allying with the private sector behind the scenes, personnel from the DoFPS Services helped subvert the formal priority of the government. This is significant for two
reasons. It demonstrates differences not only between the state and society, but within the state itself over the proper balance of the economic, culture and environment pillars. Following on this issue, it further illustrates a lack of coherence within the state, undermining effective tourism governance, the fourth GNH pillar. In both cases, the practices and priorities of different components of the state work at cross purposes to the image of the state as a coherent entity.

Overall, the implementation of tourism policy since 1974 illustrates two parallel themes. First, the state bodies responsible for tourism have, over time, increasingly emphasized the economic pillar of GNH in response to demographic changes, economic restructuring and the issue of poverty. Second, the parallel process of decentralizing tourism governance has led to tourism actors within and outside the state either opposing this economic emphasis or pursuing it in different ways in different geographic areas. Diverse patterns of domination have challenged the coherent implementation of tourism policy. The recent move to promote ecotourism as an evolution in tourism policy provides a further illustration of the governance challenge. It also adds an additional wrinkle. The challenge to implementation is not due to conflict or diverse practices of cooperation in different regions. It is due to the isolation of different constellations of central government actors and their partners from one another.

2.4. Ecotourism

Ecotourism initiatives are relatively new in Bhutan beginning with purpose around 2010. While the term ecotourism has been used in the past, most notably in the 2001 Ecotourism Strategy, it was used broadly in a manner that covered all tourism activities in Bhutan (Brunet et al. 2001: 253-254; Gurung & Seeland 2008: 492-493). Since 2010, its use in Bhutan has come in line with international understandings of the term that focus on nature-based tourism initiatives that contribute to the conservation of natural areas through management that is low-impact, non-consumptive and locally controlled (Fennell 2003: 25). Given this focus, the term is regularly used by respondents in conjunction with the phrase ‘community based tourism’. The conflation of ecotourism with community based tourism reflects the intention of using ecotourism as a mechanism to better spread the economic benefits of the tourism industry to rural communities. This is particularly critical as the degree of poverty uncovered in the Poverty Analysis Report 2007 illustrated that poverty is overwhelmingly a rural phenomenon (NSB 2007). Further, rural poverty is exacerbated by several issues. First, a considerable number of people live in national parks and other protected areas of the country. Unlike western models of protected areas, Bhutan does not ban human settlements within such areas as humans are viewed as
interdependent with their ecosystem (NCD 2008: 3-4). At the same time, to ensure a sustainable balance, Bhutan’s *Forest and Nature Conservation Rules* regulate activities within protected areas, including such things as fishing, grazing, plant collection and collection of firewood (DoF 2006: 60-61). Second, the impact of climate change on rural livelihoods has the potential to deepen rural poverty in the absence of new forms of income generation. Bhutan is vulnerable to changes in crop yields and water shortages driven by climate change (GNH Commission/UNDP 2011: 41-43). In addition, climate change has resulted in rapidly melting Himalayan glaciers leading to glacial lake outburst flooding (GLOFs). These floods flow down the Himalaya mountains, destroying agricultural lands, infrastructure and human lives (GNH Commission/UNDP 2011: 41). Ecotourism activities can play an important role in this context of rural poverty by providing alternative forms of income. It also potentially decreases the ecological footprint of tourists in heavily visited tourist circuits by dispersing them more widely to rural communities.

Ecotourism in Bhutan involves an expanded set of governance actors when compared to other tourism initiatives. TCB and tour operators are intended to be key players, but the Ministry of Agriculture and Forests has been given direction to lead ecotourism initiatives, particularly given the focus on protected areas which are under the jurisdiction of the Ministry. As such, TCB and the Ministry signed an MOU in 2010 to partner on the development and promotion of tourism initiatives in protected areas. Within the Ministry, the recently created Nature Recreation and Ecotourism Division (NRED) is the lead government agency. Personnel within the Parks system also play a key planning and implementation role. Both NRED and the Parks fall within the Department of Forests and Parks Services within the Ministry. Gewogs are also meant to play an implementation role given the community focus of ecotourism. Lastly, international donors, and World Wide Fund for Nature (WWF) in particular, are key partners engaged in the implementation of ecotourism initiatives.

Since 2010, a number of protected areas previously off limits to tourists have been opened. Within these areas, NRED, Parks and donors have worked with communities to develop campsites, rest sights, farmstays and homestays. Training is provided to community members, with assistance from TCB, to run and maintain these facilities. Focus is placed on providing

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18 GLOFs are a threat to Bhutan’s economy beyond their impact on rural farmland. By releasing large volumes of stored glacial water prematurely, they have significant implications on the long term sustainability of Bhutan’s hydroelectricity industry.
training for homestays and farmstays to families with youth who have dropped out of school. The development of eco-trails and restoration of traditional trails has also been undertaken as part of the promotion of ecotourism.

Farmstay in rural Bhutan

The implementation of these initiatives illustrates a rather curious governance situation. Interactions among tourism stakeholders have not been characterized by notable conflict despite the expanded set of actors. Rather, they demonstrate the apparent emergence of two largely separate constellations of tourism stakeholders, one implementing ecotourism initiatives and the other implementing other tourism activities, largely in isolation from one another. NRED, the Parks and WWF in particular, which is entirely staffed by Bhutanese nationals, work closely around ecotourism initiatives. In one particularly interesting case, Wangchuck Centennial Park, one of the country’s largest protected areas, is co-managed by WWF and the Park with funding from WWF. The co-management approach, which includes collaboration around the design and delivery of ecotourism projects in the Park, is a pilot initiative that deviates from Bhutan’s preferred aid modality of National Execution. The National Execution model places Bhutanese agencies as the coordinating bodies for donor funded initiatives, preferably though budget support mechanisms. Co-management, in contrast, allows WWF to play a direct implementation role in the field beyond just the provision of donor funds. Within this approach, respondents from
WWF and the Parks, as well as NRED as the lead ecotourism agency in the government, describe little conflict over implementing initiatives given their common set of priorities. The Five Year Plan plays an important role in this. WWF respondents outline that the development of the organization’s priorities is done to ensure they are in line with the Five Year Plans, thereby avoiding divergent implementation priorities. They further state the hope that the co-management pilot will be replicated in other parks.

WWF’s desire to replicate the co-management pilot is partially rooted in a concern cited by several WWF respondents over the nature of Bhutan’s National Execution model. They point to the challenge of donor funded initiatives being implemented by government agencies. They argue that time-bound donor funded projects are “at the mercy of government staff” who “make a paycheck no matter what.” Co-management of Parks and their ecotourism activities represents an emerging implementation modality that is perceived by WWF as a means to address this challenge and ensure close collaboration with the Parks and NRED on the ground.

The evident cooperation among NRED, WWF and the Parks in implementing ecotourism activities is paralleled by a distinct lack of engagement in ecotourism by other stakeholders. Private tour operators, ABTO and GAB appear to play almost no role in planning or implementing ecotourism initiatives despite being the frontline organizations dealing with tourists. In fact, respondents from the Parks state they are often completely unaware when tour groups are coming to visit the Parks and, conversely, private sector tour operators are largely unaware of the ecotourism opportunities that are available in the Parks. One respondent from a private tour company was not even aware of the existence of NRED as a government agency responsible for ecotourism. What is most striking, however, is the position of TCB. While developing ecotourism is part of the government’s overall tourism strategy, TCB demonstrates a curious ambivalence. TCB has played a role in ecotourism initiatives, including the provision of training or certificates related to farmstays and homestays, but its overall role is notable for its relative absence. Indeed, respondents from the Parks and WWF claim TCB has little interest in engaging with them on ecotourism activities, preferring instead to promote high end hotels and resorts that will drive increased numbers of affluent tourists interested in culture. One respondent from a national park, who is a central government employee, stated that he did not even know who to contact at TCB to discuss ecotourism initiatives. Other assessments of TCB are more blunt: “they go where big money is”; “they want the buck even if it’s not good for the environment”; “I’m not sure if TCB is even interested in ecotourism.”
A senior official within the TCB secretariat did nothing to dispel the notion of TCB’s lack of enthusiasm for ecotourism. But the reason for this is more nuanced than a simple preference for high end tourists and cultural tourism products. According to the official, ecotourism initiatives are not sustainable as many are time-bound and stand-alone projects that are donor driven. As a result, they are more difficult to integrate within national policy, particularly as they exist outside of Bhutan’s preferred National Execution Model of aid delivery. This assessment of donor projects is a common sentiment found in the current global aid effectiveness agenda and its focus on moving from project-based to program-based aid. Yet the respondent from TCB goes significantly further, arguing that donors act solely in their own interests and bring unwanted external values to their initiatives. “Donor funds are useless” he claimed, with “the Landcruisers and per diems” that accompany donor projects promoting values of consumption and materialism among the Bhutanese. While this may be the view of one senior individual within TCB, the general lack of engagement by TCB with other government and donor stakeholders on ecotourism initiatives suggests it is not perceived by TCB as an area that is easily integrated with tourism policy more generally.

The experience of ecotourism to this point illustrates a further muddying of what the good governance pillar of GNH should look like in the tourism sector. How international donors fit into the implementation of ecotourism activities is contested, leading to one constellation of actors involved in ecotourism largely acting in isolation for a different set of tourism stakeholders. The issue of how to balance the other three pillars of GNH also appears to emerge, at least in the perception of respondents from NRED, WWF and the Parks who view TCB as being only interested in the economic pillar. A degree of caution is perhaps in order, however, given the rather recent emergence of ecotourism initiatives (at least beyond trekking). Indeed, a respondent from NRED describes increasing success in building bridges across all tourism stakeholders, including TCB, both at the individual and institutional levels. Yet TCB’s apparent discomfort with stand-alone donor driven projects and WWF’s parallel discomfort with the National Execution model suggests that greater communication and interactions may in fact generate future conflict, not cooperation, over the nature of implementing ecotourism initiatives.

A final comment on ecotourism is necessary. The isolation within which different sets of actors work may be complicated by a further issue. Engaging communities as stakeholders in ecotourism is a key priority of NRED, the Parks and WWF. Ecotourism projects are developed
with the assumption that rural communities will ultimately control them for their own benefit. Capacity development activities are a central part of this approach. Community control is a core element of the overall process. Yet there is no evidence that these initiatives are a result of community demand. Again, caution is necessary here. There is also no evidence from this study that indicates they are not a result of community demand. Moreover, the bottom-up process involved in developing the 10th Five Year Plan suggests local demand may have shaped the priority of pursuing ecotourism activities. Yet active participation of individual gewogs and local communities in defining the nature of these activities is not clearly evident. Respondents discuss the design and implementation of ecotourism initiatives as a function of substantive interactions among government and donors. Communities seem to remain passive recipients of capacity development activities meant to generate future community ownership. As Bhutan’s fledgling democracy consolidates, an increasingly confident democratic citizenry may begin making demands that are not consistent with ecotourism and its goals. This is speculative at this point, yet several respondents raise this very issue. One suggested that an increasing voice of rural people is important as a constitutive part of Bhutanese development, but it may bring demands that put pressure on the rural environment. While this assumes rural people will prioritize economic issues over environmental ones, another respondent outlines that he has already perceived increased economic expectations within communities involved in ecotourism. The current challenge of isolated constellations of tourism stakeholders in the implementation of ecotourism initiatives may at some future point be further complicated by divergent priorities at the community level, an issue that directly emerges in the next chapter on farm road policy.

2.5. Gross National Happiness and the Implementation of Tourism Policy
The preceding analysis shows that the overall implementation of tourism policy is characterized by diverse constellations of actors with different abilities to imprint their priorities on the policy implementation process. The dominance over tourism policy held by the monarchical regime in the early years of the industry has been replaced by multiple tourism actors with varied degrees of influence in varied contexts. TCB plays a central role in general policy implementation yet has been successfully opposed by the private sector and CSOs in the case of removing the tariff. It also plays only a limited role in ecotourism initiatives. Private sector actors and CSOs that have successfully opposed TCB are less successful when partnering with government and largely disengaged from ecotourism initiatives developed by NRED, the Parks and donors. One dzongkhag administration in this study exerts notable influence over the nature of dzongkhag
level tourism activities while a second dzongkhag plays almost no role. Gewogs are largely passive recipients of tourism initiatives yet two gewogs in the study are freelancing outside of the formal governance structure. International actors have, in the case of McKinsey, found some success working with government but have also faced opposition from non-state actors allied with a component of the state, while others, like WWF, have developed new forms of engaging with components of government despite this type of engagement being dismissed by TCB.

The diverse mix of interactions among multiple governance actors have not been shaped in any significant manner by the GNH specific policy tools. The role of the Five Year Plans, while not GNH specific until the 10th FYP, do have a degree of influence, particularly in coordinating and shaping donor activities to remain consistent with government policy intentions. Beyond the FYP, however, the effectiveness of the GNH tools is not evident. The GNH policy screening tool will be used in the future on a proposed tourism bill which has been in the works for years but has still not been introduced to parliament. Other instruments and structures, such as the GNH project screening tool and GNH committees, are notable for their absence.

In addition to their general absence, there is considerable ambivalence about the GNH tools among many respondents. Curiously, government respondents from both TCB and NRED demonstrate little enthusiasm. A TCB respondent stated they “cannot avoid” the use of the GNH policy screening tool with the upcoming tourism bill and suggested the FYP process is not effective given its frequent incorporation of project-based initiatives. Even more curious is the position of some respondents from CSOs and the private sector. While TCB and NRED lack enthusiasm for the GNH specific policy tools, respondents from one of the CSOs outlined their keen interest in the GNH tools and their disappointment that they are not involved in their use. Another respondent from the private sector detailed his tour company’s application of the GNH Index to a private company-wide GNH project. The project incorporates a variety of initiatives related to reducing energy use and waste production within the company and uses the GNHI survey with the company’s own employees to measure their level of happiness. Results from the survey are to be used to design staff development and support programs. What is particularly peculiar about this private GNH initiative is that, according to a respondent from the company, TCB showed no interest in it and, from the respondent’s perspective, did not really appear to even understand it.
The combination of the general lack of application of the GNH specific tools and the diverse patterns of domination among multiple governance actors holds the potential to undermine GNH policy intentions in the tourism sector. In this context, two key GNH issues emerge. First, the preceding analysis demonstrates that most of the differences and conflicts among governance actors are not over the government’s overall GNH policy intention of promoting the economic pillar of GNH while protecting the cultural and environmental pillars. Rather, they are differences over the proper balance among these three pillars within the larger GNH policy intention. The government’s increasing emphasize on using tourism to promote the economic pillar was a means to rebalance the GNH pillars given the perceived need to better address the neglected issue of poverty. For many CSO and private sector actors, the government’s rebalancing was perceived as an unbalancing that threatens the cultural and environmental pillars. The overall policy intention has never been threatened. The policy battlefield has been how the three pillars are to be balanced to most effectively give expression to the policy intention.

Similar to the case of media policy, underlying the struggles around how to balance the economic, culture and environment pillars is an apparent commitment to a consistent set of values – moderation, balance, interdependence – that are the foundation of GNH itself. In some cases, respondents are clear in locating these values and their positions as part of GNH. For example, one respondent, while criticizing TCB’s focus on economic growth, stated that “If it is really about GNH, don’t just look at the level of money that is coming out of it [tourism].” A private sector respondent took TCB to task more harshly, stating “Even though GNH is supported by government, who is doing it? We have to try.” In other cases, respondents who appeal to values when opposing TCB’s economic focus do not recognize these values as being a part of GNH. For example, a respondent from a CSO who opposed TCB’s economic focus and argued for a more integrated balance with cultural and environmental considerations also claimed “GNH is too complicated for us…. It is a good philosophical guide but I don’t really understand it.” This respondent was making a GNH argument without realizing it. Overall, debates on how to balance the economic, cultural and environmental pillars of GNH occur in some cases as explicit differences over the operationalization of GNH while in other cases are limited to the realm of values which are implicit in GNH. In both cases, GNH and the definition of these three particular GNH pillars is not threatened. Their appropriate balance is the issue.

The second GNH-related issue is more problematic. The differences over the relationship between the economic, culture and environment pillars are over balance. Differences over the
fourth GNH pillar – good governance – are over its very nature. TCB is intended to be an experiment in decentralization and horizontal cooperation, engaging both state and non-state actors in tourism governance. The reality is mixed. On the one hand, TCB has worked with dzongkhags, CSOs and the private sector in ways that look radically different than the old monarchical regime. On the other hand, it has on occasion defaulted to a top-down and bureaucratic approach, particularly in the case of McKinsey’s proposed tariff liberalization, or has not engaged horizontally with other government and donor partners, as in the case of ecotourism. The immediate results have been rather messy: demands from the private sector and civil society for a revised governance framework characterized by greater decentralization; emerging freelancing of gewogs outside of official bureaucratic structures; lack of meaningful interaction between TCB, NRED and the Parks; and significant differences over what donor participation should look like in tourism governance. The nature of the good governance pillar remains contested in the tourism sector.

3. POLICY OUTCOMES
What can be made of the complex interactions among governance actors that characterize the implementation of tourism policy? Since its inception in 1974, the tourism industry in Bhutan has been driven by a consistent policy intention. Tourism is meant to fuel economic growth that maximizes foreign currency exchange and employment opportunities while minimizing the potential negative impacts on the cultural and environmental pillars of GNH. Implementing this policy has been subject to on-going evolution – from ‘high value, low volume’ to ‘high value, low impact’ – driven by the government’s emergent priority to address the issue of employment and poverty. Implementing this evolution has been characterized by diverse patterns of influence with differences over how the economic, cultural and environmental pillars should be balanced and conflict around the nature of tourism governance itself. All of this has occurred within the general absence of a significant role for GNH specific instruments but an apparent common commitment to the values that underlie GNH. How has this complex reality influenced the nature of tourism policy outcomes? Information on tourism outcomes can be drawn from a variety of sources. More than most other areas of policy concern in Bhutan, tourism has been the subject of fairly significant academic interest. Scholarly studies on tourism are paralleled by data from published reports by TCB and the Royal Monetary Authority of Bhutan (RMA). Supplemental data is provided by the interviews undertaken for this study, supported by participant observation in tourism stakeholder meetings and site visits to tourism festivals, homestays and a number of day-hike trails. Analysis of these sources of data points to a clear conclusion.
Policy outcomes generally reflect the GNH intentions of tourism policy. This is despite the different patterns of domination, the occasional conflict and isolation that has characterized the policy implementation process and the general absence of a meaningful role for GNH tools. The common commitment to the values that underlie GNH appears to promote GNH outcomes in spite of the challenges and diversity of policy implementation practices.

To demonstrate the consistency of tourism policy outcomes with GNH policy intentions, the following analysis is structured to follow the three components of the policy intention: economic growth, environmental sustainability and cultural protection.

3.1. Economic Growth

Part of the intent of tourism policy is to foster economic growth by attracting a sustainable number of international tourists willing to pay the high daily tariff. While the first increase in the tariff rate in 1989 was a response to the concern over too many tourists entering the country, the privatization of the industry in the 1990s to harness the economic potential of tourism has driven an increasing number of tourists ever since. International tourist arrivals have risen since privatization from a mere 7,158 in 1999 to 54,685 in 2012. These numbers are small in comparison to neighbouring Nepal, which received 803,092 in 2012 (Government of Nepal 2013), but with the exception of the time periods around the 9/11 attacks and the 2008 global economic crisis, Bhutan’s international tourist arrivals demonstrate consistent growth.

Figure 2. International Tourist Arrivals (2000-2012)

Increasing international tourist arrivals have translated into increasing economic impact. Tourism is now the largest contributor of foreign currency in Bhutan (RMA 2012: 161). Comparative data on the industry’s contribution to gross receipts is available from 1996 to 2011 and data on government revenue is available from 1999 to 2011. With notable downturns following the 9/11 attacks and the global economic crisis in 2008, gross receipts have risen consistently. Government revenues, which are made up of the government royalty component of the daily tariff and taxes on tour operators, have also grown. In both cases, the percentage change each year has regularly reached double digits.

Box 3. Tourism: Gross Receipts & Contribution to Government Revenue (Selected Years)

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross Receipts (US$ million)</th>
<th>% Change in Gross Receipts from Previous Year</th>
<th>Contribution to Government Revenues (US$ million)</th>
<th>% Change in Government Revenues from Previous Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>6.5</td>
<td>10.6</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>1999</td>
<td>8.9</td>
<td>11.3</td>
<td>3.5</td>
<td>14.3</td>
</tr>
<tr>
<td>2001</td>
<td>9.2</td>
<td>-12.4</td>
<td>3.3</td>
<td>-19.5</td>
</tr>
<tr>
<td>2004</td>
<td>12.5</td>
<td>50.2</td>
<td>4.4</td>
<td>50.6</td>
</tr>
<tr>
<td>2008</td>
<td>38.8</td>
<td>30.1</td>
<td>13.8</td>
<td>29.9</td>
</tr>
<tr>
<td>2010</td>
<td>35.0</td>
<td>9.9</td>
<td>13.3</td>
<td>20.3</td>
</tr>
<tr>
<td>2011</td>
<td>47.7</td>
<td>36.2</td>
<td>15.5</td>
<td>16.5</td>
</tr>
</tbody>
</table>

Tourism-related economic growth has led to increased employment in Bhutan. In 2001, two years after the industry was completely privatized, 74 private tour operators existed, providing employment to 500 people (RMA 2001: 15). By 2010, the number of direct and indirect jobs in the industry was 21,289, surpassing the government’s goal of 18,000 jobs (RGoB 2011b: 41). This increased to 28,982 jobs by 2012 (TCB 2012). Many of these jobs are urban based but there is increasing evidence of employment and increased incomes in rural areas, particularly through trekking and ecotourism initiatives. Local communities provide porters, cooks, transportation services, cultural entertainment, arts and crafts and local food (Gurung & Seeland 2008: 499; Rinzin et al. 2007: 118). A 2013 report by the Ministry of Agriculture and Forests outlines that 1000 households have benefitted in 2012/2013 by recent ecotourism initiatives (MoAF 2013: 64).

At the same time, challenges remain. A number of respondents who are guides outlined that their work tends to be seasonal, requiring them to find additional jobs. Other guides are civil servants who use their holiday leave to guide, potentially taking jobs away from those without work. Furthermore, while the number of tour operators grew to 676 by 2010, many of these are inactive and only ten companies represent almost 50% of the tourism business (RMA 2012: 163). The economic impact of tourism has played an important role in fueling gains in employment, but greater work remains to distribute these gains more equitably.

3.2. Environmental Sustainability

Trekking represents the main potential threat to Bhutan’s environment. Nepal’s experience is particularly notable having gained it a reputation as “the world’s highest junkyard” (Nepal 2000: 666). Trekking routes in Nepal are characterized by deforestation, trail erosion, contaminated water supplies and an enormous problem with garbage (Musa et al. 2002; Nepal 2000; 2002). Unlike Nepal’s policy of mass tourism, Bhutan’s already cautious approach is further bolstered by the small proportion of its tourists who visit the country to trek. Trekkers represented between 9 – 15% of total tourists each year from 2006 to 2011, with total numbers ranging from a low of 2,404 to a high of 4,199 (RMA 2011: 23; 2013: 176). These relatively low numbers, combined with the country’s regulations around garbage and fuelwood, have meant there is limited environmental damage. Some evidence exists of erosion of trekking trails but this is not due entirely to tourism (Rinzin et al. 2007: 120). Significant deforestation has been avoided (Gurung & Seeland 2008: 499). Some evidence exists of the destruction of vegetation for firewood (Dorji
2001: 87–88) but Bhutan's forest cover remains around 70 per cent (NSB 2011: 76). Further, there has historically been little evidence of garbage on trekking trails (Rinzin et al. 2007: 120). Many respondents, however, suggest that garbage is a growing problem. A number of site visits to day-use trails confirm this.

Some respondents suggest that guides collect garbage in front of the tourists and then simply discard it inappropriately when the tourists are not looking. The reality of the perceived garbage problem is likely more complex. Gurung and Seeland (2008: 499) found that the source of most garbage is local people and not related to tourism. Several respondents concur, suggesting that the problem is a reflection of the larger issue of Bhutan transitioning from a society that primarily had biodegradable waste to one that only recently has been flooded by packaged products from India. Public education on waste disposal has yet to catch up to this reality. A TCB respondent stated that tourist surveys regularly identify garbage, both on trekking trails and in urban settings, as the main disappointment of their trip to Bhutan. Garbage may not be a result of tourism, but it is a potential threat to it in the future.

Despite reminders, such as in this urban park on the left, litter is increasingly becoming a problem on some trails, as is the case in the photo on the right.
3.3. Cultural Protection and Promotion

The vast majority of international tourists visiting Bhutan – 90% in 2010 - come to experience its unique culture rather than trek (TCB 2010: 14). The outcomes of tourism policy, both positive and negative, are therefore most likely to show up in cultural contexts. Again, like environmental outcomes, cultural outcomes derived from tourism have a relatively good record. The active promotion of Bhutan’s traditional culture as a means to attract tourists has been successful in a number of cases of reclaiming latent or lost cultural practices, structures or values (Brunet et al. 2001; Reinfeld 2003; Rinzin et al 2007: 121). Respondents from private tour companies, CSOs, a Dzongkhag administration and TCB all outline the effectiveness of the new festivals and other tourist activities in revitalizing traditional dances, traditional arts and crafts and traditional household tools. Tourism has also driven the restoration of a number of monasteries.

Beyond the promotion of Bhutanese culture, the protection of culture has benefitted from the kinds of tourists Bhutan attracts and their tendency to stay for only short periods given the cost of the daily tariff. Many respondents argue that the successful marketing of Bhutan as a ‘Shangri-La’ destination has brought high paying tourists are who interested in traditional culture, a pristine environment and Buddhist values more generally, making cultural disruption less likely than if mass tourism - often termed ‘backpacker culture’ by respondents - was allowed to develop. This perception was also found by Rinzin et al. (2007: 121-122). In this context, tourism-related cultural and social problems such as theft, begging and sex tourism, common in other parts of the region, are not evident in Bhutan (Brunet et al. 2001: 259).

Despite the general success in preserving and promoting Bhutan’s culture, pressures on traditional cultural practices are evident. There have been reported cases of religious and cultural rituals being changed to better address the interests of tourists, inappropriate photography and an emerging sense of materialism among some Buddhist monks who accept gifts from tourists (Mowforth & Munt 1998; Reinfeld 2003). These pressures are likely to increase as tourist arrivals continue to increase. The potential to commodify cultural practices appears to be happening already. The traditional tshechu, a significant religious event for Bhutanese Buddhists, is also heavily promoted as a premier tourist event. The growing number of tourists with intrusive cameras at the tshechus in the cities of Thimphu and Paro are now almost as visible as the events’ traditional mask dances.
Despite the emerging challenges, the cultural outcomes are largely consistent with GNH policy intentions of preserving and promoting traditional culture. Yet the on-going question of how to properly balance the GNH pillars that has characterized the policy implementation process will likely continue as cultural pressures increase through growing tourist numbers.

3.4. Regional Tourists: Upending GNH Outcomes?

The above analysis illustrates that the outcomes of tourism policy have generally reflected GNH policy intentions with some challenges evident. A recent and significant wildcard, however, exists. Until very recently, Bhutan’s tourism policy has focused exclusively on what is termed “international tourists”, a term that excludes a specific category of regional tourists. Bhutan has an open border policy with India, Bangladesh and Maldives. Tourists from these countries do not require a visa to visit Bhutan and are exempt from the daily tariff and required package tour. Of these three countries, the vast majority of tourists come from India (TCB 2010: 21). The major debates and interactions around tourism policy are largely irrelevant to the case of regional tourists. Indeed, at the time of data collection, TCB has no meaningful data on regional tourists (TCB 2010: 21). While the Department of Immigration processes regional tourists at entry points into the country, there has historically been no system to consistently measure the in-flow of regional tourists, what they do, or their impact (RMA 2009: 123). This is significant. Recently, better tracking through the permits issued by the Department of Immigration illustrates that regional tourists represent a significant market. In 2011, recognizing the potential of Bhutan as a regional tourist destination, TCB, working with McKinsey, signed an agreement with Make
My Trip, an Indian on-line travel agency. Clearer figures on the resulting number of regional tourisms emerged by the end of 2012. In addition to the 54,685 international tourists, 50,722 regional tourists visited Bhutan for a total of 105,407 tourists overall (TCB 2012: 14).

What can be made of this? It appears to be, on the face of it, inconsistent with Bhutan's GNH tourism policy intention. Nyaupane and Timothy (2010) argue that the exemption of Indian tourists from Bhutan's tariff demonstrates that Bhutanese tourism policy is rooted in geopolitical realities and not the pillars of GNH. Their assessment is both right and wrong. India's influence is indisputable given its trade relationship with Bhutan and the amount of financial assistance it has provided the country. Whether this is the reason for its exemption from the tourism tariff is not as obvious, particularly given that Bangladesh and Maldives are also excluded. More importantly, divorcing this reality from GNH and ascribing it solely to geopolitics misunderstands Gross National Happiness and its connection to sovereignty and security. The official construction of GNH clearly envisions it as a development strategy that integrates the four pillars as a multidimensional framework, and that this framework is part of the identity of the Bhutanese state that ultimately protects its sovereignty in a region of economic and cultural giants (Mancall 2004: 142; Planning Commission 1999b: 10). The values of balance and compromise that underlie GNH do not separate socio-economic development, cultural protection, environmental sustainability and good governance from issues of state sovereignty and peaceful co-existence. Quite the opposite, they are fundamental to it (Planning Commission 1999a: 24-25, Rinzin 2006: 17, J.S. Wangchuck 2008a, 2008b, J.K.N. Wangchuck 2009). Compromise is necessary to achieve balance.

At the same time, this does not lessen the challenge that regional tourists represent to the cultural and environmental pillars. While the growing numbers of regional tourists will undoubtedly contribute to further economic growth, their ability to travel unaccompanied without a package tour increases the potential for cultural and environmental disruption. The sheer numbers of tourists, both international and regional, may strain the country's current carrying capacity. Bhutan's operationalization of its tourism policy, largely successful in achieving its policy intentions since 1974, is potentially entering new territory.
4. CONCLUSION

The process of policy implementation, characterized by a mixture of cooperation, conflict and isolation, has driven tourism policy outcomes that generally are consistent with GNH policy intentions. Tourism has successfully promoted economic growth while largely protecting Bhutan’s culture and environment from significant erosion. The economic, cultural and environmental pillars of GNH have undergone an ongoing balancing act in response to emergent issues, but this rebalancing has not fundamentally undermined GNH. This is in spite of multiple factors that should work against such a situation. The number of governance actors with potentially diverse priorities has dramatically expanded over the years. Diverse patterns of domination are evident among these actors as no single actor consistently dominates in all geographic contexts or constellations of governance actors. The GNH tools have relatively little influence in shaping the nature of actors’ influence or the patterns of this influence. The ability of the policy implementation process to navigate this situation in a manner that generates GNH outcome is a result of a consistent set of values linked to GNH, whether tourism stakeholders explicitly make this connection or not. These values constrain and shape the interactions among tourism stakeholders. When conflict occurs, it is over the proper balance of the economic, cultural and environmental pillars of GNH. It is not over competing perspectives of what tourism policy should achieve.

At the same time, external forces may increasingly intrude in the future in ways that may be inconsistent with GNH. The increasing influx of Indian tourists excluded from the tariff and package tours may dramatically strain the carrying capacity of the country. The recent introduction of foreign direct investment in the building of hotels may also bring new values related to commercialism and consumption that have been avoided in the past. Yet these changes do not necessarily threaten GNH. Bhutan’s experience with McKinsey illustrates that actions by foreign actors that appear to stray too far from the required balance of GNH are checked by those who feel the values of integration, balance and harmony – GNH values - are being violated. In the case of the dramatic increase in Indian tourists, this is already beginning to emerge. Multiple respondents from the private sector and civil society describe an uneasiness with the sheer numbers of Indian tourists and the need to address the issue now. The existence of a common set of values that has in the past enabled an on-going balancing of GNH pillars in the face of emergent issues, even when this involves conflict, suggests that new external influences do not automatically represent a threat to GNH.
Finally, as was the case with media policy, the general consistency of tourism policy outcomes with GNH policy intentions paradoxically co-exists with the emergence of a situation that threatens to erode the Bhutanese state’s image as an aspiring GNH state. Good governance, the fourth GNH pillar, is subject within the tourism sector to a variety of contesting definitions and influences that muddy the state’s image as a coherent GNH state leading a national GNH development project. First, inconsistent practices within the state itself fray the notion of a cohesive state image: different components of the state pitted against one another in response to McKinsey’s tariff proposal, isolated constellations of state actors involved (or not involved) in ecotourism, different dzongkhags engaged in different ways in operationalizing tourism initiatives and two gewogs freelancing outside of official channels. These practices, while not threatening specific GNH outcomes given the commitment to common GNH values, nonetheless work at cross-purposes to the image of state coherence.

Second, the state has been acted upon by non-state actors who perceive the state as abandoning GNH in its emphasis on economic growth and its tendency to remain top-down in its decision-making. This is a misunderstanding of the state’s GNH reasoning for its economic focus in particular, but it nonetheless cracks the foundation of the state as the perceived driver of GNH. The case of TCB’s apparent disinterest in a private GNH initiative within one of the tour operators further erodes the image of a vanguard GNH state. Third, accompanying the view of some non-state respondents that the state is abandoning GNH is the frequent lack of understanding of GNH among other respondents. While these respondents may subscribe to the same values that underlie GNH, their inability to connect these values to GNH or even define what GNH is undermines the sense of a national development strategy that unites Bhutan. All of these chip away at the foundation of the state as a cohesive avatar of the Bhutanese population leading the process of creating the conditions for GNH.
CHAPTER NINE
FARM ROAD POLICY

On May 25, 1961, President John F. Kennedy famously ushered in the era of human space travel by promising to land a man on the moon within the decade. That same year, Bhutan began a significantly more modest but no less revolutionary national transportation goal: building its first motorable road. As Bhutan began its journey out of self-imposed exile in the early 1960s, it did not have a single road or car. Traditional trails were plied on foot or with horses, yaks and mules (Planning Commission 1999a: 141; Priesner 2004). Construction of the country’s first road was completed in 14 months, covering 112 miles and taking 6 hours to drive by jeep (Scofield 1974). With its completion, Bhutan began a long term process of developing road infrastructure that has culminated in a current push to make rural areas more accessible through the construction of farm roads.

This chapter analyzes Bhutan’s attempt to implement the construction and maintenance of farm roads in a manner that realizes the socio-economic, environmental and good governance pillars of GNH. It argues that democratic decentralization – a key component of the GNH governance framework - has enabled local communities to emerge as a new source of influence that acts upon the priorities of local government officials in ways that often threaten the sustainable construction of farm roads. This has occurred in the context of the central government losing influence in implementing farm road policy given the nature of decentralization. These relationships across different levels of government and between local officials and their communities are not shaped by the GNH policy tools. Moreover, the existence of commonly held GNH-values that shaped media and tourism policy are evident but constrained by capacity and funding challenges that accompany decentralization. The result is policy outcomes that reflect GNH policy intentions in the immediate term but diverge from these GNH intentions in the long term given the lack of sustainability of many farm roads. The chapter is again structured around the research questions that guide the study, analyzing policy intentions, policy implementation and policy outcomes in turn.

1. POLICY INTENTIONS
The initial years of road construction inaugurated by the First Five Year Plan from 1961-1966 had a dual intention: connect the country to promote socio-economic development and
strengthen national security, particularly in light of Chinese actions in Tibet in the 1950s (GNH Commission 2009a: 141; Planning Commission 1999b: 30; Scofield 1976). The First FYP devoted 66% of its funding to constructing roads with the 2\textsuperscript{nd} and 3\textsuperscript{rd} FYPs continuing the predominant focus on infrastructure (Planning Commission 1981: 29-32). None of the roads constructed in the early FYPs were farm roads. Three road categories generally existed until 2002, including national highways, district roads and feeder roads. The result was continuing isolation of rural areas (Planning Commission 1999b: 30). Indeed, as of 1997, over half of the rural population lived more than half a day’s walk from the closest road head (Planning Commission 1997: 97). One of the results of this isolation is the overwhelmingly rural nature of poverty in Bhutan. The \textit{Poverty Analysis Report} of 2007 points to the dramatic differences in consumption-related poverty between rural and urban Bhutan (NSB 2007). The \textit{Report} analyzes two poverty lines, a subsistence line related to food consumption and a total poverty line that combines food and non-food consumption. In both cases, rural Bhutanese live in significantly greater hardship than their urban counterparts.

\textbf{Figure 3. Poverty and Subsistence Headcount 2007 (% of population)}

\begin{figure}
\centering
\includegraphics[width=\textwidth]{poverty_subsistence_headcount.png}
\caption{Poverty and Subsistence Headcount 2007 (% of population)}
\end{figure}

Source: NSB 2007: 13
The problem of rural poverty has a direct connection to accessibility. Poor market access rooted in a lack of road connectivity is strongly correlated to the pattern of rural poverty at the gewog level in Bhutan (GNH Commission 2011b: 41-42). Limited market access has meant no incentive has historically existed for farmers to move beyond subsistence production (Planning Commission 2002: 34, 117). While the nature of subsistence in Bhutan does not translate into starvation or homelessness as every household is entitled to a free plot of land and timber to build a house (Sinpeng 2007: 31), poor market accessibility has created a subsistence trap. Beginning with the 9th FYP (2002-2007), the Bhutanese government has sought to address the problem directly. Farm roads were created as a new category of road. And while there is currently no formal written government policy on farm roads, both the 9th and 10th FYPs identified their construction as a key area of focus underpinning rural development (Planning Commission 2002: 121-123; GNH Commission 2009a: 94-99; 2009b: 30-32).

A farm road is defined by the Bhutanese government as one “that links agricultural farmland areas to national highways and other roads primarily to enable the transportation of inputs to the farm and agricultural produce to the market” (RGoB 2004: 18). The definition points to the key policy intention. Multiple government documents indicate that improving rural accessibility is intended to increase rural incomes and reduce poverty by connecting rural areas to marketplaces, thereby creating an incentive to enhance agricultural production beyond subsistence (GNH Commission 2009a: 45, 95, 139; 2009b: 30; 2011: 40-43; MoA 2009a: 84; Planning Commission 2002: 4, 121; RGoB 2005a: 109-110). Such connectivity decreases the time and cost of bringing various farm inputs from markets to farmers, enabling the generation of surplus production, while also decreasing the time and effort farmers need to travel to markets to sell this surplus produce (GNH Commission 2009a: 95). Regulations require that every kilometre of farm road connects at least seven households (DoA 2009a: 13).

An evolution in the policy intention to better reflect the integrated nature of GNH occurred after initial construction of farm roads began during the 9th FYP. Community demand for farm roads grew dramatically. Demand was not only based on the economic benefits of market access but the connectivity farm roads provide to social services (DoA 2009a: 5). Research by UNDP illustrates that there is an overlap between good road access and higher sub-national figures for

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19 According to a respondent in the Department of Agriculture (DoA), this figure initially was 10 households but was revised to seven to ensure greater equity for more isolated households.
the human development index in Bhutan (cited in GNH Commission 2011b: 41). In light of this, a set of 2009 guidelines for farm road development recognized the importance of connecting rural people to social services and revised the criteria for selecting the location of farm roads to ensure selection moves beyond just direct economic return and incorporates social concerns (DoA 2009a: 11; MoAF 2013: 22).

The focus on farm roads as a means to address connectivity to markets and social services is paralleled by an emphasis on the need to construct them in a manner that is environmentally friendly (GNH Commission 2009b: 31). The potential for road construction to damage the environment is considerable in Bhutan given the often fragile nature of its mountainous terrain (Planning Commission 2002: 125-136). As a result, the 9th FYP initiated the requirement that all road construction make use of environmentally sound practices and conform to environmental codes (Planning Commission 2002: 86). The 10th sector plan for the Ministry of Agriculture and Forests further outlines the need to ensure environmental compliance through capacity development of road stakeholders (MoA 2009a: 28). The government recognizes that there is a significant financial cost to ensuring farm roads are constructed in an environmentally friendly manner, but it maintains that the high cost in the immediate term will be cost-effective in the long term as roads will be built sustainably (Planning Commission 2002: 126).

The 9th and 10th Five Year Plan documents locate the intentions of farm road policy directly within GNH. They do so, however, in a way that is not always specific and somewhat scattered, undermining clear interconnections across the GNH pillars. A GNH approach to farm roads should not only link socio-economic concerns to environmental ones, but tie these to cultural and governance concerns as well. Farm roads should, in addition to being environmentally sustainable, ensure that areas of cultural importance, like the abodes of deities, are not disturbed and should promote improved governance through improved access to all government services.

These seem to be implicit in government documents but are never made clear, nor is their integration explicit. The 9th FYP (2002 – 2007) connects farm roads to GNH very generally, framing the entire plan as one that contributes to Gross National Happiness (Planning Commission 2002: 4-6). No specifics are given related to individual GNH pillars. The Plan targeted the construction of 900km of farm roads, 60% of these in four poor eastern dzongkhags representing the largest portion of the plan’s financial outlay (Planning Commission
The 10th FYP (2008-2013), in contrast, is more specific. Farm roads are a component of an overall “Triple Gem” concept of rural development. The Triple Gem approach emphasizes three interconnected areas: enhancing production, promoting accessibility and improving marketing (GNH Commission 2009a: 95). Farm roads are a part of promoting accessibility but underlie the success of all three components. Activities within the Triple Gem approach are directly tied to GNH and located within a results based management (RBM) framework, including the expected results at the output, outcome and impact levels for farm roads.

Box 4. 10th FYP RBM Results Framework for Farm Roads

<table>
<thead>
<tr>
<th>Projects/Activities</th>
<th>Outputs</th>
<th>Outcome</th>
<th>Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development of Farm Roads and Power Tiller Track (PTT) maintenance policy</td>
<td>Farm road and PTT Maintenance Policy in place</td>
<td>Proportion of rural population living more than 1 hour’s walk from a motorable road head reduced from 40% to 20%</td>
<td>Mean annual rural household cash income increased from Nu. 10,700 to above Nu. 35,000</td>
</tr>
<tr>
<td>Outsourcing of Farm Road Survey, Design &amp; Supervision Works</td>
<td>FR and PTT survey, design and supervision outsourced</td>
<td></td>
<td>Proportion of rural households living below the poverty line reduced from 30.9% to 20% through enhanced food security</td>
</tr>
<tr>
<td>Purchase of Non-destructive Testing Equipment &amp; Procurement of Aerial Photos/Maps</td>
<td>750 kms of FR constructed using CMU machineries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strengthening of Central Machinery Unit (CMU)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: adapted from GNH Commission 2009b: 32.

The impact level results in the RBM framework are clearly set within the socio-economic pillar of GNH. The 10th FYP also links them to the achievement of the first Millennium Development Goal of eradicating extreme poverty and hunger (GNH Commission 2009b: 30). In addition to the socio-economic pillar of GNH, the 10th FYP further connects the policy to the good governance pillar, yet it does so in a manner that is somewhat unclear and not directly
connected to other GNH pillars. The construction of farm roads is intended to contribute to good
governance through the provision of “common services” (GNH Commission 2009a: 98), where
common services are not clearly defined. The unclear integration of the various GNH pillars
within farm road policy is further evident in the lack of a specific link within government
documents to the environmental sustainability pillar of GNH despite the emphasis placed on
environmentally friendly road construction overall.

Despite the lack of an explicit recognition within policy documents of the integration of various
GNH pillars within farm road policy, the policy itself was met with enormous local demand
beginning with the 9th FYP. There has been notable success in the widespread construction of
the roads, but the implementation process has also faced significant challenges that threaten
the achievement of the rather scattered GNH policy intentions. These challenges are rooted in
the current nature of decentralization and its impact on how governance actors understand GNH
values and their expression.

2. POLICY IMPLEMENTATION
The state-in-society approach argues that disaggregated components of the state interact with
one another and with non-state actors in ways that may be conflictual or cooperative, often
generating emergent outcomes that reshape the priorities of governance actors. Moreover,
these interactions may occur across multiple patterns or sites of domination. The previous two
chapters have demonstrated both of these things. The implementation of media policy has
witnessed cooperation, conflict and isolation among state and non-state actors that have
generated emergent priorities and shifting constellations of allied governance actors. The case
of tourism policy further illustrates that interactions of cooperation, conflict and isolation have
occurred through different patterns of domination or influence in different contexts. Both of these
situations should threaten the achievement of policy outcomes that are consistent with GNH
policy intentions. In both policy cases, however, this has not occurred. A common commitment
to a common set of GNH related values appears to shape policy implementation conflicts and
divergent priorities in ways that generally preserve the original GNH policy intention.

The case of farm road policy provides evidence of the emergence of a new pattern of influence
that is making an impact on the nature of policy implementation. Decentralization in Bhutan has
made the implementation of farm road policy the domain of local governments and
administrations. This shift in power downward, combined with the recent process of
democratization, has more deeply integrated the state with rural society; rural citizens now engage more directly with local civil servants and with elected officials who are democratically accountable to their local voters. In the case of farm roads, such integration has led to a new and emergent influence of increasingly confident and demanding local communities. In response, the priorities of local officials have evolved. While this evolution is often framed in GNH terms of good governance and its values, it potentially threatens the successful implementation of farm road policy. It has also created a clash of priorities between local and central government officials over the appropriate nature of good governance as a GNH pillar. Different emphases on different values attached to good governance are at the root of these clashes, leaving the good governance pillar contested. All of this is further exacerbated by two things: capacity and funding challenges inherent in the current nature of Bhutanese decentralization and the general absence of an effective role for the GNH policy instruments. In this context, the evident common commitment to a common set of GNH related values is constrained in its ability to shape policy implementation in a manner consistent with GNH intentions.

This section deals with each of these issues in turn. It first outlines the nature of democratic decentralization and its connection to the implementation of farm road policy. It then assesses the emergence of vocal local communities that have generated competing priorities among local and central government actors in the context of farm road construction. The third section analyzes how the nature of decentralization itself has further exacerbated this situation through capacity and funding challenges. The final section reviews the inconsistent role of the GNH instruments and values in shaping these governance interactions. Overall, the section demonstrates that the process of farm road policy implementation opens up significant potential for generating policy outcomes inconsistent with GNH policy intentions.

2.1. Decentralization and Farm Roads: Process and Actors
2.1.1. The nature of decentralization
The implementation of farm road policy has been significantly influenced by the nature of decentralization in Bhutan. Central control over farm roads in the 9th FYP (2002-2007) was followed by dzongkhag and gewog control over the process in the 10th FYP (2008-2013). This has been a part of the larger priority of the fourth King to re-make the state from an absolute monarchy to a democratic and increasingly decentralized state that is more responsive to citizen needs. The process of decentralization that began with the 1981 creation of dzongkhag level
Local governments known as Dzongkhag Yargye Tshogchung (DYTs) has been gradually and consistently deepened over the last three decades. The creation of DYTs connected the central government to the dzongkhags and provided dzongkhags with a role in planning and implementing the Five Year Plans (Gupta 1999: 70; Kinga 2009: 277; Ura 2004b: 144-145). The subsequent creation of the Gewog Yargye Tshogchung (GYTs) in 1991 connected dzongkhags further downwards to the gewog level and gave local people a chance to participate more directly in articulating local development needs and implementing activities addressing these needs (Kinga 2009: 278-279). Local government legislation introduced in 2002 for both the dzongkhag and gewog levels broadened the powers of sub-national governments and replaced household voting with universal suffrage (RGoB 2002a; 2002b). Administrative and regulatory decentralization was further complemented in 2002 with fiscal decentralization. GYTs were given the ability to retain rural taxes and both DYTs and GYTs given powers to prioritize and allocate annual budgets (Planning Commission 2002: 23-24; RGoB 2002a: 8; RGoB 2002b: 7). The 9th FYP (2002-2007) reflected these emerging changes. The Plan incorporated a shift to gewog-based planning where many central agency planning functions where decentralized to gewog and dzongkhag administrations (Planning Commission 2002: 16, 25-26). Sectoral plans continue to exist at the central agency level alongside these local plans, however, and continue to receive the majority of FYP funding.

The transition to democracy further embedded decentralization. Article 22 of the constitution entrenches decentralization in Bhutanese governance. Recent local government legislation, first in 2007 and again in 2009, created local government bodies known as Dzongkhag Tshogdu (DTs) and Gewog Tshogde (GTs) in the dzongkhags and gewogs respectively. According to the Local Government Act 2009, these are not legislative bodies but play a key role in planning, policy implementation and developing local rules and regulations consistent with national law. Each local government is supported by either a Dzongkhag Administration (DA) or a Gewog Administration (GA). The Local Government Act 2009 stipulates that each of these levels of local government is to promote the conditions that enable the pursuit of GNH (RGoB 2009: 11).

The deepening of decentralization that occurred with democratization and the passage of local government legislation is evident in the 10th FYP (2008-2013). The decentralized approach to planning launched in the 9th FYP is maintained in the 10th plan and significantly broadened. The Plan is clear that decentralization is critical to promote good governance values such as responsiveness, transparency, participation and accountability (GNH Commission 2009a: 73-
The most significant change in the 10th FYP is the dramatic expansion of fiscal decentralization. Funding to carry out 10th Plan activities at the dzongkhag and gewog levels increased by 61% from the 9th FYP (GNH Commission 2009a: 76). Funding mechanisms include earmarked grants and annual grants (GNH Commission 2010c). Earmarked grants are provided by the central ministries to dzongkhags and gewogs for the direct implementation of national programs. Central ministries manage the programs with local governments acting solely as implementers. In contrast, annual grants are provided to dzongkhags and gewogs to implement activities that they have planned themselves through the five year and annual planning process. The total annual grant resources in the 10th FYP are split 60:40 between dzongkhags and gewogs with resource allocation based on a formula including population, geographic size and incidence of poverty (GNH Commission 2010c: 7-8). The annual grant is further split into tied and untied components (GNH Commission 2010c: 6). The tied portion makes up 80% of the grant and is to be used to implement annual activities that dzongkhags and gewogs have defined as part of their Five Year Plans. The remaining 20% is untied and can be used to fund activities outside of the FYP, providing local governments with flexibility to address unexpected and emergent needs. Beyond the earmarked and annual grants, gewogs also have the power to levy local taxes at rates approved by parliament.

2.1.2. Decentralization and the implementation of farm road policy

The introduction of farm roads began with the 9th FYP in 2002. Their construction has paralleled the process of deepening decentralization since that year. During the 9th FYP, the Ministry of Agriculture controlled the overall process and signed MOUs with each of the dzongkhags for farm road construction (DoA 2009a: 7). The 10th FYP maintains overall responsibility for farm roads with the Ministry, and the Department of Agriculture (DoA) in particular, but its role is primarily confined to the development and oversight of standards and guidelines (DoA 2009a: 8). The Engineering Division within DoA plays a lead role. The actual implementation of farm road construction and maintenance is decentralized. In particular, gewogs are responsible for identification, construction and maintenance of farm roads (DoA 2009a: 7; GNH Commission 2007: 11-12, 21; 2009b: 32). At the same time, there is a recognition that gewogs, as the lowest level of government with the least experience, currently lack full capacity to oversee farm road construction and maintenance (DoA 2009a: 7). As a result, dzongkhag administrations have been tasked with providing significant technical support to gewogs. This does not mean gewogs are marginalized in the implementation process. They remain central players with the power to
identify the need for a farm road and assign budgets for planning, feasibility studies, construction and maintenance (DoA 2009a). It does, however, mean that there continues to be multiple levels of government actors involved in implementing farm road policy despite gewogs being designated as the lead on the ground. Higher levels of government remain prominent in a backstopping role in the medium term.

In addition to the multiple levels of government involved in farm road policy, international donors also play a central role in funding the construction of farm roads. Much of the funding comes from the Government of India through the Small Development Projects modality, IFAD, World Bank, ADB and JICA (MoA 2010; MoF 2011: 40). Financing takes two forms. First, harmonized and pooled donor funds are used for the annual grants allocated to gewogs and dzongkhags that can be allocated to farm roads (and other initiatives) planned at the local level. Second, individual farm road projects planned by the centre receive funding from individual donors. The former reduces direct donor influence on farm roads by harmonizing donor funds as part of the larger annual grants that are used for multiple kinds of local initiatives. The latter, however, holds the potential for donors to impose their own priorities and specifications on the construction of farm roads. Indeed, respondents from donors, Engineering Division and the National Environment Commission all outline the existence of specific procedural requirements, both technical and environmental, that donors require. Nonetheless, the Bhutanese government ensures that these remain consistent with its priorities, requiring that all donor technical specifications be approved by Engineering Division (DoA 2009a: 6).

**Box 5. Key Actors in Farm Road Policy Implementation**

**i) State actors:**

*Centre:* Engineering Division of Department of Agriculture (DoA), Territorial Forest Offices

*Dzongkhag:* Dzongkhag Engineer & engineering staff, Dzogkhag Agriculture Officer, Dzongkhag Environment Officer, Dzongdag, Dzongkhag Environment Committee

*Gewog:* Gup, Mangmi (deputy gup), Gewog Administrative Officer (GAO), Extension officers

**ii) Non-state actors:**

Private contractors, Farm Road User Groups, international donors
The multiple components that make up the overall process of farm road construction – planning, feasibility studies, construction and maintenance – demonstrate the diversity of actors involved in implementation.

2.1.2.1. Farm road planning: Gewogs have the power to identify, prioritize and plan farm roads (DoA 2009a). Elected officials, including gups and mangmis, as well as the Gewog Administrative Officer (GAO) play a lead role in the local planning process. The selection criteria used by local government to identify farm road location are provided by Engineering Division of DoA. This criteria includes the number of households affected, length, technical viability and current accessibility (DoA 2009a: 13). In addition, several farm road projects funded by donors were planned as part of the 10th FYP by levels of government higher than the gewogs. These roads ultimately will be turned over to the respective gewogs upon completion (DoA 2009a: 7).

2.1.2.2. Feasibility studies: A number of pre-investment studies are required prior to road survey and design. Carrying out these initial studies is the responsibility of Engineering Division of DoA and dzongkhag level engineers given the lack of capacity of gewogs, although the studies are often outsourced to consultants (DoA 2009a: 22). A geotechnical study of the geological conditions, terrain and watershed is also required. Dzongkhag engineering staff are tasked with this responsibility with significant support from the central Engineering Division given the technical expertise required (DoA 2009a: 22). A socio-economic study must also be undertaken to document basic socio-economic characteristics of the community where the road will be built as well as identify the community’s preferred alignment of the road. According the Guidelines for Farm Road Development, the various Extension Agents – Agriculture, Forest and Livestock – who are located at the gewog level but are dzongkhag civil servants, are best positioned to carry out this study (DoA 2009a: 22-24). Finally, an Environmental Study must occur, including an assessment of the impact of the proposed road on cultural sites (DoA 2009a: 24). Again, the intention is for the Dzongkhag Engineering Staff to take the lead on this study, but given the need for technical knowledge, the DoA's Engineering Division is to support the dzongkhags until capacity is developed (DoA 2009a: 24). A detailed survey for the design of the road is carried out by the Dzongkhag Engineer following the completion of the various studies (DoA 2009a: 25).

2.1.2.3. Clearances: Accompanying the studies that must be carried out prior to the initiation of construction of a farm road is a series of clearances. An environmental clearance is required by the National Environment Commission (NEC). The environmental clearance was initially carried
out by the NEC office in Thimphu but with decentralization it has moved to the dzongkhag level for farm roads under five kilometres in length. The Dzongkhag Environment Officer, who is an employee of the NEC yet posted at the dzongkhag level, is to play a key role in the clearance as is the Dzongkhag Environment Committee which, in addition to the Environment Officer, is made up of a range of dzongkhag sectoral officers and the Dzongdag, who is the head of the Dzongkhag Administration. A Forest Clearance must also be carried out and is the responsibility of the relevant Territorial Forest Office, which is a central government agency but located outside the capital. Finally, a social clearance must also be undertaken. Everyone in the community who is affected by the proposed farm road must sign off on its location, known as its alignment. This is particularly critical as private farm land that is requisitioned for the road is not compensated. While the Land Act of 2007 outlines that compensation must be paid for government projects, lack of funds has meant that such compensation does not actually occur in the case of farm roads (DoA 2009a: 24). The social clearance is therefore critical to ensure that community members consent to the alignment of the road.

2.1.2.4. Road construction: The method for constructing roads is chosen by gewog administrations from three potential modalities. The departmental modality involves construction by the central government in partnership with the Central Machine Unit (CMU). The community modality, in contrast, uses labour from the local community to build the road. The contractor modality outsources construction to the private sector. Since the 9th FYP, the central government has encouraged the use of the private sector for infrastructure projects like roads (Planning Commission 2002: 44-46) and the contractor modality was chosen most frequently by the gewogs involved in this study. Construction of farm roads, regardless of modality, must follow a range of technical and environmental specification set out by the Department of Agriculture (DoA 2009a: 9). To ensure compliance, supervision and monitoring of road construction is to be undertaken by the Dzongkhag Engineer and the Dzongkhag Engineering Staff. Extension Staff at the gewog level can also be incorporated into the monitoring process if needed (DoA 2009a: 25-26).

2.1.2.5. Road maintenance: Local governments are responsible for budgeting for farm road maintenance, including routine, periodic and major maintenance (DoA 2009a: 27). The local government administration chooses, in consultation with the community, from among the three types of modalities (departmental, community and contractor) for the nature of road maintenance (DoA 2009b). Maintenance funding can be allocated by local governments through
their annual grant. A Farm Road Users Group made up of community members can also be created with the power to levy fees and tolls to support maintenance (DoA 2009a: 27).

A Farm Road User Group engaged in routine maintenance

Overall, the various components that make up the process of constructing and maintaining farm roads demonstrate that a diverse mix of actors characterizes the decentralized nature of farm road policy implementation. Gewogs, the intended lead, have access to increasing funding through donor funded annual grants to identify, plan, construct and maintain farm roads, but their lack of capacity means continued backstopping by dzongkhag and central officials, at least in the medium term, all within the context of regulations and standards set out by the Department of Agriculture. In practice, the implementation of this process has faced challenges. First, increasingly confident rural community voices are emerging and are driving competing GNH priorities among government actors on how to respond to these voices. Second, this situation is complicated by the specific nature of decentralization and its implications for local capacity and funding.
2.2. Decentralization in Practice: Emerging Community Pressure

The gradual process of decentralization that ultimately led to a peaceful democratic transition in the first decade of the 2000s is a significant achievement in Bhutanese political development. Challenges to democratic consolidation, however, remain. One of the key issues is fostering a dynamic and participatory citizenry in the context of passivity during the years of the absolute monarchy. The emergence of a vibrant democratic citizenry likely has some way to go in Bhutan, particularly as many citizens saw no need for democratization in the first place and accepted it only because it was driven by the fourth king (Sinpeng 2007; Turner et al. 2011: 192-193). The case of farm road policy, however, suggests that things may be changing. Local voices are beginning to make demands on public officials on how farm roads are built. These demands often violate the GNH related technical and environmental regulations required during construction.

In response to this emerging pressure, two competing positions among government actors are evident. At the gewog level, many officials feel that the GNH pillar of good governance requires them to bend to community demands even if these violate technical and environmental standards in road construction. For these officials, good governance is defined primarily in terms of the value of responsiveness. In contrast, officials in the central government argue that effective governance, not just responsive governance, requires that technical and environmental standards be maintained to ensure the sustainability of farm roads in the long term. Dzongkhag officials often appear caught between these two positions. Given the decentralized nature of farm road construction, in practice this debate is currently being won by those at the gewog level, frequently in concert with dzongkhag officials, as there is evidence that the Department of Agriculture is losing control over how and where farm roads are being constructed.

2.2.1. Gewogs and dzongkhags: Bowing to local pressure

Interviews with gups, mangmis and GAOs at the gewog level consistently revealed that farm roads are the developmental activity in highest demand by their local communities. Dzongkhag level officials share this view. “People consider farm roads as a lifeline” stated one Dzongkhag Agriculture Officer (DAO). “They may not have anything” he continued, “but because [of] the benefits farm roads give to the people, they think it is much more valuable than any other.” Similarly, a DAO in another dzongkhag outlined the community interest in farm roads at the expense of other livelihood issues: “Farmers, what do you want? ‘Farm road.’ What do you want? ‘Farm road.’ So that’s why we are not able to, for a few years, to take out some of the
programs which are very dear, which is really their livelihood. They think that road is the most important.” This demand is matched by a growing willingness among community members to pressure both elected and non-elected officials on how farm roads should be constructed.

Community pressure is rooted in the lack of compensation for private land used to construct the roads. The social clearance is meant to address this issue. Every household on the proposed alignment of a farm road is required to sign-off on the social clearance once they agree to the use of their land for construction. Yet community members regularly oppose the location of the road once construction is about to start despite signing off on the social clearance. This issue, described by one official as “the social headache” is widespread, occurring in almost every gewog in the study. In some cases, a community member who signed off on the social clearance is the one who then opposes construction. In other cases, a younger family member signs off on the clearance with an older family member then opposing it. In three gewogs, there have been cases where opposition comes from absentee landowners living in Thimphu after the caretaker tenant signs the social clearance. Whatever the case, the opposition is often reported as being vigorous despite the social clearance sign-off, with one gup stating “some people say ‘I will die or lay down here before you cut my land.’”

Opposition from local people to farm road alignments is a recent phenomenon. During the 9th FYP, the central government maintained significant control over the implementation of farm road policy. A respondent in the DoA maintained that the department, in partnership with dzongkhag administrations, dominated the process without pressure from below. Community opposition to farm road alignment, according to the official, was unheard of 10 years ago; people simply accepted any government project without opposition. A gup contrasted the two eras: “In the old days, gups, mangmi, lyonpo and dashos were more demanding. But now people are more demanding.” Respondents point to democratic decentralization as the cause of the growing willingness of local communities to oppose farm road alignment. A considerable number of respondents demonstrate some discomfort with this situation. One claimed people “are now very powerful” and that they use this power to “take advantage of democracy.” A Dzongrab, or deputy head of a dzongkhag administration, demonstrated obvious frustration, stating “Previously people didn’t have the guts, now they complain about everything. They think power is given to them, they don’t realize there are also responsibilities.” Other respondents viewed public opposition as a positive political development. “After democratization is in place, people
have become a bit open,” said one respondent, “so they have started raising more voices and that is good.”

The emergence of raised voices leads to pressure applied by members of the community to change the road alignment so it moves off their land. In some cases, respondents report that pressure is put directly on the private contractors. A dzongkhag official outlined how this often comes as a surprise: “they will not really pinpoint with us the problem or their choice until the bulldozer is at the site. Sometimes it happens. Many times we face this.” Another frequent target of community pressure is the Dzongkhag Engineer (DE) responsible for monitoring the technical aspects of construction. All four DEs from the dzongkhags involved in this study reported being pressured by community members to change the alignment of the road in order to avoid the use of individuals’ private land. In many cases, they report that the revised alignment proposed by community members has negative environmental consequences or violates technical standards. Most often, new alignments preferred by the community require a gradient that is steeper than the regulation of 7–10% and is more susceptible to erosion of both the road and its surroundings. At the same time as they receive pressure from the community to violate technical standards, Dzongkhag Engineers also report receiving pressure to maintain these standards from the Dzongdag, the head of the dzongkhag administration, and the central ministry. This places DEs in a difficult position. According to one: “we are like fish in the middle of two flat stones.”

The private contractors and Dzongkhag Engineers appear to receive the most pressure from community members. But there are additional cases where gups, as the elected heads of gewog governments, are also pressured by their local voters. The sentiment of being squeezed from above and below is again common, this time with potential electoral consequences:

I am in the middle as gup with the community on one side and the dzongkhag administration on the other side….The main problem comes there. The public thinks the gup is of no use as he is not fulfilling their wishes or desires, but when the gup listens to the public, the dzongkhag officials sometimes criticize gups: ‘if you don’t know how to follow the rules and regulations, why are you being gup?’

Officials at both local levels – dzongkhag and gewog – therefore feel caught between forces above and below them. Public demand to change the road alignment despite the potential to violate technical regulations clashes with the requirement by higher levels of government to
maintain these regulations. What is notable about the emergence of community pressure is the lack of any specific pattern. It is widespread and experienced in gewogs and dzongkhags throughout this study with no apparent link to geography or level of poverty.

Local government officials have responded in a variety of ways to the pressure they experience from above and below. The primary response is to try and educate the public on why the road alignment should not be changed. This is reported by respondents in almost all gewogs. A common strategy is to point out that households that lose parts of their land to the construction of the road end up seeing their property values rise dramatically once the road is built. In several cases, respondents state that such education is effective in resolving community concerns. In most cases, however, it is not. Two subsequent strategies are then used. In only two cases, an inability to convince community members that the social clearance and technical regulations must be followed has led to the cancellation of road construction by local officials. A far more frequent response is the bending of local officials to community wishes regardless of the implications for technical regulations. Dzongkhag Engineers from all four dzongkhags report that they have changed the alignment of farm roads despite the community signing off on the original alignment during the social clearance. Moreover, they all also report that such changes have sometimes compromised environmental or technical standards. According to one DA: “Yes, in two or three cases we had to do that way [change the alignment], we have to make a steep road where the gradient is very steep.”

The apparent willingness of many local officials to bend to community pressure illustrates an emergent priority among these officials. On the one hand, the vast majority of respondents recognize and agree with the GNH policy intention of building roads in a technically proficient and environmentally friendly way in order to promote sustainable access to markets and social services. This is not controversial. On the other hand, these same officials are making compromises during the implementation process that potentially undermine their own commitment to the GNH policy intention. Their reason – democratic decentralization requires local officials to evolve and be responsive to community concerns. Responsiveness trumps technical regulations despite the potential impact on road sustainability. One District Engineer did not hesitate to justify such actions, stating “So if they want it [the alignment] that way, by any means we have to manage it, either by changing the alignment or so.” Another DE made a similar case: “But the final decision is obviously given to the public themselves, and when they are not able to sacrifice their land, obviously we have to change the alignment. Sometimes the
road goes steep but we still build it.” Gups also argue that the voice of community people is the highest priority. According to one, “Sometimes we try to console them and negotiate with them and sometimes that works, but sometimes the farm road has to be changed and gets steeper. We cannot force it on the people.” The implication of this emergent priority of community responsiveness is potentially significant. One official put it bluntly: “we build a road we know won’t be useful.” This sentiment occurred across every dzongkhag in the study.

A farm road constructed with a gradient beyond the regulations

The focus on the value of responsiveness is sometimes couched in GNH terms. In Bhutan’s emerging democracy, the good governance pillar of GNH requires such responsiveness to citizens and voters. A gup stated that his decisions on local matters, including farm road alignments, “do not go against the people, so that is GNH.” Similarly, using the phrase frequently used to describe GNH, a Dzongkhag Engineer claimed “we cannot impose so we go for the Middle Path.” “We fulfill their wishes,” stated a Gewog Administrative Officer, “then everyone gets satisfied and some kind of GNH is developed in them.” A new site of influence is therefore emerging in the case of farm roads and justified in GNH terms. Democratic decentralization, a hallmark of the good governance pillar and the GNH governance framework,
is fostering increasingly vocal community voices that are more closely integrated with the state at the local level. Through this deeper integration they are imprinting their priorities on local officials’ decisions.

This is a significant development in a country with a history of a passive citizenry over the years of the absolute monarchy. Democratic consolidation is more than elite acceptance of the democratic rules of the game. It requires an engaged citizenry that believes democratic processes and institutions are the most appropriate form of governance (Linz & Stepan 1996: 5). The case of farm road implementation suggests a confident democratic citizenry that engages with public officials is starting to bud in Bhutan. But it also raises an obvious and uncomfortable reality. The gains this represents in terms of democratic consolidation and the good governance pillar of GNH are potentially offset by the possible undermining of the socio-economic and environmental goals intended to be achieved through farm road policy. Different GNH pillars again compete and play off one another. Respondents from the central government have recognized this situation. In response, they have begun trying to reassert central influence in a way that maintains the decentralized implementation of farm road policy but engages a broadened conceptualization of good governance values that better balances governance, socio-economic and environmental concerns.

2.2.2. Reasserting central influence?
Blair (2000: 21) states that the promise of democratic decentralization is that it fosters greater responsiveness to citizens that, in turn, leads to more effective service delivery. The Bhutanese case of farm roads suggests there is not an automatic connection between responsiveness and effectiveness. The nature of responsiveness and its balance with other factors is critical. Respondents at the central level do not accept that responsiveness to citizen demands should drive the technical nature of road construction. According to a high placed official in Engineering Division of the DoA, good governance is not merely responsiveness to citizens, it is also building effective farm roads that promote sustainable rural access that minimizes environmental destruction. This demands accountability among local officials to the technical specifications that are supposed to be followed in addition to accountability to voters. The official at Engineering Division did not dispute the need for responsiveness to citizen demands, but that it be better balanced by technical demands if farm roads are to be sustainable. Good governance, to this official, is as much about effectiveness as it is about responsiveness. When asked whether he thought it was okay to construct a farm road steeper than the regulations
allow when faced with community pressure, his answer was clear: “No, actually, we say that they should follow the rule.”

Yet the central government faces a significant hurdle in trying to ensure a better balance between technical effectiveness and democratic responsiveness. Decentralization has marginalized the centre’s ability to influence farm road construction. The DoA official was blunt about the department’s inability to enforce regulations, particularly around gradient levels. “But we have to admit that we have not been able to implement this [gradient regulations], and we know many, many roads go beyond that [technical limit on the grade]. We do not have good mechanisms to really enforce that.” The official was also clear that decentralization, and fiscal decentralization in particular, is at the heart of this situation:

But come 10th plan, now all this planning process has really become decentralized. Gewogs build their own roads and forget us. Not even the dzongkhags know where these roads are going. So they took everything in their control because they have the money... So that is how it changed from 9th to 10th plan. Now sometimes we don’t even know which road is being built where and how it is being built.

The emerging softening of influence at the centre is furthered by who is not involved with farm roads. The Department of Roads (DoR) plays no formal role, although it has advised the Department of Agriculture. DoR is responsible for the construction and maintenance of national highways, district roads and feeder roads. A Road Sector Master Plan (2007-2027) coordinates these roads nationwide (MoWHS 2006). The Master Plan makes no mention of farm roads, leaving them without integration in larger road planning. In addition to the absence of DoR, the Department of Local Governance (DLG) plays a relatively minor role. DLG regulates policy implementation and evaluates policy outcomes related to decentralization. It also is meant to provide capacity development to decentralized bodies. Despite this role, a respondent from DLG, speaking broadly about the local planning process as a whole, argued that the Department is largely irrelevant in local planning or in supporting activities undertaken through the plan, including farm roads. He suggested that DLG is only included when there is a need to resolve problems: “It is interesting that we are bypassed. We are the Department of Local Governance but we do not know what is happening.” The respondent suggested that the Department’s absence is a “teething problem” given that DLG was only established in 2005. Indeed, the Department was not mentioned by a single respondent from the dzongkhag or gewog levels when discussing the interactions of governance players in the implementation of farm road policy.
The lack of integration among relevant central departments is paralleled by a second curious situation. In contrast to many local government officials who explicitly locate the need to be responsive to local voices within the good governance pillar of GNH, respondents at the centre who emphasize balancing responsiveness with effectiveness to promote technical and environmental regulations do not make the argument in reference to GNH. Quite the opposite is the case. Respondents from within Engineering Division of DoA and the Department of Local Governance see no connection at all between farm roads and GNH. Speaking generally about rural livelihood initiatives, a DLG official stated “we have never sat to see what program is in sync with GNH.” More surprisingly, a high ranking official in Engineering Division claimed “I don’t think we have ever related farm roads to GNH.” This is despite what is found in his Ministry’s own sector plan. The plan outlines that each activity within the Ministry, including farm road construction, directly contributes to GNH and the results of these activities are measured using GNH indicators (MoA 2009a: 7, 204). A distinct irony is therefore evident. A GNH argument for the need to better balance responsiveness and effectiveness in governance in order to achieve integrated governance, socio-economic and environmental outcomes is being made by central government officials without the recognition that this is in fact a GNH argument.Implicit GNH values are in play but their connection to GNH as an official strategy is not. In contrast, many local government officials lay claim to GNH in justifying their actions that prioritize responsiveness as good governance, potentially at the expense of the other GNH pillars.

The lack of explicit recognition of GNH demonstrated by central respondents has not inhibited the pursuit of better entrenching GNH values in the process of farm road construction. The emerging loss of influence by DoA and the poor integration with other relevant central government departments is driving a recent initiative to re-assert central influence to promote more sustainable roads. The Midterm Review of the 10th plan called for the formation of a committee made up of multiple ministries, the GNH Commission and the National Environment Commission to develop a comprehensive strategy to address the issues that have plagued farm roads. According to the respondent at Engineering Division, the intent is not to reclaim central control but provide a national strategy to better shape and standardize the decentralized process of planning, construction and maintenance of the roads. He suggested that this will likely involve grafting the current Road Sector Master Plan, which does not include farm roads and is overseen by the Department of Roads, onto a new and comprehensive Rural Road
Master Plan that incorporates all types of roads. Another strategy being considered is the creation of Technical Committees within the dzongkhags to scrutinize road design and construction to ensure compliance with technical regulations. According to a respondent within Engineering Division, these committees would have to submit appropriate paperwork to the central government before funds would be released.

It was unclear at the time of data collection how well developed these ideas were within the central government. They do, however, represent a desire to counter the current problem of local officials compromising technical and environmental standards in the face of community pressure and constructing roads that may be unsustainable. They represent a desire to find a better balance between the good governance principles of responsiveness and effectiveness to ensure an overall better connection between governance, socio-economic and environmental factors. Yet the current nature of decentralization contributes additional hurdles. Capacity and funding challenges connected to decentralization often constrain the ability of governance actors to pursue the implementation of farm road policy in a manner consistent with the GNH policy intention.

2.3. Decentralization in Practice: Capacity and Funding Challenges

The decentralization of powers to dzongkhags and gewogs has been accompanied by the increased dispersion of civil servants outside of the capital (UNDP n.d.: 9). The strengthening of fiscal decentralization through the annual grants has further bolstered decentralization. In practice, however, neither of these have completed addressed the challenges of insufficient capacity and funding. Both of these issues have influenced the practices of local governance actors involved in the implementation of farm road policy in ways that are inconsistent with achieving the GNH policy intention.

2.3.1. Capacity challenges

The process for implementing farm road policy has been structured to ensure backstopping from a higher level of government when there are capacity gaps, particularly at the gewog level. Nonetheless, capacity challenges continue to exist in road planning, construction and monitoring. At the community planning stage, Gewog Administrative Officers report that they lack skills in facilitating community planning, budgeting and prioritizing development needs. While this is a concern that is larger than just farm roads, the high demand for farm roads
makes them one of the dominant areas of gewog planning. These GAOs feel they are not facilitating an effective planning process that accurately reflects community needs and desires, including those related to farm roads. According to one GAO: “we have no new ideas on how to better backstop the community.” All of these GAOs point to insufficient training as the culprit. One claims to have received no training at all, stating “frankly, in reality, we were not given any set of intensive training to shoulder this multi-task work.” Others claim to have received training, some of it of high quality but of limited value given the short training periods. According to one, “Because of the time constraint we could not catch much.” The lack of planning capacity among these GAOs inhibits the successful planning and prioritization of farm roads right from the start.

Lack of capacity is further evident during road construction. Of the three construction modalities available – departmental, contractor and community – the most frequently used in this study is the contractor modality. But the preference for using private contractors comes with technical costs. Dzongkhag Engineers in each of the four dzongkhags reported a lack of technical capacity among private contractors. The complaints of the DEs are stark. One claimed that contractors “lack engineers, no proper management, lack all technical expertise.” Another concurred at the depth of the capacity challenge, stating “They don’t have technical backgrounds. Some haven’t even gone to school, forget about technical quality issues. And then they have also financial issues as well. They are not financially well. So there are a lot of problems.” A third pointed to a more fundamental challenge: “Some can’t even read.”

The lack of capacity within private contractors is further exacerbated by a lack of capacity to monitor road construction. Dzongkhag engineering staff may individually have the technical ability to monitor farm road construction, but the lack of sufficient numbers of engineers severely limits the ability to monitor effectively. This is widely reported in all four dzongkhags in the study. According to a respondent at the central government level, an executive order from the Ministry of Works and Human Settlement requires dzongkhag level engineers to monitor five construction projects a year, including farm roads. In all four dzongkhags, engineers report monitoring an average of 20 projects per year. Infrequent monitoring of individual construction projects is the result: “So each of the engineers have to shoulder about an average of 20 activities per fiscal year. That is very impossible to go and monitor. For example, suppose I got to the site and see the foundation is being dug. The next time I go to the site it is already level and all. So it is very difficult.” Further, the lack of engineers not only impacts the monitoring of existing farm roads under construction, it influences the effectiveness of planning future roads.
One DE pointed to the common occurrence of being pressured to provide estimates for future farm roads on top of monitoring the construction of existing ones. With insufficient time to do both, the DE reports providing estimates that end up being “very crude.”

The lack of sufficient engineers is hardly a new problem. Indeed, multiple government documents recognize the issue as far back as the 9th FYP (DoA 2009a: 25-26; GNH Commission 2011a: 74; Planning Commission 2002: 91). In an attempt to fill the monitoring gap left by the shortage of required engineers, many respondents without the required technical background report engaging in monitoring farm road construction, something that is encouraged by the Department of Agriculture (DoA 2009a: 26). This includes several Dzongkhag Agriculture Officers, gewog based Agriculture Extension Officers, Gewog Administrative Officers and gups. While this may help fill the gap, many of these respondents recognized their lack of an appropriate background as severely limiting their monitoring effectiveness.

The problem of capacity gaps can be addressed through capacity development initiatives that either strengthen the capacity of existing farm road stakeholders or, in the case of engineers, provide greater numbers of people with the required technical skills. Yet, here, again, there are apparent challenges. An audit undertaken by the Royal Audit Authority on civil service training undertaken between 2008 and 2009 illustrated that training and other capacity development opportunities are overwhelming taken up by a small number of senior officials based in the capital (Lamsang 2011). New civil service rules put in place since 2009 were meant to prevent this situation (Lamsang 2011), but many respondents at the gewog level continue to have limited access to training. One GAO outlined his multiple and growing responsibilities, lamenting “so we are not given training in any of these posts. Still we do everything....” There was, almost without exception, resentment among GAOS about the inaccessibility of training.

Overall, the lack of planning capacity at the gewog level, the poor technical capacity of private contractors and the lack of sufficient numbers of engineers to monitor construction all compound one another. Capacity gaps exist among three different kinds of stakeholders at three different steps in the farm road construction process. The capacity challenge is significant on its own. It is further complicated by the lack of sufficient financial resources for gewogs to construct farm roads properly.
2.3.2. Decentralized funding challenges
The significant deepening of fiscal decentralization within the 10th FYP is intended to provide local governments with the financial resources to support their broadened planning, administrative and regulatory roles. It is intended to entrench more effective and meaningful decentralization. This is particularly important in the case of farm roads given their significant cost. By dramatically increasing the amount of financial resources available to gewogs, they now have a greater ability to control the process of planning, constructing and maintaining roads in their own communities. Fiscal decentralization has formally given Bhutanese decentralization real teeth. Yet, as the 10th FYP has unfolded, the amount of funding available through the annual grants has regularly been insufficient to construct the roads in a manner that is consistent with the GNH policy intention.

The government recognized the problem of funding shortfalls, particularly for farm roads, by the 2011 mid-term review of the 10th FYP (GNH Commission 2011a: 74). The experience of many gewogs demonstrates the depth of the problem. While the annual grant is divided into two components – 80% tied to planned activities such as farm roads and 20% untied for unplanned, emergent issues – only two of the 19 gewogs with farm roads involved in this study reported using the 20% for untied activities. Respondents at the central level are aware of this, but suggest it is due to a lack of awareness of the untied component among gewog officials. According to a respondent at the Department of Local Governance, “people do not know much about annual grants. We need to do more publicity on that. Twenty percent is untied and can be used for other things and not many are aware of this.” This is clearly not the case. With the exception of only one person, all respondents at local levels were aware of the 20% untied component of their annual grant. They do not use it for untied activities, however, because the cost of planned activities, with farm roads as the main culprit, requires using 100% of the annual grant.

The use of 100% of the annual grant for planned activities reduces the ability of gewogs to address unplanned, emergent issues. Yet the problem is deeper. The cost of constructing a farm road that is technically and environmentally sound requires some gewogs to divert money from other planned activities. In these cases, 100% of the annual grant not only does not cover emergent issues outside of the plan, it does not even cover the costs for activities within the plan. This situation is not widespread but was significant within gewogs where it was reported. The Forest Extension Officer in one gewog reported the impact the cost of farm roads has on
other planned activities: “Last year the forestry budget was nil as priority [was] given to farm roads.” Another respondent reported needing to make choices between constructing a new farm road and maintaining an existing one. “We have to sacrifice as some things get cancelled so we can focus on most important,” he said. “For example, we want another road constructed in the gewog and this is in the plan, but there is a need to maintain an existing road, so we have to prioritize among these two. Which one is helping more people? It's really tough.”

The issue of funding the maintenance of farm roads is particularly significant. The lack of sufficient funding means that most farm roads are constructed as dirt roads. Ideally, farm roads construction in Bhutan involves a technique known as sub-base. The creation of sub-base includes rolling the dirt foundation followed by the addition of stones with another layer of rolled dirt on top. Insufficient funds, however, mean this does not regularly occur. An engineer in the central ministry suggested only 10-20% of each farm road uses sub-base given the cost. The result is that the majority of the length of farm roads is just dirt, requiring regular maintenance, particularly in monsoon season. While dirt roads require greater maintenance, many gewogs report that not enough funding from within the annual grant is available to budget for annual maintenance once a road is constructed. The other option is to form a local Farm Road Users Group that can engage in maintenance themselves and levy fees to support this or other maintenance modalities (DoA 2009a: 27). Some respondents report that community maintenance works well. In many cases, however, they report that community members do not cooperate or are uninterested in taking part in maintaining farm roads. An Agriculture Extension Officer demonstrated significant frustration with the disinterest in his community, stating that “the main challenge with farm roads is convincing the farmers; they say they want a farm road but when it comes to maintenance they back off.” Several other respondents were sympathetic and point to the lack of rural/urban equity. “We are
asking farmers to contribute to farm road maintenance,” stated a Dzongkhag Agriculture Officer, “but what about urban people? Do they contribute to road maintenance?” Similarly, a Dzongdag chastised the policy as violating the 10th FYP’s focus on rural poverty reduction: “Why are we making the people in remote areas maintain their roads? Do people in Thimphu maintain their road?”

The challenges with the nature of decentralized funding have therefore constrained the ability of governance actors to construct and maintain roads in a manner consistent with GNH. It has generated a range of alternative practices among local officials. Among the gewogs and dzongkhags involved in this study, three responses are apparent. First, a number of gewogs simply do not allocate annual grant funds for farm road maintenance. When combined with the lack of cooperation from many communities to undertake the maintenance themselves, the result is many roads that are not maintained at all. Second, the lack of sufficient funding has led officials to abandon the requirement to construct roads in an environmentally friendly manner. Respondents are concerned by this but claim they have no choice. According to a dzongkhag
official: “government cannot pay for every alternative that would be environmentally friendly. We have the ability to do environmentally friendly roads but we don’t have the funds.” An engineer outlined how this often occurs. “As per our environmental friendly construction rules, we have to dispose of whatever is excavated in some designated places, we can’t just bulldoze it off on the roadside.” Nonetheless, this regularly does not occur despite the regulation. “Because of funding we are not able to do that”, he stated, “we just bulldoze it off.” A third response is to seek other funds to complete road construction. Funds from donor projects are often sought through the GNH Commission. In addition, a number of gewogs in all four dzongkhags accessed a fund known as the Constituency Development Grant (CDG). The CDG was created to promote meaningful connections between each Member of the National Assembly (MNA) and their local constituencies. Until it was suspended in 2012 given concerns that it gave sitting MNAs an unfair advantage in the democratic process, CDGs contributed to completing multiple farm roads in the gewogs in this study. With its suspension, this supplementary source of funding is no longer available.

Bhutan’s experience with funding the decentralized implementation of farm road policy is, in many ways, unsurprising. Indeed, while decentralization is a component of the overall GNH governance framework, the Bhutanese experience with fiscal decentralization reflects common experiences with decentralization elsewhere. In a review of the literature on fiscal decentralization, Kyriacou and Roca-Sagalés (2011: 205) illustrate that empirical evidence suggests a positive relationship between fiscal decentralization and government quality. At the same time, governance problems arise when expenditure decentralization is not sufficiently matched with revenue decentralization (Bardhan & Mookherjee 2006: 124; Bird & Vaillancourt 1998: 5). This is hardly surprising. But neither is there a simple answer to the problem. Different mechanisms for fiscal decentralization – local taxes, user fees, local borrowing and government transfers – all have different trade-offs with no uniform model applicable across different contexts (Bardhan & Mookherjee 2006: 124; Bird & Prud’homme 2003; Rondinelli 1990: 47-48; Schroeder & Smoke 2003: 50-53). Grants transferred from central to local governments, as is the case in Bhutan, face transfer delays, challenges to service quality and inefficient management (Bardhan 2002: 193-194; Rondinelli 1990: 47-50; Inanga & Osei-Wusu 2004). In many cases, this is due to weak local administrative capacity (Rondinelli 1990: 54-55). Bhutan’s experience with annual grants mirrors much of this. While insufficient local funds are a clear issue, insufficient local capacity also hampers the use of existing funds in an effective and efficient manner. The current nature of Bhutanese decentralization has therefore presented
barriers that challenge the achievement of the GNH policy intention. When combined with the new pattern of influence that is emerging as local communities flex their democratic muscles in ways that do not correspond to the policy intention, the balance across the socio-economic, environmental and good governance pillars of GNH is threatened.

2.4. Gross National Happiness and the Implementation of Farm Road Policy

The emergence of decentralization challenges and a new pattern of influence, both of which have the potential to undermine the GNH policy intention, point to a situation where the GNH policy instruments could play a critical role in ensuring policy implementation remains on track with the policy’s GNH intentions. As was the case in the previous chapters, however, these instruments are not particularly visible in farm road implementation. More significantly, governance actors’ perceptions of GNH itself are once again slippery and inconsistent.

2.4.1. Divergent perceptions of GNH and its connection to farm road policy

The previous analysis illustrated that many local officials are prioritizing responsiveness to citizen demands in contrast to the priority among central government officials to better balance responsiveness with effectiveness. This situation suggests that the specific nature of good governance is contested. Responsiveness and effectiveness as two key aspects of good governance have not been balanced successfully. Further, as many local officials couched their position in terms of the good governance pillar of GNH while central respondents rejected any connection to GNH, the broader connection of GNH to farm road policy more generally is also contested.

Additional evidence of the contested nature of GNH can be found at the gewog and dzongkhag levels. The policy intention links farm roads to the socio-economic pillar of GNH while protecting the environment. The previous discussion illustrated that many respondents at the dzongkhag and gewog levels recognize the GNH policy intention yet prioritize the good governance pillar instead in response to community pressure, a situation completely at odds with the focus on balance and integration within GNH. These respondents are distributed fairly equally across the dzongkhags and gewogs within the study. While these local officials represent the majority of respondents at the local level, two other positions are also evident among smaller groups of local officials. Similar to respondents at the central government level, a small group of local officials do not make any connection between farm roads and GNH. “People don’t talk about GNH” claimed one GAO. These respondents only come from the southern and western regions
involved in the study. Still others from the south and west admit to not understanding GNH or answer with obvious embarrassment given their lack of knowledge or interest. When asked about the connection of GNH to farm roads, these respondents could only state things like “GNH is a very big word…” or “Gross National Happiness is quite friendly.” A third group of local officials directly make the connection between farm roads and the socio-economic pillar of GNH. According to one respondent, GNH “is defined by the fact that you are trying to enhance rural livelihoods with roads…. If your belly is full, there is happiness. So is GNH applied? Yes.” These respondents come almost entirely from the central and eastern regions of the country.

The geographic divergence in understanding the connection (or lack of connection) between farm roads and GNH is curious. It might be expected, as is the case here, that respondents in the southern dzongkhag and gewogs may be less likely to make the connection given the legacy of the ethnic conflict that occurred the south in the early 1990s. This connection could not be explicitly explored given the sensitivity that remains around the issue. At the same time, the issue is likely more complex as many government officials in the south, particularly at the dzongkhag level, are from other regions of the country given the regular geographic rotation of civil servants. It might also be expected that respondents from the east would be less likely to recognize the connection to GNH given their distance from Thimphu, the capital and seat of central power located in the west. Similarly, respondents in the west, near to Thimphu, might be expected to be more familiar and more likely to connect farm road policy to GNH. Yet the results demonstrate that the reverse is the case. Similarly, the respondents from the central government, who would be most exposed to GNH, also do not make the GNH connection.

No definitive answer to these geographic differences arises from the data. As a whole, however, the differences suggest that respondents may have a shallow commitment to or understanding of GNH that obscures a consistent application in policy implementation. Yet something additional also appears to be at play. A common commitment to a common set of underlying values is again evident in filling in the gaps created by inconsistent understandings of GNH. This was the case among central government respondents who, as described earlier, are making a GNH argument about balancing good governance with socio-economic and environmental factors while ironically rejecting any connection to GNH itself. These issues – a shallow commitment to or understanding of GNH and the existence of a common set of values – can be further seen in how respondents use (or do not use) the GNH specific policy tools in implementing farm road policy.
2.4.2. GNH policy instruments and GNH values

The GNH-specific policy structures and instruments are again noticeably, although not entirely, absent in the process of implementing farm road policy. When they are used, it is in a scattered and inconsistent manner. Three trends are evident. First, many respondents are simply unaware of the GNH specific tools and therefore do not use them. Second, the few that do use them have not experienced significant success with them or view them as redundant, bureaucratic additions to existing, non-GNH specific policy instruments. Third, a fairly significant number of respondents are aware of the GNH policy tools but view them as unnecessary as their collective actions are already shaped by a consistent set of Buddhist values that ensure GNH is being followed. This section deals with each of these in turn.

Many respondents at both the dzongkhag and gewog levels do not use the GNH tools and are often unaware of their existence. This is consistent across all geographic regions in the study. When asked to discuss their use of the GNH-specific tools in the implementation of farm road policy, these respondents talk about a range of other tools, structures or processes. Most frequently they refer to the environmental and social clearances. Others refer to the process of decentralization itself or talk about using a range of participatory rapid appraisal (PRA) techniques in the planning process. These respondents are not necessarily incorrect. Clearances and participatory techniques have an obvious relationship to individual GNH pillars. Unlike the GNH specific tools, however, they individually are not multidimensional tools that holistically and explicitly integrate the four pillars. More troubling is a small number of respondents were unable to name any tools or processes at all, whether GNH-specific or not. In these cases, they defaulted to suggesting the creation of road access or improving agricultural production are themselves GNH tools, mixing up policy outcomes with the policy tools meant to achieve these outcomes.

The Five Year Plan is an exception to the above situation. All respondents are fully aware of how their work fits within the FYP process. This is not surprising as the FYPs have been around since the early 1960s and only beginning with the 10th FYP have they been explicitly focused on achieving measurable GNH results. As such, many of these respondents do not link the FYP to GNH. Even when they do, respondents often do not fully understand the mechanics of this link in practice. The 10th FYP is the first plan to be undertaken using results based management (RBM) as a tool to guide all development planning and implementation towards the achievement
of GNH results. The 10th FYP document outlines the centrality of RBM to the plan’s operationalization (GNH Commission 2009a: 53-57). The planning targets for every sector are also explicitly laid out within an RBM framework using RBM terminology and linked to GNH results (GNH Commission 2009b). A significant amount of resources have been devoted to training civil servants in the use of RBM. Nonetheless, many respondents who discuss their work on farm roads in terms of the 10th FYP are completely unaware of RBM or its connection to achieving GNH outcomes. This is most visible at the gewog level. In some cases, it is a result of a very practical issue. Monitoring and reporting through the RBM framework is supposed to occur through the online Planning and Monitoring System (PLaMS). Reporting through PLaMS requires the user to engage with and learn RBM terminology and practice. However, six of the eight gewogs located in the southern and western dzongkhags involved in this study did not have internet access. Several had only just received electricity. Reporting through PLaMS was therefore done on behalf of these gewogs by their respective dzongkhag administrations. As a result, respondents remain removed from day-to-day exposure to RBM and, consequently, do not appear to understand its role in guiding the plan towards the achievement of measureable GNH results.

A handful of respondents do report using GNH tools or wanting to use them. At the same time, their use is limited to GNH Committees or the FYP explicitly understood as a GNH instrument. No other relevant GNH tools – the GNH check, GNH project selection tool, GNH Index – are used. In the case of the current Five Year Plan, a significant number of respondents across geographic regions are clear on the connection of the FYP to GNH, including farm road activities within the plan. Further, many use RBM in their work. At the same time, RBM is clearly not fully engrained. Several respondents fail to understand that RBM moves from activity-based management to results-based management. Several others claimed that there is little interest in it as a management tool. For these respondents, RBM is viewed as an initiative from the central government that they use but to which they are not particularly committed. “I am using it but not much,” stated one official. “GNHC [the GNH Commission] is emphasizing on it, so we have to use it now I think.”

The use of GNH Committees is similarly beset with challenges. Only three gewog administrations in the south, central and eastern dzongkhags report trying to set up a GNH Committee. They have had limited success. Two of the respondents reported that they are still in the process of setting the committees up. The third stated that his gewog administration
formally decided to create a GNH Committee and has asked the GNH Commission in Thimphu for guidance on the role of the committee. When asked to elaborate on the GNH Commission’s response, he rather hesitantly replied “we are still waiting.” The Dzongdag, or administration head, of the southern dzongkhag reported a functioning GNH Committee in his dzongkhag but was blunt in his assessment of its usefulness: “We have a GNH Committee but what is the difference for having a committee?... Why another monitoring tool? Is it functional, is it practical? So sometimes some structures are not so practical. In this case even GNH Committee. What is it really going to do?” Ambivalence towards GNH Committees and their usefulness is evident among other respondents who are aware of them but have chosen not to form them. In these cases, they are viewed as another bureaucratic layer that is unnecessary. One gewog-level respondent pointed out that a gewog GNH Committee is supposed to advise the gewog administration, yet the required membership of the GNH Committee overlaps with the existing membership of the gewog administration and gewog-based extension officers. “What are we supposed to do,” he said, “provide advice to ourselves?”

A third group of respondents advances a deeper argument for dismissing the GNH-specific tools. Not only are they an additional layer of bureaucracy that overlaps existing non-GNH specific instruments, they are seen as unnecessary given the existence of a shared philosophy and values – the same values that underlie GNH – that already structure the actions of governance actors. In addressing GNH Committees in particular, a Dzongdag stated “I don’t think we need any GNH committee as it is a philosophy which everybody is aware of and where everybody is involved in this. So I don’t know what work that committee would do.” A Dzongkhag Planning Officer advanced a similar argument related to the GNH Project Screening Tool. “We do look at that [GNH],” she said, “but the system [screening tool] is not there…. It is just done because Bhutanese have a set of values focused on that.” A Dzongkhag Agriculture Officer was explicit about the nature of these values: “We all have Buddhist values so we subscribe to the same priorities.” What is notable about this group of respondents is that they largely are located within dzongkhag administrations. Given their closer connection and interactions with the central government, these respondents have likely had greater exposure and understanding of GNH and the GNH tools than respondents at the gewog level. Yet they clearly remain skeptical about operationalizing GNH beyond a philosophical guide rooted in Buddhist values.
The result of all this is that GNH instruments have not played a role in shaping the actions of governance actors in implementing farm road policy. In this gap, local communities increasingly imprint their priorities on local officials, who are constrained by capacity and funding shortfalls. Central officials, now removed from the front lines of implementation through decentralization, are facing difficulties in influencing the process. All of this occurs in the context of GNH remaining a contested concept in terms of its connection to farm roads, the balance among its pillars, the nature of the good governance pillar, and its acceptance as a national development strategy.

3. POLICY OUTCOMES

The preceding analysis demonstrates a continuation of common themes found in the previous chapters on media and tourism policy. Governance actors involved in farm road policy have divergent understandings of GNH and its connection to the specific policy field. GNH policy instruments and structures continue to play a very limited role in structuring their actions, but there is evidence of a common set of values held by governance actors. These themes have arisen across all three policy field analyzed to this point regardless of the types of governance actors involved. But additional hurdles to achieving the policy intention are evident in the case of farm roads. Decentralization and democratization have created a new pattern or site of influence as increasingly vocal communities have reshaped many local officials' priorities and actions. The intention of building sustainable roads that decrease rural poverty by improving access to markets and social services is frequently being trumped by the perceived need to be responsive to local citizens, even when this subverts the policy intention. This new pattern of influence is further exacerbated by capacity and funding challenges inherent in the current nature of decentralization. How has this situation shaped actual farm road policy outcomes? This section tracks the outcomes generated by the policy implementation process. It argues that the record of policy outcomes up to the end of 2011 is much more mixed than was the case in both media and tourism policy. Farm roads appear to have had an immediate impact on rural incomes and people's access to social services. The sustainability of this impact, however, is highly questionable.

Comprehensive data on farm road outcomes is more difficult to find than the previous two policy fields given the largely decentralized nature of farm road construction and the apparent loss of influence of the centre. Nonetheless, a fairly detailed picture can be pieced together from government documents and a 2011 assessment undertaken by a private consulting company.
The data from these documents is complemented by information collected from respondents at the local level as well as site visits to gewog farm roads in each of the four dzongkhags involved in this study. Outcomes are assessed in relation to the GNH policy intention, focusing first on the number of kilometres of roads constructed and households connected, followed by the subsequent impact on access to markets and social services and the impact on the environment.

3.1. Number of Kilometres Constructed and Households Connected

The number of kilometres of farm roads constructed is significant, especially considering the small size of Bhutan. Over the period of the 9th FYP (2002 – 2007) approximately 800km were constructed (MoA 2009a: 82; RGoB 2011b: 11). Demand outstripped financial resources, leading to the construction of power tiller tracks as a more rudimentary alternative that accounted for an additional 173 km (MoA 2009a: 82). The decentralized planning process for the 10th FYP (2008 – 2013) resulted in a wish list of 3,388 km to be constructed over the life of the plan (RGoB 2012: 21). Government documents officially report approximately 1,350 km constructed during the first two years of the 10th FYP (GNH Commission 2011b: 42). Some caution is needed, however, when interpreting these figures. A private consulting company contracted by the Ministry of Agriculture and Forests found that the Ministry’s own figures contained discrepancies, including non-existent and duplicated farm roads (Kheychok Geoinfosys 2011: 3-4). A survey undertaken in mid-2011 by the company verified the actual length of farm roads constructed since the beginning of the 9th plan as 3,665 km. In the context of these revised figures, the National Statistics Bureau reported that in 2012 there were 4,380.9 km of farm roads out of a total national road network of 9,491.5 km (NSB 2012: 14). This represents a significant increase over the life of the 10th FYP as only 719.9 km of farm roads existed in 2007 out of a national road network of 3,318.6 km (NSB 2012: 14). Rural connectivity has therefore been dramatically improved with farm roads now comprising 46% of all roads in Bhutan compared to only 22% in 2007.

The construction of farm roads has connected numerous rural households that were previously isolated. Up-to-date figures are somewhat difficult to determine but will be available after the 10th FYP is completed. A partial picture can still be constructed. In 2000, 58% of rural households lived more than an hour from a road head. By 2005, this was reduced to 40% (MoA 2009a: 82). The 10th FYP targets a further reduction to 20%. Figures from the Ministry of Agriculture & Forests suggest 40% of this target had been reached by 2013 (MoAF 2013: 52).
During data collection in late 2011, the perception of the central government is that the number of households being reached is not sufficient. A respondent at Engineering Division claimed that the number of farm road users is below the DoA’s expectations. Similarly, the midterm review of the 10th FYP states that the enormous amount of money spent on farm roads has not been accompanied by an adequate number of beneficiaries (GNH Commission 2011a: 19). Moreover, some households connected to farm roads still lack access to appropriate modes of transportation (GNH Commission 2011b: 42). The sheer number of farm roads has therefore not yet had the impact on rural connectivity that the government desires.

3.2. Access to Markets and Social Services

3.2.1. Access to markets

The central GNH intention of farm road policy is to improve rural livelihoods by increasing access to markets and social services, and to do so in a way that is environmentally sustainable. Increasing road access to markets in particular is intended to promote agricultural production beyond subsistence that will increase rural incomes. Measuring the economic impact of farm roads beyond the number of kilometres constructed and households connected faces some challenges. Nonetheless, a snapshot of rural poverty and the impact of farm roads emerges through a combination of national statistical data and respondents’ own local reports and perceptions. Most significantly, the Poverty Analysis Report released in 2007 has been updated with a new report based on 2012 figures. The reduction of rural poverty measured in terms of consumption is dramatic. The national poverty rate in 2007 was 23%, with rural poverty at 31% compared to only 1.7% in urban areas (NSB 2007). The national poverty rate decreased almost by half to 12% by 2012 (NSB 2013). The reduction is due entirely to a decrease in rural poverty. The 31% of rural Bhutanese living below the poverty line in the 2007 report declined to 16.7% by 2012 (NSB 2013). Urban poverty largely stayed the same over the same period, increasing slightly from the 1.7% figure in 2007 to 1.8% in 2012 (NSB 2013).

Despite the dramatic decrease in rural poverty, the analytical challenge remains of identifying the role of farm roads in contributing to this reduction, particularly given the disappointment of some respondents over the insufficient number of households that have been connected to the roads. Nonetheless, two lines of inquiry suggest that the role of farm roads in this reduction of poverty is significant. First, the data used for the 2012 poverty report also show that, in the context of the reduction of rural poverty, rural people themselves identify farm roads as one of the key areas for government to continue to prioritize as a means to better rural wellbeing (NSB
2013: 21). This suggests that those who have directly benefited from the decrease in poverty connect this reduction in large part to farm roads.

Second, respondents across all dzongkhags and gewogs in this study report with overwhelming consistency the same kinds of outcomes in terms of market access and subsequent changes in rural incomes. Many of these respondents provided evidence from their own reports and data collection at the community level as well as their experience directly interacting with local farmers. The picture that consistently emerges is that those households that are connected by farm roads experience an increase in rural production. Several reasons for this are evident, all of them consistent with the policy intention. First, the road dramatically decreases the time it takes to bring produce to market. Second, the roads allow machinery and other farm inputs to be brought to the farm to increase production. Third, road connectivity has encouraged farmers to cultivate land that was previously left fallow. Multiple respondents from across all geographic regions report that the increased production that has resulted from these three things has directly led to increased rural incomes. The experience of two gewogs involved in this study that do not have farm road access confirms this situation. Respondents from these two gewogs as well as their respective dzongkhag officials state that agricultural productivity lags significantly in these gewogs. Both gewogs are well suited to grow cash crops, but they do not given the lack of connectivity to markets. Poverty levels remain higher in these two gewogs compared to their connected neighbours.

The data provided by respondents suggests that farm roads not only increase rural incomes but that this increase is often immediate. A common finding across dzongkhags and gewogs was summed up by the administrative head of one of the dzongkhags:

If you look at the household income, there is a tremendous difference and it is immediate. The moment a farm road opens, you'll see a lot of plantations. Before people used to carry on their backs, or horses came from as far away as Haa. And then look at how much the villagers are going to get once they deduct transportation. But with the road, they will only sell at the price they feel is correct. So farm roads are the most important aspect of livelihood.

Some caution needs to be used with these findings as they are based on anecdotal evidence and local government reports that may lack analytical rigour. Yet the consistency of the reported results across respondents is striking. Moreover, there are other apparent spin-off effects consistently reported as well. Several respondents reported that farmland connected by new
farm roads experienced a three-fold increase in value. Others spoke of farmers no longer needing to fear being attacked by wild animals while bringing their produce to market on foot through the forest, an issue reported to still exist in the two gewogs in the study without farm roads. Several other respondents pointed to the increase in food security in their gewogs as food can now be easily transported from elsewhere when needed. The increase in food security is not, however, a consistent result. A dzongkhag level official stated that some gewogs have experienced local food shortages as farm roads have made it more profitable for local farmers to sell their produce in the capital. Overall, however, respondents consistently report that farm roads overwhelmingly have a positive economic impact.

3.2.2. Access to social services
The evident impact of farm roads on rural incomes is matched by improved access to a range of social services. These are not reported as often but are again evident across all four geographic regions. Access to hospitals or health units is mentioned most often. The result is a much greater likelihood that women will give birth in a hospital instead of at home. Several respondents also mention cases where people’s lives were saved because of the easier access to health services. Farm roads have also changed access to education. Two issues are evident here. First, road access means many children no longer have to leave home to go to boarding school. Second, increased rural incomes have allowed some rural families to choose to send their kids to schools abroad. In both cases, the existence of farm roads has provided rural families with greater educational options for their children.

In addition to better access to health and educational services, respondents report that farm roads impact community and family bonds. Community members are able to visit one another more easily as a result of the roads and family members that have moved to the capital are also reported to return home to visit family more often. One respondent further outlined how this has improved the lives of those with disabilities in particular, who are no longer isolated at home. Another respondent described how the influence of farm roads on social ties has changed everyone’s view of the road: “Even our Dasho Dzongdag, now he believes it is not just agriculture, the farm road. It is a community road. It is very important.”

The experience of the gewogs and dzongkhags involved in this study suggest that there has been a notable level of success in achieving greater rural access to markets and social services as intended. Yet the sustainability of this situation is highly questionable. The challenges
experienced during the implementation process have led to the construction and maintenance of farm roads that are technically compromised.

3.2.3. Technical issues and sustainability
The economic and social outcomes that are evident in rural communities once they are connected to farm roads are threatened in the longer term as a result of the compromises made due to lack of capacity, underfunding and community pressure. Technical problems are frequently evident. Private contractors without sufficient capacity combined with insufficient monitoring have led to construction mistakes. The lack of funds has also resulted in many farm roads being built as dirt roads with poor drainage instead of sub-base roads with concrete drainage. Little maintenance occurs on many of these roads. Community pressure has influenced officials to often build roads beyond the 7-10% maximum gradient. The result of all this is farm roads that do not last. The poorly constructed, too steep, easily eroded and often unmaintained roads regularly become impassable. “You see farm roads under construction taking place all over,” stated a gewog official. “But after two years they already are non-functioning.” This was evident in all regions but appears to be more frequent in southern gewogs in the study, likely due to the greater severity of the monsoon season in the south.
The specific nature of decentralization in Bhutan is therefore the source of both the success and failure of farm roads. It has allowed communities themselves to prioritize and plan farm roads in a way that appears to bring immediate improvements in rural incomes and access to social services. It has also, by the nature of its structure and character, hamstrung the technical sustainability of these same roads.

3.3. Environmental Sustainability

The technical compromises that threaten the sustainability of many farm roads themselves contribute to broader environmental degradation. Insufficient funding to build roads based on the environmental guidelines combined with community pressure to make technical compromises have contributed to negative environmental outcomes. Respondents across all gewogs and dzongkhags report that farm roads have created deep scars, gullies and erosion. Site visits to farm roads in each of the regions confirm that this is a common occurrence. A frequent result of erosion is landslides. These landslides are reported by multiple respondents as impacting water sources used for drinking and agriculture. Others report that the improper disposal of earth during the construction process has also affected water supplies. So, too, the cutting of trees has impacted watershed management, particularly when additional trees are cut to realign roads due to community pressure. Other ecological impacts are likely occurring as a result of the cutting of trees to construct roads. What these are, however, remains unclear. A senior official in Engineering Division claimed, “We really have not done any studies but there must be an impact on biodiversity.”

Respondents are well aware of the negative environmental consequences arising from the compromises made during road construction and maintenance. They demonstrate a range of positions in response. A few feel that the environmental consequences are unacceptable. “Definitely the farm roads are destroying the environment; it is against GNH,” stated one gewog level official. Most respondents, however, feel that the benefits to rural livelihoods outweigh the ecological consequences, particularly given the overwhelming rural nature of poverty in Bhutan. The unbalancing of GNH pillars is acceptable to these respondents. Several feel that the current environmental consequences will be overcome in time as forests and water supplies regenerate themselves. A common position among these respondents is that a realistic and practical position must be taken given the financial constraints the country faces. According to a Dzongdag:
I mean I have a couple of friends who come from Thimphu and who say those roads could have been done in a way that is much more environmentally friendly. I agree. But the question is do we have the resources? So what you say has to be backed up by resources. You cannot be idealistic. Ideally, yes, ideally there should be no roads. Ideally people should not be working at all. Ideally everything should be just enjoying fresh air. But fresh air will not fill your stomach. Reality is something else and we need to be practical.

Ultimately, these respondents, who greatly outnumber those opposed to the environmental degradation of the roads, feel the economic and social advantages of farm roads outweigh the negative ecological externalities. When these ecological externalities are combined with the technical compromises, however, the sustainability of many farm roads is threatened. The economic and social benefits currently brought by farm roads may, in many cases, be temporary, leaving impassable roads and raised expectations in the future. When combined with the increasing boldness of rural communities to make demands on the policy process, there is potential for growing conflict between state and non-state actors. The emerging priority of the central government to better balance responsiveness and effectiveness in the construction of farm roads has come at a critical point.

3.4. Democratic Decentralization: Autonomy, Accountability and Policy Outcomes

The human development literature suggests that decentralization and democratization are key ingredients for genuine development (UNDP 1993; 1997b; 2000; 2002). Amartya Sen argues that this is both for constitutive and instrumental reasons: democracy and decentralization are not only inherent parts of development itself but critical for achieving social and economic freedoms as well (1999: 37-40). The outcomes evident in the Bhutanese case of farm road policy suggest that this instrumental role for decentralization and democratization cannot be simply assumed, particularly in terms of the long-term sustainability of socio-economic and environmental outcomes. It confirms the sentiment found in the democratic decentralization literature that decentralization holds a rather ambiguous connection to poverty reduction with an often underwhelming record (Ahmad & Brosio 2009; Blair 2000; Cheema & Rondinelli 2007; Connerly, Eaton & Smoke 2010; Johnson 2001; Prud’homme 1995; Robinson 2007). In cases where this connection has successfully been made, one of the key characteristics is decentralization that balances autonomy and accountability (Johnson 2001). The interactions among Bhutanese governance actors in the implementation of farm road policy illustrate the challenge of locating the locus of this balance. On the one hand, local governments now demonstrate notable autonomy from the central government despite Bhutan’s centralized and
absolutist history. Local governments and administrations are making policy implementation
decisions for which they are responsible and are doing so in ways that are accountable to local
voters. Yet this is clearly only a partial notion of accountability. The apparent autonomy enjoyed
by local officials from the centre has given rise to occasions that allow officials to make
implementation decisions that are perceived as accountable to voter interests yet abandon
accountability to regulatory regimes put in place by the centre.

Blair (2000) identifies two mechanisms for accountability within democratic decentralization,
including the accountability of government representatives to the public and the accountability of
government employees to elected representatives. Accountability in this sense is constructed
primarily around direct and indirect citizen control over public officials (Blair 2000: 22). Yet
Rahman (2002: 114) states that the balance between accountability, constructed as citizen
control, and effective service delivery through development administration is often not reached,
resulting in ineffective local government. Accountability to citizens becomes the domain of local
officials and development administration the domain of the central government. The Bhutanese
case demonstrates the isolation of the two and suggests a broadening of the notion of local
accountability is necessary. Effective democratic decentralization that is better connected to
poverty reduction requires autonomy girded not only by accountability to citizens but
mechanisms to ensure accountability to regulatory regimes that cross levels of government and
promote effective service delivery. Effective use of the GNH instruments could better promote
such a broader notion of accountability. They could shape implementation decisions in
multidimensional ways rooted in a balance between responsiveness and effectiveness. In their
absence, the current nature of good governance that characterizes democratic decentralization
in Bhutan has led to farm road outcomes that often undermine the long term sustainability of
GNH policy intentions.

4. CONCLUSION
The policy outcomes evident in the case of farm roads demonstrate that the government's GNH
policy intention has, at best, been only partially realized. Immediate economic and social
benefits that have emerged with the construction of many farm roads are in jeopardy of being
unsustainable in the longer term. The nature of the policy implementation process is at the root
of this situation. Overt conflict over policy priorities is not common. Different priorities do exist,
notably between the centre and some local officials over the nature of good governance, but the
decentralized nature of the implementation of farm roads during the 10th FYP means the central government is less able to enforce its priorities. In contrast, officials at the gewog level, backstopped by dzongkhag officials, are much more successful in influencing the nature of farm road construction and maintenance. Yet the dominance of local officials is often not really dominance at all. The emergence of local voices as a new pattern of influence often constrains and shapes the actions of local officials in ways that subvert the GNH policy intention. Overall, this means there is no integrated domination by the state, as was the case during the 9th FYP, as state practices have fragmented across the local and central levels enabling social forces to more effectively imprint their priorities at the local level. A new constellation of power involving non-state actors is emerging. Democratic decentralization has facilitated this situation. The nature of the balance between local autonomy and accountability has created diverse practices within the state where differences exist over the nature of good governance. Decentralization has privileged the decisions of local officials in this situation, but these decisions are shaped by local pressure, capacity and funding shortfalls and the absence of GNH policy instruments. The result has been policy outcomes that often are responsive to immediate local interests but lack sustainability in the medium and long term, undermining GNH policy intentions.

In the case of media and tourism policy, diverse and fragmented state practices during the process of policy implementation did not significantly subvert policy outcomes. A common commitment to GNH-related values, whether the connection to GNH is recognized or not, shaped governance actors’ actions in ways that limited policy conflicts to the proper expression of GNH (again, whether recognized or not) thereby preserving, for the most part, GNH outcomes. A commitment to common GNH-related values is again evident in the case of implementing farm road policy but these values are constrained by the capacity and funding challenges characteristic of the current nature of decentralization. Values alone cannot overcome insufficient funding or capacity. Ultimately, this is not insurmountable. Fostering sufficient capacity and providing sufficient decentralized funding is a matter of mobilizing enough financial resources to address both. Such mobilization would allow common values to be expressed in policy implementation decisions. Unfortunately for Bhutan, donor funding is moving in the opposite direction. Many donors are winding down aid given the perceived successes Bhutan has achieved over the past few decades.

The issue of donor funding is a significant issue on its own, but a deeper and more difficult question arises. If a common commitment to GNH-related values is evident among policy
actors, even if currently constrained in their expression, why are these same values apparently not evident in the nature of the pressure being applied by local community members? Why do community members pressure for new road alignments based on the economic consideration of maintaining productive land despite the potential environmental implications? Is it a matter of local communities simply not understanding the broader interconnected impacts of the pressure they apply in the absence of the GNH instruments? Or is there a value shift privileging economic concerns that accompanies the increasing confidence that democratic decentralization brings to local citizens? Similarly, why do many local officials who recognize the importance of the interconnected economic and environmental components of the GNH policy intention default to privileging the good governance pillar at the expense of these components? Again, does democratic decentralization shift the values among local governance actors? Or is the overwhelming and rather singular focus on responsiveness to citizens merely a symptom of the relative newness of democratic decentralization? The data raise these questions but provide no clear answers.

The discussion of the role of values in the absence of GNH instruments raises a final, and familiar, issue. The previous chapters on media and tourism policy argued that the practices and interactions among governance actors contributed to an erosion of the image of the Bhutanese state as an emerging GNH state. The implementation of media policy has eroded the image of a GNH state through the clashes between the state and private media over whether GNH is desirable as a national development strategy and differences over the media’s role in it. The implementation of tourism policy has involved conflict between the private sector and components of the state over the proper balance of the GNH pillars and the appropriate nature of the good governance pillar, with the private sector accusing the state of abandoning GNH. In addition, divergent implementation practices within different components of the state responsible for tourism have fractured coherent state practices and alliances with other tourism governance actors. In both cases, the implementation of tourism policy has eroded the image of a coherent state leading the process of GNH.

The nature of the implementation of farm road policy demonstrates a further erosion of the image of an emerging GNH state. Several reasons for this are evident. First, respondents from the various levels of government demonstrate an inability to consistently understand the role of farm roads in contributing to GNH or whether there is a connection to GNH at all. Second, commitment to the GNH policy instruments as key tools to operationalize GNH is not evident
given the ambivalence towards the instruments or the perception that they are redundant and unnecessary. Third, the fractured priorities and practices within the state created by the nature of decentralization obscure the image of a coherent state pursuing GNH in a manner that is consistent across different levels of government. Fourth, the policy outcomes themselves erode the image of a GNH state given their environmental consequences and potential inability to maintain the gains related to the socio-economic pillar in the longer term. The recent priority of the central government to better balance responsiveness and effectiveness in the construction of farm roads may improve the ability to achieve the GNH policy intentions, but the continuing inability, inconsistency or unwillingness among governance actors to explicitly locate their actions within the GNH framework or use the GNH policy instruments provides another example of an eroding image of a GNH state regardless of the actual policy outcomes.
CHAPTER TEN
HUMAN-WILDLIFE CONFLICT POLICY

For many farmers in Bhutan, a hard day’s labour in the fields is followed by a long night sitting in a make-shift shelter trying to remain awake. Night time brings wildlife to the fields in search of easy food. If destruction of crops or predation of livestock is to be avoided, many farmers are forced to protect their fields during the night. While farm roads encourage the production of surplus by increasing accessibility to markets, the destruction of potential surplus by wildlife represents a complicating factor to improving rural incomes and wellbeing. Human-wildlife conflict (HWC) has become a significant threat to rural livelihoods and Gross National Happiness. Paradoxically, the threat of HWC appears to have emerged from Bhutan’s success in pursuing the environmental sustainability pillar of GNH. Conservation policy has created a situation where thriving biodiversity now competes with agricultural livelihoods with implications for food security and rural incomes. The Bhutanese government is now committed to rebalancing rural livelihoods and conservation in a way that privileges neither at the expense of the other.

This chapter analyzes Bhutan’s attempt to decrease HWC through an integrated approach that recognizes the interdependency of the four pillars of GNH. It argues that different implementation strategies to address HWC have been characterized by both consistent practices and divergent practices among governance actors. In the latter case, unclear accountability within Bhutan’s model of decentralization has contributed to communication and reporting challenges across levels of government that confuse implementation practices. Moreover, it obscures a consistent understanding of the very nature of the problem of HWC itself. In the absence of a meaningful role for both GNH policy tools and values, policy outcomes have been only partially achieved. The chapter begins with an overview of the emergence of HWC followed by an analysis of policy intentions, implementation and outcomes.

1. BACKGROUND: CONSERVATION AND ITS EMERGENT CONSEQUENCE

1.1. Bhutan’s Conservation Approach and Record
Bhutan has a remarkable conservation record since its emergence from isolation in the 1960s. This is often attributed to the influence of Buddhism and its accompanying value of interconnectedness between humans and their natural environment (DoFPS 2011: 7; NCD
2008: 1; NEC 1998: 12; Planning Commission 1999a: 21; Rinzin et al. 2009; WCD 2010: 10; Zurich 2006). Yet, the outcomes of conservation efforts in Bhutan are also a reflection of the management approach taken by the Bhutanese government. Prior to the 1960s, traditional forms of natural resource management predominated with the government playing a minimal role. In 1957, legislation known as Thrimzhang Chenmo explicitly affirmed the right of Bhutanese citizens to access forest resources (MoAF 2010: 2). With the initiation of planned development, however, the management of natural resources was completely centralized under the government (DoFPS 2011: 7). Moreover, this centralization emphasized conservation through scientific management rather than through traditional forms of local resource management. The Bhutan Forest Act of 1969 transferred control to the government of all forested land not privately owned and prohibited or restricted traditional activities like the felling or burning of trees, hunting, fishing and grazing (MoTCIFM 1969: 3). As a result, many traditional community forests became government forest reserves (DoFPS 2011: 8). The National Forest Policy of 1974 further consolidated the emphasis on scientific management that privileged conservation over the economic use of forest resources. The policy was the first to state Bhutan’s commitment to maintaining 60% of the country as forest for all time, a commitment now enshrined in the constitution (WCD 2010: 11).

The Bhutan Forest Act of 1969 was repealed in 1995 with the passage of the Forest and Nature Conservation Act of Bhutan (FNCA). The FNCA further strengthens the notion of scientific management of natural resources but recognizes the need for greater community participation through the creation of community forests and private forests (RGoB 1995). The government continues to regulate the production, protection and trade of forest products and wildlife within all forests. Management plans for community and private forests must also be approved by the government (RGoB 1995: 2-3). Centralized scientific management combined with community participation are therefore the intended hallmarks of the FNCA’s approach (MoAF 2010: 2). At the same time, the Act continues to maintain strict prohibitions and restrict traditional practices around felling of trees, hunting, fishing and grazing in government reserved forests (RGoB 1995: 4). In 2010, the integration of scientific management with community participation was reaffirmed in a draft National Forest Policy of Bhutan 2010. The draft policy emphasizes the sustainable management of forest resources through scientific principles combined with local participation and indigenous knowledge for the equitable benefit of both citizens and the environment (MoAF 2010: 5-6).
In addition to the management of forests, the FNCA provides a legal framework for the protection of wildlife. Twenty-three kinds of wild animals, including large predators like tigers, are “totally protected” and cannot be killed, injured or captured anywhere unless an imminent attack that threatens human life is present (RGoB 1995). According to the rules that implement the Act, totally protected animals that threaten or kill livestock can only be met with non-lethal means meant to scare the animal away (DoF 2006: 65). All other wild animals are “protected” and can only be killed or captured in cases of imminent attack on humans or livestock or to defend against crop damage while on private land. In cases where a protected animal is killed on private land while damaging crops or taking livestock, no legal action is taken if the animal dies on private farmland or is shot on private land but dies in a government reserved forest within 200 metres of the private land (DoF 2006: 66). Anything killed beyond 200 metres is prohibited.

The legislative protection afforded individually to forests and wild animals is bolstered by a variety of initiatives such as the Biodiversity Action Plan and the Tiger Action Plan. In addition, Bhutan has developed an extensive national system of protected areas. The national system was initiated in 1983, primarily focusing on the northern and southern regions of the country, and expanded in 1993 to better account for the variety of ecosystems within Bhutan (WCD 2010: 11). Unlike western models of protected areas, Bhutan does not ban human settlements within these areas (NCD 2008: 3-4). Known as the Biological Conservation Complex (B2C2), the protected areas include a range of national parks and wildlife sanctuaries and a set of biological corridors.

20 There is some inconsistency on the initiation of the national system of protected areas, with other sources dating its emergence to the 1960s (Brown & Bird 2011: 6; Rinzin et al. 2009: 182). The 1983 date used here is from a government source.
that link them. The protected areas and biological corridors comprise approximately 51\% of Bhutan’s total area (WCD 2010: 12-13). No other country in the world has a higher proportion of area designated as protected (MoA 2009b: 29-30).

**Figure 4. Protected Areas and Biological Corridors**

![Protected Areas & Biological Corridors of Bhutan](source)

**Source:** MoA 2009b: 30

The results of these conservation efforts are impressive. Bhutan continues to be recognized as part of one of the world’s biodiversity hotspots (Myers 1988). Forest cover, constitutionally required to be 60\% of the total area of the country, is over 70\% and increases to 81\% if shrubs are included (NSB 2011: 76; S. Wangchuk 2007a: 178; WCD 2010: 8). Protected areas and biological corridors are stable and maintain substantial biodiversity (S. Wangchuk 2007a). Bhutan has over 7000 species of vascular plants, 200 species of mammals and 770 species of birds (WCD 2010: 8-9). The country is home to key bird habitat and many threatened species, including the snow leopard, golden langur and Bengal tiger (WCD 2010: 9). Bhutan’s success in
promoting biodiversity has been recognized internationally. Bhutan’s fourth King was awarded UNEP’s inaugural “Champions of the Earth” award and WWF’s J. Paul Getty Award for Conservation Leadership. Yet the success of Bhutan’s conservation initiatives has generated an emergent problem. A flourishing population of protected wildlife and expanded forest habitat has increased interactions between wildlife and farmers, particularly in inhabited protected areas. The negative impact on rural livelihoods has, in many regions, been dramatic.

1.2. Human-Wildlife Conflict: An Emergent Consequence of Conservation

In Seeing Like a State, James Scott argues that state-driven social engineering often fails due to administrative organization, simplification and standardization rooted in overconfidence in scientific processes (Scott 1998). Such an approach, termed ‘legibility’, misses the key insights and complexities that can be drawn from informal knowledge and practices. Bhutan’s approach to conservation since the 1960s has historically demonstrated this notion of legibility. Traditional local resource management practices were replaced with state driven, scientific conservation practices that imposed centralized and standardized order. On the one hand, this has led to Bhutan’s conservation success in the immediate term that has won it world renown. On the other hand, it has generated an emergent and unexpected outcome rooted in the tight interconnection between ecological and economic systems. In the past twenty-five years, conservation success has reportedly led to increased destruction of crops and predation of livestock by wild animals (GNH Commission 2011b: 52-56; NCD 2008; Planning Commission 2002: 117). Conservation policy has resulted in large populations of wild pigs, monkeys and deer that destroy cereal crops. Elephants that migrate across the southern border with India threaten southern crops. Large predators like tigers, leopards and bears kill livestock. Rural livelihoods suffer as a result.

Human-wildlife conflict has reportedly contributed to a drop in cereal production and, as a result, greater food insecurity (GNH Commission 2009a: 93-94; 2011: 56). The impact on rural incomes and non-income wealth is also significant. Wang and Macdonald (2006) found that livestock predation by wildlife in one of Bhutan’s national parks in 2000 accounted for a loss of 84% of annual household cash income among affected households. Sangey and Vernes (2008) report 1,375 livestock kills during 2003-2005 across Bhutan by tigers, leopards and bears. More recently, a census carried out by the Ministry of Agriculture found 6,933 reported cases of livestock predation in 2008 (MoAF 2009: 30-31). In terms of crop losses, the census found that 56% of households across Bhutan are affected by crop damage by wildlife and HWC is ranked,
along with insufficient irrigation and land shortages, as the largest farming constraint (MoAF 2009: 21-22). The GNH survey carried out in 2010 using the GNH Index found that 72% of respondents considered wildlife either a major (51%) or moderate (21%) constraint on agriculture (CBS 2011: 463). Sixty-three percent reported either “a lot” or “some” crop damage by wildlife while 16% reported loss of livestock to wildlife (CBS 2011: 466-468).

HWC has implications beyond food security and decreased rural incomes. One of the main strategies used by farmers to respond to HWC given the strong conservation rules that forbid lethal methods is to guard crops and livestock at night. Guard huts are a common site in rural Bhutan as farmers are forced to remain awake overnight to scare marauding wild animals from their fields.

Guard hut in central Bhutan

Guarding overnight creates additional hardships for farmers, including strain on mental health, additional expenses and risk of personal injury (Choden & Namgay 1996 cited in Wang et al. 2006a: 149). Two studies across three national parks illustrate that this situation is widespread. Rinzin et al. (2009) found that 71% of 210 respondents living in two national parks guard their
crops at night and do so, on average, for four months over a year. Similarly, Wang et al. (2006b: 362) found that among 274 respondents in a third national park, 91% spend nights guarding their fields.

The difficult economic situation many rural Bhutanese face given the historical prioritization of conservation is rather curious in a state committed to GNH as a multidimensional strategy that recognizes the need for balanced interconnections across human and ecological systems. Rinzin et al. (2009: 198) argue that the historical skewing towards conservation is a reflection Bhutan’s early turn to a top-down, centralized and scientific approach to conservation and international donor influence that privileges conservation efforts at the expense of human livelihoods. The apparent extent of the HWC problem, however, has forced policy actors and donors to attempt to re-establish a balance between ecological and livelihood concerns. Beginning with the 9th Five Year Plan (2002 – 2007) and gaining urgency over the 10th FYP (2008 – 2013), addressing HWC has become a key GNH policy concern.

2. POLICY INTENTIONS

The Bhutanese government has recognized that the strict, centralized approach to conservation pursued since the 1960s has upset the balance between conservation and rural livelihoods that should be inherent in GNH, privileging the former at the expense of the latter. In his State of the Nation Report in 2011, the Prime Minister recognized the pervasive nature of HWC and directly identified it as “one of the negative consequences of the success of forest conservation” (RGoB 2011b: 60). Similarly, the Minister of Agriculture has stated that rural livelihoods cannot “be unduly compromised in our efforts to conserve wildlife,” claiming HWC has become “the need of the hour” (NCD 2008: x).

Recognition of the imbalance that created HWC has been paralleled by recent government initiatives to address the problem in a way that is integrated and holistic, balancing each of the pillars of GNH. The intention of the government’s GNH policy approach is to pursue a HWC strategy that links conservation and rural livelihoods as two interdependent and inseparable components: livelihoods can be improved through effective conservation and conservation can be strengthened through sustainable livelihoods. A virtuous GNH circle is again the intention. The government’s assumption is that HWC can be managed “without compromising the viability and diversity of wildlife population” (GNH Commission 2011b: 56). The approach is twofold: i) increase the livelihood opportunities of rural communities by reducing the incidences of HWC

Restoring this balance is perceived as critical not only for the socio-economic and environmental pillars of GNH, but interrelated cultural and governance reasons as well, integrating all four GNH pillars. As far back as 1999, Bhutan 2020 made the case that the historical focus on conservation as a rigid, centralized and scientifically managed process has potentially negative consequences on cultural values by severing the interdependence of human activity from the larger environment. According to the document:

Our approach to the environment has traditionally been anchored in our Buddhist beliefs and values. We not only respected nature, we also conferred upon it a living mysticism…. We must recognize that some of the measures that we have taken to protect and preserve the environment and biodiversity may also have contributed to the erosion [sic]. The establishment of nature reserves and protected areas has introduced lines of demarcation between humans and nature that formerly never existed. The introduction of rules and regulations that must be respected have stripped some locations of their mysticism and prevented the communion with nature that was once common. Our belief that we should manage our biodiversity and environment in accordance with international standards may have unwittingly contributed to a hardening of traditional attitudes, perceptions and values. (Planning Commission 1999b: 62)

Moreover, the hardening of these traditional attitudes and values can, in turn, undermine conservation:

The further erosion of our traditional perception and understanding of our place in natural systems carries potentially disturbing consequences for the environment. It may be a shorter step than we might care to imagine from seeing ourselves as part of a living world to seeing it as a source of wealth and as a resource base to be exploited for immediate gain - a step that would undermine the whole ethos and ethics of conservation. We must be ever-conscious of this danger. (Planning Commission 1999b: 62)

The need for HWC policy that better integrates rural livelihoods and conservation to prevent the hardening of cultural values towards conservation is given further urgency by the emergence of democracy in Bhutan. Democracy is viewed as providing a potential future avenue for such a
hardening of values to be translated into resistance to conservation (NCD 2008: 2). The government’s HWC policy intention therefore targets not only integrating conservation with the economic development of rural communities, it strives to improve rural livelihoods in ways that maintain the centrality of conservation, recognizing that to not do so may harden cultural values that may be given future expression through democracy.

In this context, decentralization is viewed as being central to achieving success. Integrating conservation and economic concerns needs to be pursued through a decentralized process that provides local communities with greater control over both the process and distribution of benefits, making them the stewards of conservation that improves livelihoods and maintains cultural values (NCD 2008). The good governance pillar of GNH requires that the centralized, scientific management of past Bhutanese conservation practice be better balanced with greater local participation. Good governance through decentralization is the foundation on which to balance the other three pillars of GNH in the pursuit of decreasing HWC.

The government’s HWC policy direction has taken shape through several documents and initiatives. The 9th FYP (2002-2007) recognized the emergence of HWC as a threat to rural livelihoods (Planning Commission 2002: 117). It provided a broad rural development strategy to address a range of challenges, including HWC, focused on resource management planning, community participation in forest management and a review of existing policies and legislation (Planning Commission 2002: 119). The government also initiated a livestock compensation plan in 2002 called the Tiger Conservation Fund (TCF) based on a donation from an American tourist (DoFPS 2011: 84). The TCF provided compensation for livestock killed by tigers as a means to fill the gap of lost rural income and reduce the likelihood of retaliatory killing of tigers (DoFPS 2011: 84).

The 10th FYP is much more explicit than the 9th plan in its approach to the problem. HWC is addressed in three sections of the plan as a means to develop a sustainable solution. It is incorporated into the MoAF’s integrated pest management programme (GNH Commission 2009b:12-13) as well as its nature conservation programme (GNH Commission 2009b: 65-67). More broadly, HWC is identified as part of the 10th plan’s overall targeted poverty reduction programme led by the GNH Commission (GNH Commission 2009b: 328-330). The Nature Conservation Division (NCD), located within the Department of Forests and Parks Services (DoFPS) within the MoAF, took the lead on developing an explicit HWC strategy to fulfill the
10th plan’s objectives. The resulting *Bhutan National Human-Wildlife Conflicts Management Strategy* of 2008 sets out a national strategy that is identified as a ‘living document’ that will evolve following the principles of adaptive management given the complexity of HWC (NDC 2008: 12).

The HWC Management Strategy sets out an integrated approach grouped around three components. The first component is an integrated conservation and development programme (ICDP) created to mitigate crop and livestock losses while empowering self-sufficiency among rural communities. It incorporates eight objectives to reduce crop damage and livestock predation while fostering alternative and sustainable sources of rural income.

**Box 6. Component 1: ICDP Objectives & Strategies**

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Reduce and mitigate crop damage by wild animals.</td>
<td>Enhance crop protection measures through fencing (solar, electric, stone, barbed wire), alternative crop cultivation, use of audio-visual deterrents and planting of buffer species.</td>
</tr>
<tr>
<td>2. Reduce crop damage through agriculture intensification.</td>
<td>Intensify the present agricultural land through enhanced production of agricultural practices in conflict hotspots (e.g. supply improved seeds, promote organic farming/marketing).</td>
</tr>
<tr>
<td>3. Reduce predation by large carnivores through livestock intensification to reduce local cattle population and control resource competition between domestic cattle and wild ungulates.</td>
<td>Intensify livestock production in human-carnivore hotspot areas through improved livestock breed (e.g. Jersey and Brown-Swiss) and management (e.g. stall feeding instead of pasture feeding).</td>
</tr>
<tr>
<td>4. Promote alternative income generating activities to offset losses from crop and livestock damaged by wildlife.</td>
<td>Enable communities to explore alternative revenue generating opportunities through better marketing of farm produce in conflict hotspot areas (e.g. high value crops, livestock backyard farming like pigs and poultry).</td>
</tr>
<tr>
<td>5. Initiate crop and livestock insurance scheme to protect crops and livestock from wildlife damage.</td>
<td>Develop crop and livestock schemes through financial contributions from the Royal Government, local communities and external agencies, ultimately aimed at community self-sufficiency over a period of time.</td>
</tr>
<tr>
<td>6. Sustainable utilization of non-wood forest products (NWFP) to enhance local livelihoods.</td>
<td>Enable communities to reap the benefits from sustainable utilization and management of NWFP in their areas.</td>
</tr>
<tr>
<td>7. Control HWC and poaching of wildlife through formation of patrol guards.</td>
<td>Identify HWC and poaching hotspots for patrolling and anti-poaching purposes involving local communities.</td>
</tr>
<tr>
<td>8. Conduct detailed socio-economic surveys related to HWC to be used as baseline data.</td>
<td>Select site-specific human-wildlife conflicts and undertake detailed socio-economic surveys with reference to specific problem species and document results.</td>
</tr>
</tbody>
</table>

Source: NCD 2008: 14-21
The ICDP activities are paralleled by two other components. An environmental education component is integrated into all HWC initiatives to promote an understanding of the issues and proposed solution among rural people (NDC 2008: 21-23). Ecotourism is tied into HWC as the third component, with the goal of enhancing livelihoods through alternative sources of income that are connected to the success of conservation (NCD 2008: 23-26). All three components are implemented within existing government rules and regulations on conservation (NCD 2008: 65). Nine model sites were identified as key sites for implementing the strategies with the lessons learned from these sites used to scale up the strategy across the country over the period of the 10th FYP (GNH Commission 2011b: 56-57; NCD 2008). None of the gewogs involved in this study were directly involved in the nine pilot sites, although some respondents within national park offices have been. All gewogs, however, have implemented various aspects of the HWC strategy that are intended to be scaled up nationwide over the timeframe of the 10th plan and are to reflect the integrated nature of the four GNH pillars.

3. POLICY IMPLEMENTATION

The various actors involved in implementing the HWC strategy reflect the multi-sectoral nature of the issue. They also illustrate the government’s emphasis on the need to address the issue through a decentralized approach that fosters local participation yet draws upon technical support and monitoring from higher levels of government (NCD 2008: 65). The lead agency responsible for coordinating the strategy nationwide is the Nature Conservation Division, renamed the Wildlife Conservation Division (WCD) in 2010 (GNH Commission 2009b: 66). WCD is housed within the Department of Forests and Park Services (DoFPS). Implementation on the ground occurs at the local level. As the problem of HWC involves wildlife destruction of both crop and livestock in protected or forested areas, gewog-based extension officers representing agriculture, livestock and forests are the front-line faces of government involved in implementing HWC strategies. Technical backstopping to extension officers is provided by their respective sector heads within the Dzongkhag Administration, including the Dzongkhag Agriculture Officer (DAO), Dzongkhag Livestock Officer (DLO) and Dzongkhag Forest Officer (DFO).

While extension officers are dzongkhag-level civil servants, they are physically located at the gewog level. They engage with the Gewog Administration, and the elected gup and Gewog Administrative Officer (GAO) in particular, making these gewog officials important actors in local
implementation. Given the extent of the country that has been designated as protected, officials from within the National Parks, who are central government officials, are also key players. Outside of protected areas like parks, the Territorial Forest Offices, which are located within the dzongkhags but are central government agencies, play an important role particularly in the enforcement of conservation rules and regulations. Donors, including WWF and UNDP, provide a significant portion of funding for the HWC strategy initiatives. The diversity of actors across levels of government and across sectors demonstrates the GNH policy intent of treating HWC as an issue that integrates all four GNH pillars.

**Box 7. Key Actors in Human-Wildlife Conflict Strategy Implementation**

- **i) State actors:**
  - **Centre:** Wildlife Conservation Division of DoF, Territorial Forest Offices, Park Offices
  - **Dzongkhag:** Dzonkhag Agriculture Officer, Dzongkhag Forest Officer, Dzongkhag Livestock Officer
  - **Gewog:** Agriculture Extension Officer, Livestock Extension Officer, Forest Extension Officer, Gup, Gewog Administrative Officer.

- **ii) Non-state actors:**
  - Communities, international donors

This section analyzes the interactions among these various actors in the implementation of the HWC strategy. It focuses on the ICDP component of the strategy in particular given that it is largest component. Ecotourism has also been addressed in a previous chapter. In analyzing the implementation of the ICDP component, three broad themes emerge. First, HWC mitigation and alternative livelihood strategies are generally implemented in a manner where competing priorities or divergent implementation practices are not prominent. Some exceptions to this are evident. In these cases, divergent practices are frequently a reflection of communication problems between levels of government. This points to the second broad theme. Beyond the implementation of mitigation and alternative livelihood strategies, the assessment and reporting of actual incidences of human-wildlife conflict from the local level to the central level is
problematic. Different practices and perceptions exist around who is responsible and accountable for reporting incidences of HWC. The result is inconclusive data on the very nature of the problem itself. Strategies of mitigation and livelihoods are therefore being implemented, often successfully, on their own terms while resting on a shaky foundation. The issue of HWC therefore remains subject to ambiguity and contestation among government actors. The nature of decentralization, and the poorly understood lines of reporting and accountability in particular, are at the root of this challenge. Interwoven through these two themes is the third theme: the continuing lack of use of GNH tools in the implementation process and the contested nature of the connection between GNH and HWC. The following section addresses each of these themes in turn.

3.1. Implementing HWC Mitigation and Livelihood Strategies: Consistent and Inconsistent Practices

3.1.1. Consistent practices: Livestock intensification

The implementation of activities intended to either mitigate HWC or provide livelihood alternatives are generally characterized by consistent priorities and practices among governance actors. Little overt conflict is evident. Livestock intensification, the third objective within the ICDP component of the HWC strategy, provides perhaps the best example. Intensifying livestock production occurs through the replacement of local Bhutanese cattle breeds that graze in the forest with ‘improved breeds’ of Jersey or Swiss Brown cattle that are stall fed. This has several implications. First, it is intended to increase rural incomes as improved breeds produce significantly more milk. Second, it decreases the number of cattle that are physically located near predators in the forest, reducing the potential for livestock loss. Third, stall feeding decreases the amount of migratory grazing in forest habitat, reducing forest degradation and increasing the amount of wild prey in the forest for carnivores (NCD 2008: 18). Many respondents recognize that the promotion of improved breeds involves a balancing act that brings GNH pillars into conflict. Using improved breeds to improve economic opportunity and decrease environmental degradation comes at the price of abandoning traditional livestock practices. The cultural pillar is overridden by the socio-economic and environmental pillars. In all cases, however, respondents viewed this as part of the inevitable process of balancing a set of integrated pillars that will not always mutually reinforce one another. In this case, marginalizing the traditional cultural practices of livestock rearing was viewed as an appropriate compromise to effectively address the economic and environmental components of the HWC issue.
Implementation of the improved breeds strategy involves the central government supplying the cattle to farmers on a cost-sharing basis. The government covers 30% of the cost and provides free transportation of the cattle to the farmer. While Livestock Extension Officers across the gewogs in the study claim that this cost-sharing formula is financially accessible to most farmers, the government also provides free artificial insemination for cross-breeds of improved and local cattle as an alternative. The provision of improved breeds is often accompanied by the formation of livestock groups at the gewog level. These groups bring farmers together to produce, market and sell milk collectively. In addition to the income this brings to individual group members, group profit is used to provide members with low-interest loans and, in some cases, provide loans to non-group members at higher interest rates.

The implementation of this strategy is widespread across the gewogs in this study. Moreover, the practices and patterns of interactions among implementation actors are remarkably consistent. All gewogs in the study have brought in improved breeds or used artificial insemination to produce cross-breeds. All but three gewogs also report the formation of livestock groups focused on milk production and distribution. The three gewogs where livestock groups have not been formed have not done so given their lack of access to farm roads and, as a result, milk markets. In the rest of the gewogs, the process of implementation has been consistent. Once improved breeds or cross-breeds are accessed by farmers, Livestock Extension Officers facilitate the formation of livestock groups. Training is provided and support is given in the development of a farmer run committee and the creation of its by-laws. In this process, the Dzongkhag Livestock Officer (DLO) provides technical support to the Livestock Extension Officer. The DLO also plays the key role in mobilizing the funds needed to support the formation of livestock groups and source required equipment such as milk cans, milk testers and freezers from the Department of Agriculture.

This process is consistent in all the gewogs involved in livestock intensification and group formation. Divergent practices or inconsistent priorities are not prominent across Livestock Extension Officers, DLOs or the Department of Agriculture at the centre. While there are differences across gewogs in the extent that local communities engage in or commit to livestock groups, conflict or competing priorities among governance actors are not characteristic of the implementation process. The absence of conflict is likely a reflection of the relatively few governance actors involved and clear lines of communication. Livestock intensification involves the Livestock Extension Officer at the gewog level as the key governance player with technical
support from the Dzongkhag Livestock Officer at the dzongkhag level and financial support from the Department of Livestock. The relatively small network of governance actors involved, all with a livestock focus, mitigates the emergence of competing interests or priorities. Policy implementation practices are in line with the GNH policy intention as a largely decentralized process has promoted and expanded the use of improved breeds intended to improve economic and environmental conditions.

3.1.2. Inconsistent practices: Physical deterrents and compensation/insurance schemes

There are several cases of other HWC strategies that do demonstrate different patterns of implementation. While such cases are not widespread, they are significant in their impact on the larger implementation process. These cases involve a broader range of governance actors and are characterized by more ad hoc practices. First, mitigation of crop damage through deterrents such as fencing and alarms, the first ICDP objective, is perhaps most subject to diverse implementation practices. The strategy proposes using solar and electric fencing in areas where HWC is significant as well as stone walls or barbed wire elsewhere. It also proposes incorporating a range of audio alarms and visual deterrents (NCD 2008: 16-17). The implementation and use of these deterrents ranges fairly significantly across dzongkhags and gewogs in this study. Numerous respondents reported accessing light and sound alarms that are provided free by the National Post Harvest Centre of the MoAF. A small number of respondents stated that they had requested the alarms but never received them. Still others are aware of the alarms but do not know how to get them. A significant number of respondents are completely unaware of the alarms and claim no government support is available at all. In some of these latter cases, farmers are reduced to constructing homemade alarms using bottles and bells or other kinds of homemade deterrents.

These different practices demonstrate no particular geographic patterns. In the case of one dzongkhag, perceptions of the practices differed within the Dzongkhag Administration itself, with the District Agriculture Officer well informed about the use of the alarms within the dzongkhag and the District Forest Officer under the impression that no alarms are used at all.
Solar fencing is another mechanism used to prevent wildlife from accessing farmers’ fields. The MoAF has again provided such fencing to certain areas with funding often coming from international donors. The pattern of implementation is again ad hoc in the context of limited funding. Some gewogs in the study have received solar fencing from MoAF. In other cases, gewog officials bought solar fencing in India at their own initiative. Still other respondents are vaguely aware of the solar fencing but do not know how to get it. In these gewogs, other options have been pursued. Locally fabricated fences are used in some cases but are felt to be unsustainable given the need for local resources to construct them. A small number of respondents used chain-link fences but these were felt to be ineffective at physically keeping animals out. In many cases, rock walls were perceived as the only option, but these are universally viewed as largely ineffective given the ability of wildlife to knock them down or jump over them. In most cases, rock walls were not enough to replace the need for farmers to guard their fields overnight.
Locally fabricated fences are unsustainable and often ineffective

These different patterns of implementation practices are not a result of divergent interests or competing priorities. Two simpler issues are at play. First, insufficient funds are reported to be a barrier to full roll-out of the HWC strategy on a national level. Second, and more troubling, officials at the gewog level are often only vaguely aware or completely unaware of the fencing or alarms that are potentially available from the centre, sourced by Dzongkhag Administrations and put in place by gewog level officials. Insufficient communication across different levels of government has generated different practices in these cases and has fractured the consistent application of power.

A similar situation exists with compensation and insurance schemes for livestock predation. The Tiger Conservation Fund created in 2002 initially focused on compensation for tiger kills but was extended to snow leopards, common leopards and Himalayan black bears given the extent of predation (DoFPS 2011: 84). The original fund donated by the American tourist was depleted by 2006 (DoFPS 2011: 84). The government has continued to provide compensation for livestock kills, however, often through funds provided by international donors. A fairly rigorous process of verifying and reporting a kill involving the gup, agriculture and forest officers, and Divisional Forest Office or Park officials was put in place during the initial implementation of the fund (Sangay & Vernes 2008). Nonetheless, in some cases, implementation of this has faced
hurdles. The government continued to provide compensation for livestock predation into 2011 (RGoB 2011b: 60) but knowledge of its availability diverges across gewogs and dzongkhags. The result, again, are cases of divergent patterns of practices by governance actors.

Three patterns are evident. First, some local officials are fully aware of the nature of the compensation available and have worked with farmers to access compensation. Second, others misunderstand the compensation program’s application. Multiple respondents at the gewog and dzongkhag levels as well as in one Territorial Forest Office remain under the impression that kills by leopards and bears are not covered by the scheme. Others have the opposite impression, believing it is for leopard and bear kills but excludes tigers. As a result, compensation is not always sought when it could be. A third pattern is a complete lack of awareness of the availability of any kind compensation at all. This occurs among a very small number of officials and always at the gewog level. A Livestock Extension Officer located in the east, for example, stated that compensation used to exist but is no longer available. “We don’t know why,” he said. A gup from a gewog in the central dzongkhag similarly claimed “there are no compensation or insurance schemes here.” Compensation is therefore not sought at all.

Like the case of physical deterrents, an inability for relevant information to reach some gewog officials is again at the root of different practices undertaken in different contexts. Competing priorities are not the cause. There are, however, a few exceptions. In these cases, governance actors are making decisions that are not necessarily consistent with the GNH policy priority. Such decisions are not a result of insufficient information but a need to make their own calculations on the proper balance between livelihoods and conservation given the extent of the problem on the ground. This is evident in cases of crop destruction rather than livestock losses. Unlike the compensation available for livestock predation, there has historically been no formal compensation for the loss of crops to wild animals. Many officials within local government administrations became emotional discussing the impacts of crop destruction on farmers given the lack of compensation. “We are weeping,” said one. “Our farmers are at a total loss…. It can be devastating,” said another. A third stated “I am saying they are helpless. What can they do? They report to us? What can we do?” The emotional response of many local officials has driven a number of them to address the issue of compensation on their own terms, or what they frequently refer to as “indirect” support. In one case, a respondent provided money to a farmer out of his own pocket. In another, money was raised for compensation from the more affluent people in a gewog. Most frequently, Agriculture Extension Officers at the gewog level work with
the Dzongkhag Agriculture Officer to source seeds and supply them for free to farmers who have lost crops. This is usually not done as a formal activity but in an ad hoc manner given the need to respond quickly. According to one Dzongkhag Agriculture Officer: “If we have some amount to spend, instead of going or developing a plan and trying to do something new, we just buy seeds and give it to them.”

Such ad hoc practices in response to the lack of crop compensation are also found on a small scale in the enforcement of forest regulations. Officials in a Territorial Forest Office stated that they do not enforce forest rules for retaliatory killing of wildlife given the lack of compensation for crop losses. This is particularly the case with wild boar where, instead of fining farmers for killing boar off their land as the rules require, they simply look the other way: “We do not bother much because even if they kill we do not go and fine…. The policy says we have to bother but in our field level we do not bother because we have to see both ways because the farmers are losing so much.” One official linked his inaction on enforcing forest rules to GNH, claiming that promoting happiness among farmers requires being sensitive to their immediate economic situation in light of HWC. Several other respondents take a similar position. A Forest Extension Officer stated that he does not report farmers who engage in retaliatory killing to protect their livelihood. Instead, he tries to educate them on why the fines for retaliatory killing exist. Most surprisingly, a Dzongkhag Agriculture Officer goes further than merely suggesting the need to ignore fining farmers for killing wildlife: “But I advise the farmers, ‘you go and shoot them’ with this traditional thing [bow].” He justified this in terms of the need to save farmers’ livelihoods and the limited damage a traditional bow can do in comparison to a gun. “How many can they kill in a year?” he said, “One or two.” The reality of no crop compensation has therefore pushed a number of officials at various levels to make decisions based on their own assessment of the proper balance between two GNH pillars. The intention of government policy may be to balance conservation and livelihoods, but the realities on the ground have directed some officials to readjust what this balance looks like in an ad hoc manner that, in some cases, violates regulations. The image of a coherent GNH state is being subverted by actors within the state who feel they are being forced to recalculate the balance between the environmental and socio-economic pillars.

The challenges surrounding the compensation of crop and livestock losses have been recognized by the central government. Respondents argue that the problems involve a constellation of unsustainable funds, poor communication and inadequate decentralization. A
new mechanism has been created as a result. The Endowment Fund for Human Wildlife Conflict Management attempts to provide a sustainable means to compensate and mitigate HWC in a manner that decentralizes greater control to local communities. The Endowment Fund was formally launched on April 8, 2011. The Fund will provide seed money to each of the 205 gewogs in the country. Initial funds have been raised through donations from the royal family, international donors, private businesses, government corporations and individuals, with future contributions from entrance fees to national parks (DoFPS 2011: 86). The seed money provided to each gewog is to be managed by a Gewog Conservation Committee (GCC) made up of local people. The GCCs are responsible for managing a newly created insurance compensation scheme. Interest from the seed money deposited into each GCC’s account, combined with farmers’ minimum annual insurance premiums, will be used to pay out compensation for both crop and livestock losses caused by wildlife. In the future, each GCC will also manage the use of any annual compensation funds left over beyond the seed money for a range of ICDP activities prioritized by the committee itself (DoFPS 2011: 86). Through this strategy, the Endowment Fund seeks to institutionalize a financially sustainable insurance scheme that generates funds for both compensation and locally controlled ICDP initiatives. It attempts to better integrate the socio-economic, conservation and good governance pillars of GNH as a means to combat HWC. A number of pilot insurance schemes involving the creation of GCCs have been initiated, although the Endowment Fund remains short of its required funding to support GCC creation in all 205 gewogs. Seventeen GCCs were expected to be formed by mid-2013 (Yeshi 2012).

The initiation of the Endowment Fund occurred at the time of data collection, but two preliminary observations can be made. First, the Fund goes a considerable distance in balancing the GNH pillars in light of the ad hoc practices and poor information that have sometimes characterized the implementation of the HWC strategy. Donor and national park officials involved with the early GCC pilots demonstrate significant enthusiasm for the decentralized nature of the process at this early stage. The new GCCs have created bylaws and set compensation rates in consultation with their communities and with support from government officials. The ability of these new GCCs to take control of the process led one Park official to claim “this is becoming very famous.”

The second preliminary observation arising from the early roll-out of the GCCs contrasts with the first and is again rooted in the problem of communication within Bhutan’s decentralized
framework. Multiple local officials who are not involved in the GCC pilots are not fully aware of the existence of the pilot insurance schemes that are a part of the GCCs. Others are unclear when or if this initiative will be scaled up to their local area. A few respondents are impatient with what they see as a slow response by the central government. “The first part of the five year plan is already over and now they are in the second part of the program,” complained one Dzongkhag Forest Officer. An Agriculture Extension Officer outlined a similar concern about the slowness of the process. “In other areas they are introducing insurance schemes but we still don’t have it,” he said. “It can be devastating.” In none of these cases were respondents aware of the challenge the Endowment Fund still faces in raising enough funds for all 205 gewogs. A lack of effective communication across different levels of government continues to afflict the implementation of some HWC strategies. This has left a number of local officials unclear and unhappy with the emerging process.

The above analysis illustrates that the implementation of various HWC strategies have been characterized by both consistent and inconsistent practices. Competing priorities are largely not evident, although some officials have felt the need to make decisions on the ground that they feel better balance conservation and livelihoods in ways that are inconsistent with government regulations. The more common challenge is ineffective or insufficient communication across different levels of government. Local officials sometimes remain in the dark about the various strategies and engage in implementation practices that reflect this lack of knowledge. Power remains atomized. This is a significant hurdle on its own. But the communication challenge arises on a more foundational level as well. Moreover, this challenge is rooted in the specific nature of Bhutanese decentralization and has created ambiguity around the larger issue of HWC itself.

3.2. Reporting Human-Wildlife Conflict: Inconsistent Practices and Blurred Accountability

The implementation of various HWC mitigation and livelihood strategies has occurred in the context of insufficient information on the very nature of the problem of HWC. Multiple respondents at all levels of government state that there simply isn’t enough data. Insufficient knowledge exists on the behaviour and movement of wild animals, changes in the food chain and predator/prey relations. According to a Dzongkhag Agriculture Officer: “We don’t have these hard facts to make the right decisions. We are just doing it in the name of conservation. I think we really need to have these studies done.” The lack of information on the nature of predators is paralleled by poor information on the extent of livestock predation and crop destruction. While
there have been reports and studies of incidences of HWC in the past, most are focused on specific locations (CBS 2011: 466-468; MoA 2009; Sangey & Vernes 2008; Wang & MacDonald 2006). Up-to-date and consistent national data is lacking.

A national online database to record instances of human wildlife conflict was created in 2010 by Wildlife Conservation Division. According to respondents from WCD, officials at the gewog level are meant to report incidences of HWC through the database, enabling field data to be immediately available to WCD for evidence based planning and evaluation at the national level. By mid-2011, however, the database had minimal impact. WCD officials stated that no real data are available and no reports have been issued. Part of the problem is the lack of internet connectivity within many gewogs that makes such reporting impossible. But a larger issue is apparent based on the nature of decentralization. The HWC strategy was developed in a manner that recognizes the multidimensional nature of the problem and the need to ensure that local governments and communities play a direct role in conservation. While the 10th FYP designates the Nature Conservation Division (now Wildlife Conservation Division) as the lead, the strategy is clear that success requires involvement of communities, local governments and extension officers from Agriculture, Forests and Livestock, with technical backstopping from WCD and Dzongkhag Administrations (NCD 2008: 65). The strategy therefore engages with the larger process of decentralization in Bhutan. Yet decentralization has created confusion among local government actors around who is responsible for the front-line work of assessing and reporting instances of HWC to the centre. Divergent and inconsistent reporting practices are the result.

Divergent practices can first be found between the assessment and reporting of crop damage versus livestock damage. Reporting of crop damages is subject to the least confusion. Agriculture Extension Officers across gewogs located in all four dzongkhags in the study report taking the lead role in assessing and reporting crop destruction. They consistently report such destruction to Dzongkhag Agriculture Officers (DAOs) in the Dzongkhag Administration. Where reports go from there is less clear. Of the four DAOs involved in the study, several report sending the information to the Department of Agriculture office in the capital. One reports the information to the Dzongdag, the administrative head of the dzongkhag. None stated they report the information to WCD, the intended lead organization where the national HWC database is located.
Assessing and reporting livestock predation is even less clear. On the one hand, Livestock Extension Officers and Dzongkhag Livestock Officers (DLOs) across gewogs and dzongkhags consistently report that Livestock Extension Officers work together with Forest Extension Officers to report cases of predation to both the Livestock and Forest sector heads at the Dzongkhag Administration. While a number of Forest Extension Officers and Dzongkhag Forest Officers concur with this, many others hold a very different understanding of the process. They believe that it is the Territorial Forest Office or, if in protected areas, officials within National Parks, who are responsible. A small number believe it is the role of the gup, the elected head of gewog level government. In these cases, forest officials claimed they play no role in assessment or reporting. One stated he was “just the postman in-between” who delivered fencing or other mitigation-related materials, with no role in reporting. All of this is further confused by the view of officials within Territorial Forest Offices. These respondents, who are central government employees, stated without exception that they take the lead in assessing and reporting both livestock predation and crop destruction and that these reports go to WCD.

The existence of these divergent and unclear practices has impaired coherent reporting at the local level. It has also blurred accountability. With different perceptions of who should report to whom, clear lines of accountability do not exist. “There is an unclear line of responsibility… and no formal channels,” claimed an extension officer. The problem of bottom-up accountability is matched by challenges with top-down accountability. The confusion over who is responsible for reporting incidences of HWC at the local level is paralleled by confusion over how, or whether, information reported from the field is used at the centre. “The report goes up and then nothing is done,” stated a Territorial official. “We visit the site and then report to the higher authority but there is no action,” stated a Livestock Extension Officer. Many of these officials exhibited frustration, suggesting the urgency of HWC for farmers is not matched by bureaucratic efficiency at the centre. “If we want farmers’ support in conservation, we need to quickly compensate them when livelihood is affected,” said one official. “It’s a bit sad actually, following different protocols and this and that…. It’s of no value, how good your compensation is, if you cannot respond immediately.” For these officials, the perception is that the central government is not accountable for how it uses HWC data reported from the local level. Divergent practices of reporting and the lack of an effective and reciprocal flow of information between centre and local levels has undermined the accountability of both in the collection and use of HWC data.
The experience of implementing this aspect of HWC policy is symptomatic of a larger issue of reporting and accountability within Bhutan’s decentralization framework. Bhutan’s model of decentralization has, in practice, created a system known as ‘dual accountability’, where civil servants at the dzongkhag and gewog levels have multiple lines of accountability. This has generated some confusion on reporting and accountability beyond just the experience with HWC. The legislative framework for local government sheds some light on the source of this confusion. The initial bodies of decentralized government – DYT beginning in 1981 at the dzongkhag level and GYT in 1991 at the gewog level – and their accompanying 2002 legislative framework, known as the DYT Chatrim and GYT Chatrim, were superseded by a revised legal framework with the advent of democracy. The Local Government Act 2009 created Dzongkhag Tshogdu (DTs) and Gewog Tshogde (GTs) as local government bodies, with each supported by either a Dzongkhag Administration (DA) or Gewog Administration (GA). The 2009 Act sets out the dual lines of reporting and accountability for civil servants within both DAs and GAs but these have been subject to diverse interpretations in practice. According to the Act, the Dzongdag, the chief executive of the DA, is responsible for personnel administration of all dzongkhag administration officials. These DA officials - such as the Dzongkhag Agriculture, Forest and Livestock Officers - are accountable through the Dzongdag to the DT for implementing DT initiatives such as the dzongkhag annual plan. At the same time, these same DA officials must also implement national policies, like HWC, under the direction of their relevant central government departments. This means, for example, that a Dzongkhag Agriculture Officer is accountable to both the Dzongdag/DT and the Department of Agriculture at the centre.

At the gewog level, the Act outlines that the elected gup is the chief executive while the Gewog Administrative Officer (GAO) is the head of the gewog administration and accountable to the gup (RGoB 2009: 25, 57). The GAO is responsible for personnel administration of all civil servants from any government agency posted at the local level, including those, like extension officers, who are employees of the dzongkhag. At the same time, the extension officers are also accountable to their respective sector heads in the DA for technical issues or for work emanating from the dzongkhag. An Agriculture Extension Officer, for example, is accountable to both the Dzongkhag Agriculture Officer and the GAO. Dual accountability is the result. Sector heads and extension officers, both of whom play a role in HWC and other policy fields, have two different lines of reporting and accountability depending on the nature of the work they are doing.
Dual accountability has been operationalized inconsistently. This is particularly evident among the extension officers. On the one hand, many extension officers recognize that they function within a dual accountability framework and must report to both the GA through the GAO and to their sector head in the DA. Some claim that this poses no problem. Many, however, disagree. Three themes are evident. First, some extension officers report a difficulty in balancing the activities derived from both the DA and GA, with different lines of accountability for each. “If we had just one leader we would be more relaxed,” stated a Forest Extension Officer, “both the gup and the sector head may require different work on the same day, so it is challenging.” Second, multiple extension officers outline that the dzongkhag and gewog officials to whom they report often have different interpretations of the same activity or issue. Similar to the case of farm roads, gewog level officials are reported to take a perspective that reflects the need to address local voter priorities while dzongkhag officials emphasize technical requirements. A number of extension officers state that this leaves them in a confusing and challenging position as they are accountable to both. “Sometimes we come to an agreement with the gewog and then the sector head suggests something different, so we cannot decide things on our own,” reported an extension officer. Third, a small number of extension officers outline the opposite experience. They suggest that dual accountability, and the blurriness that sometimes surrounds it, has enabled them to act autonomously. Real accountability is lost given the dual lines that are formally in place. “Speaking frankly,” said an Agriculture Extension Officer, “they only evaluate us based on the reports that we write. We actually monitor ourselves.” Another stated: “They leave it up to us to do things however we feel comfortable.” There are no geographic patterns to these differences in how dual accountability occurs on the ground; the diversity is evident in gewogs within each of the four dzongkhags involved in the study. Nor are there sectoral patterns as the diversity crosses Agriculture, Forest and Livestock Extension Officers. The result is, again, fractured applications of power given the fractured nature of accountability.

In addition to those respondents who engage in different patterns of operationalizing dual accountability are an even greater number of respondents who do not recognize or are unaware of the dual accountability framework. Again, no geographic or sectoral patterns are evident. The greatest number of respondents are under the impression that extension officers are accountable solely to their appropriate sector head in the DA. The GA and gup are not recognized as having any authority over extension staff posted within their gewog despite what is contained in the Local Government Act 2009. “Although it is written in the Act, they haven’t
implemented it and I doubt it will be possible because we have different levels of thinking,” stated a gup. “Of course the Act is there,’ he continued, “but the people don’t follow it.” Another gup concurred, stating “Actually the civil servants out here are under the Gewog Administration but they are not fully doing this thing.” This is evident on a wide scale. A Dzongkhag Livestock Officer, for example, stated a common sentiment found among many respondents: “This gewog staff [extension officers], they are under the control of the Dzongkhag Administration, they are not under control of the Gewog Administration.” This represents a considerable challenge as many extension officers state that the largest proportion of their work is related to the gewog annual plan and not the dzongkhag plan.

In direct contrast to those who believe extension officers are solely accountable to the DA are a small minority of respondents who argue the opposite. These respondents, dominated by gups and GAOs, also do not recognize dual accountability and locate the sole locus of accountability for extension officers with the gup at the gewog level, not the DA. “The RNR [extension] staff report to me” stated a gup. A GAO similarly claimed “the gup has final say over RNR staff.” None of these mentioned the role of the GAO in personnel administration as outlined in the Act.

Indeed, the role GAOs and the nature of their own accountability is also disputed. In some cases, GAOs spoke of good working relationships with gups, to whom they are formally accountable. “We are potatoes from the same basket,” claimed one. In many cases, however, GAOs spoke of rivalries and ego clashes between gups and GAOs. While the latter is accountable to the former, many GAOs argue that gups are inexperienced, uneducated or too focused on electoral power to work with and oversee the GAO effectively. “I don’t have a direct relationship with the gup,” stated one. Other GAOs are under the impression they are accountable to dzongkhag level officials, not the gup, usually citing either the Dzongdag or Dzongkhag Planning Officer as their supervisor.

The challenges around reporting incidences of HWC need to be viewed in light of this framework of dual accountability and the confusion it has sown among some local officials. Divergent understandings of who is accountable to whom and under which circumstances have led to divergent practices and atomized expressions of power that have undermined coherent reporting. The multisectoral nature of HWC – involving officials from the agriculture, livestock and forest sectors - adds a further layer of fuzziness to accountability. Recognition by the government that HWC crosses all four GNH pillars is critical to addressing its complexity.
successfully; a reporting and accountability framework not always able to navigate this complexity, however, offsets the potential to coherently track instances of HWC.

3.3. Ineffective Communication, Insufficient Data, Blurred Accountability and Emerging Ambiguity

The previous analysis has shown that the implementation of HWC mitigation and livelihood strategies have experienced mixed success. Some have been implemented smoothly while a few have experienced ineffective communication between levels of government leading to divergent practices. Such divergence has not always reflected the GNH policy intention or illustrates the challenge of balancing the four pillars in various contexts. The actual reporting of instances of HWC has faced greater challenges. Insufficient data exists and the collection of such data is hampered by confusion generated by the blurry nature of accountability in Bhutan’s decentralized framework. All of this has converged to create a level of ambiguity around the very nature of the problem of HWC itself. A range of government documents, as outlined earlier, state that HWC conflict is an emergent consequence of Bhutan’s success with the environmental conservation pillar of GNH (GNH Commission 2011b: 26, 52-56; NCD 2008; Planning Commission 2002: 117). Increases in forest cover and protection of wildlife have created a situation where animals encroach on agricultural land and are in closer contact with livestock. While this assumption underlies the official HWC strategy, it is not shared by all government officials. Unclear accountability that has driven inconsistent reporting, communication and subsequent data has led to diverse interpretations of the HWC problem among those implementing the strategy.

These diverse interpretations have a clear pattern. On the one hand, numerous officials share the assumption that Bhutan’s success with the conservation pillar of GNH has driven HWC. Livestock officials, agriculture officials, gups and GAOs consistently view the singular focus on conservation in the past as the cause of the problem. In contrast, not a single forestry official - including Forest Extension Officers, Territorial Forest officers and Parks officers - connected the problem of HWC to past overemphasis on conservation. In all cases, they viewed the cause in polar opposite terms. Human-wildlife conflict for these officials is a result of the roll-back of the conservation pillar due to increased agricultural production and development activities like farm roads driven by the socio-economic pillar. “Conservation is not at fault for this situation,” claimed a Forest Extension Officer. Another stated “If we didn’t disturb them there would be no damage.” “We encroached on their areas,” said a Dzongkhag Forest Officer, “so now they must encroach
on ours to survive.” Contrast these positions with those of livestock and agriculture officials: “In the name of conservation some farmers starve,” claimed a Dzongkhag Agriculture Officer. A livestock official from the centre concurred, stating “One issue that has driven the problem is the way we pursue conservation. We have been the best in the world at conservation but at what cost?”

A curious situation is therefore evident. Government actors are implementing HWC mitigation and livelihood strategies with no significant conflicts beyond the communication and accountability problems, yet they are doing so based on competing assumptions that confuse the very nature of the problem itself. The integration across the GNH pillars may point to the multisectoral nature of HWC, but it also creates competing sets of assumptions about how these pillars are interacting. The various HWC strategies – fencing, alarms, compensation, livestock intensification, etc. – can be pursued based on both sets of competing assumptions. The ambiguity created by these competing assumptions requires further exploration, particularly given the lack of data on HWC in Bhutan. Indeed, the ambiguity suggests the problem of HWC may be more complex than originally recognized in the creation of the HWC strategy.

Several respondents recognize this complexity, suggesting that both conservation success and expanding agricultural production, two seemingly opposing processes, have generated HWC in different ways at the same time. This complexity is supported by the relatively little scholarly research on the problem in Bhutan. It suggests HWC can occur, on the one hand, as a result of agricultural practices like shifting cultivation (Namgyel et al. 2008) and increased livestock rearing (Govil 1999) and, on the other hand, strict conservation rules (Wang & MacDonald 2006). The lack of sufficient data given the challenges with communication, reporting and accountability have potentially obscured a clearer understanding of this complexity.

Hints of the nature of the potential complexity of HWC arose in the responses of a number of officials. After the ethnic conflict that occurred in the south in the early 1990s and resulted in a significant number of ethnic Nepalese leaving or fleeing the country, a resettlement policy was pursued to re-populate regions of the south. Multiple respondents outlined the complex impact of this policy on HWC. A respondent from the eastern dzongkhag, which experienced an out-migration to the south as part of the resettlement policy, stated that the result was abandoned farmland left fallow in the east that was overtaken by forest, leading to increased HWC. In the south, a respondent reported the opposite effect. He argued that increased cultivation of land by
new settlers in the south led to increased HWC. Another disagreed, suggesting that increased cultivation has decreased the problem. These competing, and sometimes contradictory, positions again suggest the problem of HWC is profoundly complex. While the multi-sectoral and complex nature is recognized in the HWC strategy, the extent of the complexity may not be, a situation exacerbated by the inconsistencies around reporting and data collection. Individual processes and forces may have multiple and contradictory effects in different contexts. Policy tools and processes that are sensitive to complexity are necessary in such a situation. The GNH policy instruments were developed to recognize complexity. Yet, again, the connection of GNH to addressing HWC is not consistently understood among implementation actors and the GNH instruments play only a minimal role in practice.

Forest conservation and agricultural production encroach on one another

3.4. Human-Wildlife Conflict and Gross National Happiness
The preceding policy chapters demonstrate a repeating set of themes related to the connection of media, tourism and farm road policy to GNH. First, there are divergent understandings among
governance actors of what GNH is and how it is connected to the specific policy field. Second, there are regular differences, and sometimes conflict, over the appropriate balance across the GNH pillars, whether they explicitly recognize GNH or not. Third, in addition to differences over the proper balance of GNH pillars, the good governance pillar in particular is often contested. As Bhutan further consolidates democratic decentralization while also engaging CSOs and the private sector as governance actors, different priorities have emerged on what governance should look like in practice. The historically centralized Bhutanese state is slowly being reshaped. Fourth, the GNH specific policy tools play a marginal role in navigating implementation practices and shaping the balance of GNH pillars and the nature of the good governance pillar. Lastly, in the absence of GNH tools, a common commitment to the values that underlie GNH tends to permeate implementation practices, with some constraints in the case of farm road policy. As a result, conflict among governance actors over the balance of GNH pillars or nature of good governance is largely over operational issues rather than larger policy priorities. Policy conflict is a battle, not a war.

The case of implementing the HWC strategy diverges somewhat, although not dramatically, from these themes. Perceptions of the nature of GNH and its connection to HWC are again diverse among governance actors. Also evident is the general lack of GNH policy tools in shaping implementation practice. The importance of GNH values again arises, but its impact is more complicated than in the other policy fields. Each of these is addressed below.

3.3.1. GNH and its connection to HWC policy implementation
The intention of the HWC strategy is to reduce the impact of HWC and improve rural livelihoods while maintaining the country’s successful conservation record. This is to be done in a manner that maintains the strong cultural value of conservation and better engages local communities and governments in managing the process. The strategy recognizes the multi-sectoral nature of HWC and its integration of the socio-economic, ecological, cultural and governance pillars of GNH.

Despite the intended integration among GNH pillars, the competing assumptions around the cause of HWC – conservation versus agricultural expansion - are reflected in how respondents connect HWC to the GNH pillars. Only in a small number of cases did respondents connect the HWC strategy to all four pillars of GNH. In a few of these cases, this is done in a way that understands the multi-sectoral and integrated nature of the strategy. In other cases, it is based
on a very shallow understanding of GNH that does not extend beyond simply identifying the pillars. A Livestock Extension Officer was particularly forthright: “Frankly speaking, I just heard some few things about Gross National Happiness. I am quite ashamed of saying that because being a Bhutanese I should know, but I just know that GNH, the main idea behind it, is the four pillars.”

In contrast, most respondents explicitly identified the HWC strategy with a single GNH pillar, with the single pillar usually being the one they felt was out of balance. The majority connected the strategy solely to the equitable socio-economic pillar of GNH, focusing in particular on poverty reduction. This is not surprising given that the 10th FYP prioritizes poverty alleviation. Respondents who connect HWC to poverty reduction are, unsurprisingly, generally those that believe the imbalance favouring conservation is the root of the HWC problem. Greater emphasis on poverty alleviation is meant to re-balance conservation and livelihoods. These respondents come from all regions and are found at the gewog, dzongkhag and central levels of government. Smaller numbers of respondents connect HWC policy solely to environmental conservation pillar. Again, these are the same respondents, largely forest officials, who view the HWC problem as a result of expanded agricultural production at the expense of conservation. Even fewer connect HWC solely to the good governance pillar. This is somewhat curious given the tendency discussed in the previous chapter for local officials to equate the implementation of farm road policy with good governance. The reason for this discrepancy may be rooted in the lack of clarity around HWC as a local responsibility. Most farm roads are funded by gewog annual grants and are part of the local planning process that directly engages communities, requiring local officials to be responsive to these communities. HWC strategies, in contrast, are a central initiative implemented locally and largely funded directly by donors. Moreover, the confusion around the reporting process, with some cases of local officials taking the lead and other cases of Territorial Forest Officers taking the lead, has muddled whether local officials or central government officials are responsible.

These divergent views on the connection of HWC to GNH and the tendency to make the connection to the individual pillar viewed as unbalanced demonstrates another case of GNH pillars competing with one another. It obscures the complexity of HWC and its interconnectedness across the four GNH pillars. The GNH policy tools and their accompanying values could play a key role in filling this gap. The instruments are again largely absent. Further,
as discussed below, the effective expression of GNH-related values faces challenges in the absence of the GNH tools.

3.3.2. GNH policy tools and GNH values

There is some fairly significant overlap in the types of local officials involved in both the implementation of farm road policy and the HWC strategy. As such, many respondents are (or should be) involved in both policy fields. The perception and use of GNH tools found among local officials in the previous chapter is therefore replicated among many of those same respondents in the case of HWC: often unknown, unused or perceived as redundant. Of those respondents involved only in HWC and not farm roads, particularly livestock officials, the pattern is very similar. Most claim to either not use any GNH tools or are unaware of them. GNH Committees and the GNH project selection tool would be most applicable to ensure the infusion of GNH in the HWC strategy implementation process. As was the case in farm road policy, however, they are largely absent. Even at the level of the ministry, GNH Committees are a source of confusion. Respondents in the Department of Agriculture (DoA) and Department of Forests and Park Services (DoFPS), two departments located within the same ministry, demonstrated different views of the committees. A DoA respondent pointed to his own ministry as not having a GNH Committee and how this is a lost opportunity: “In principle we are supposed to have GNH committees, but in practice I think it is not occurring to the expected level. I can even cite an example within our own ministry. If it happened regularly I think it would really help each other.” The DoA respondent further lamented the lack of GNH Committees at the local level. He suggested they would help translate GNH policy into action “down the line” as he felt there remains too much potential for GNH policy priorities to disappear. Unlike their colleague in DoA, officials in DoFPS argued that the Ministry actually does have a functioning GNH Committee but that it is the Policy and Planning Division, a pre-existing body within each ministry. To these respondents, the GNH Committee was viewed as a redundant label placed on an existing structure. A similar lack of clarity exists within the Department of Local Governance, which is responsible for supporting local governments. “I’m not sure if this [GNH committee] is functioning effectively [within local governments], but I could be wrong,” stated an official within DLG. When discussing his own ministry, he was slightly less unsure of the status of the GNH committee, claiming “I’m almost sure, at least in my ministry, this committee is not functioning.”
In the previous policy fields analyzed, and media and tourism policy in particular, there was evidence that GNH related values filled the void left by the limited role of GNH policy instruments. Conflict over the operationalization of policy intentions occurs but a commitment to a common set of GNH values means that this conflict is over the specific nature of policy implementation rather than the policy itself. In farm road policy, common values again arose but were hindered by capacity and funding challenges and a tendency for local officials to default to good governance values at the expense of other values. The role of common values is less overtly evident in the case of implementing HWC strategies. This may simply be a reflection of the general lack of conflict among governance actors in the implementation process regardless of their competing assumptions on the underlying reasons for HWC. Yet common values do emerge. Their influence on shaping agency in the implementation of the HWC strategy, however, appears to be more complicated than in the other policy fields. First, a common sentiment among respondents is that commitment to some of the key values that underlie GNH – compassion and interconnectedness of all living beings – means killing animals is wrong. This is stated as both a position held by respondents themselves and their perception of the ethical values held by farmers. As a result, these values shape the nature of the HWC problem itself. They provide a strong ethical foundation that dictates the necessity for strict conservation. A gup related a recent conversation he had with a farmer that is representative of this position:

There was a farmer who told me his farm of potatoes was eaten by the wild boar. And then he went there and was alone and he was talking to the pig. And he said ‘it is not your fault’, he was not blaming the pig. ‘It was not your fault because you came here and took my vegetables because you don’t have anything to eat in the forest, so I have nothing to say.’

This position is evident among most respondents, including many who claim aggressive conservation is the root of the problem of HWC. In these cases, conservation itself is not opposed, just its current imbalance with livelihoods. But this notion of balance is also behind a competing position. Most respondents link the values of compassion and the interrelationship of all sentient beings to Buddhism. A number respondents go further, connecting these Buddhist values to GNH. “Killing is against Gross National Happiness,” stated one bluntly. There are, nonetheless, a handful of dissenting voices. These voices also use a GNH argument to suggest an alternative view. In these few cases, respondents appeal to balance as a competing GNH value to make the case that prohibiting killing needs to be rethought. “I don’t agree,” stated a dzongkhag official when discussing the prohibition of killing based on Buddhist infused GNH values. “Because if you don’t have anything to eat or wear in your home, if your family is not
happy, how does GNH come?” he continued. “Some may think that killing is not GNH, but to me, if you have no choice, something has to be done.”

The position held by this latter respondent is shared by only a very small number of officials in the study. The existence of this position, however, raises a significant issue. In the previous policy fields, governance actors often engaged in conflicts or interactions characterized by differences over the balance of the GNH pillars. The pillars sometimes played off one another. At the same time, these conflicts tended to be over the balance of the pillars in operational issues with an underlying common commitment to GNH related values ensuring a general consensus on the GNH policy intention. The case of HWC suggests a deeper issue may also be at play. Not only may the GNH pillars play off one another on operational issues, the foundational values underlying the pillars may themselves conflict with one another. The implications for policy implementation are far more significant if conflict occurs at the level of values. Competing values among governance actors may create competing priorities at the level of policy intentions, something that has not been evident in the three other policy fields. It is evident in the case above where officials question the prohibition of killing animals, something that has been the bedrock of Bhutanese conservation policy. In this case, competing GNH values potentially undermine the consistent conceptualization of GNH itself.

The evident emergence of competing GNH values and their potential impact on creating conflicting policy intentions is significant but should be kept in perspective. While it could be a source of deep rooted conflict among governance actors, it is evident in only a few cases of government officials and is only occurring within one of the four policy fields in this study. At the same time, there is some evidence that competing values are also creating internal conflict within individuals as they face ethical trade-offs related to HWC. In some cases, these ethical trade-offs favour conservation, in others they do not. Retaliatory killing of wildlife by farmers does not appear to be common based on information from respondents responsible for enforcing conservation regulations. But there is a general sense that it does occur out of desperation. Moreover, respondents often perceive this to be a clash of competing values that require farmers to make ethically difficult decisions. “We respect all life forms, nobody wants to kill animals,” stated an official. “Blind faith in Buddhism occurs ruraly. So human-wildlife conflict sometimes forces them to do things that they feel are sinful but must be done.”
Such ethical trade-offs appear to be evident in other areas as well, sometimes with different results. A livestock official stated that the implementation of the strategy of livestock intensification, where local breeds are reduced and replaced with improved breeds of Jersey or Swiss Brown cattle, often causes an ethical dilemma for farmers. “We encourage farmers to decrease them [local breeds],” he stated, “but the farmers and religious values don’t like this, yet it is happening.” In other cases, respondents outline that farmers chose not to pursue HWC strategies despite the potential positive impact on their livelihoods. A number of backyard farming initiatives, for example, have ended given farmers’ unwillingness to kill animals like pigs. In other cases, people engage in ethical gymnastics in an attempt to reconcile competing values and priorities. A common refrain respondents relate is that farmers who slaughter cattle to increase their incomes will claim that the cow died by falling off a cliff rather than admit to having it killed. Many extension officers argue that the existence of these required ethical trade-offs have generated considerable frustration among farmers.

The role played by GNH related values is therefore somewhat different in the case of HWC. The common commitment to a set of Buddhist-inspired values does not fill the gaps left by the general absence of the GNH tools as is often the case in other policy fields. Rather, the values themselves come in conflict with one another in a manner that, while on a small scale, complicates the implementation of the policy.

4. POLICY OUTCOMES
The government’s HWC policy intention recognizes the complexity and multi-sectoral nature of the challenge of HWC. The interconnected nature of ecological, economic, governance and cultural systems are all addressed within the GNH policy intention. The strategy seeks to reduce HWC to improve rural livelihoods while maintaining Bhutan’s uncompromising approach to conservation. Finding an effective balance between the two will ensure the maintenance of the historically strong conservation ethic within Bhutanese culture and avoid the potential hardening of attitudes to conservation that might be expressed in the future through democratic means. Yet, as the previous analysis has shown, the complexity of HWC combined with the challenges characteristic of decentralized accountability have generated an implementation cocktail of complementary and contradictory practices. On the one hand, there is a notable lack of conflict within the implementation of individual mitigation and livelihoods strategies. On the other hand, paralleling the lack of conflict are ad hoc practices by individual government actors trying to respond to the reality on the ground, a confusing process of decentralized information exchange
and dual accountability, and the general absence of GNH tools to guide implementation actions. Power does not necessarily conflict, but its expression is again fragmented. All of this is based on a foundation of competing views on the very nature of the HWC problem. Further underlain are occasional cases of GNH value conflicts.

The policy outcomes generated by the implementation process reflect this mix. Of the four policy fields analyzed in this study, HWC outcomes are most difficult to identify. The lack of good data that characterizes the implementation process limits the ability to fully assess policy outcomes. Nonetheless, government documents and self-reported outcomes are available from respondents. This data can be compared in a few cases to the findings of a number of scholarly studies. This section outlines these outcomes as of mid-2011. It addresses each of the components of the GNH policy intention. The first section focuses on the effectiveness of the strategy in mitigating instances of HWC. The second section evaluates the impact of the strategy on rural livelihoods. Conservation outcomes are addressed in the third section. The fourth section analyzes the impacts on cultural values and the governance implications in Bhutan’s new democracy.

Overall, it is argued that the ambiguity that characterizes the implementation process also characterizes the outcomes generated by that process. Respondents report a number of positive economic and conservation outcomes although, in some cases, these outcomes are not entirely consistent with findings in scholarly studies. Moreover, regardless of success, the ambiguity and complexity of the implementation process appears to be contributing to a hardening of opinions towards the conservation of wildlife. Yet, paradoxically, there is evidence from a parallel initiative not explicitly tied to the HWC strategy that attitudes towards forest conservation are improving. The inconsistency around whether or not there is an evolution in people’s attitudes towards conservation emphasizes the need to address the current decentralization challenges. Local control that successfully integrates rural livelihoods and Bhutan’s historical conservation ethic needs to be better promoted.

4.1. Outcomes of HWC Mitigation Strategies
Assessing the effectiveness of the HWC strategy in mitigating incidences of conflict is faced with the immediate challenge of the poor reporting that has characterized the implementation process. The lack of use of the national HWC database combined with the confusing and contradictory practices of reporting HWC at the local level have made it difficult to assess
success on a national scale. Respondents at Wildlife Conservation Division, which is the lead agency on HWC, admitted that they face data issues. When asked about the outcomes of the HWC strategy by mid-2011, they responded that “no real figures are available at this point.” A 2013 report released by MoAF lists only the development of the HWC strategy itself as an outcome (MoAF 2013: 63). There are, however, pieces of information that suggest there have been successes in reducing HWC. For example, officials from MoAF have outlined that monthly reports on the impact of fencing show crop destruction by wild animals has been significantly reduced where fencing occurs (J. Wangchuk 2011). At the same time, a number of respondents question the long term effectiveness of fences and alarms as deterrents for two reasons. First, many report that the success of fences and alarms simply shifts the problem from fenced fields to those that remain unfenced. The problem remains; its location changes. Second, alarms are reported to be effective in the short term but lose their effectiveness as animals get used to them. “The [wild] pigs are very intelligent,” claimed an agriculture official who suggested the effectiveness of alarms lasts only a few months.

Mixed views on the overall success of mitigation strategies are the result. About two-thirds of respondents at the local level state that HWC remains a significant problem. Many of these respondents suggested that the problem has actually increased despite the implementation of mitigation strategies. Very few believed that the problem is decreasing while a few felt it was cyclical based on natural ecological patterns. In contrast, the other third of respondents at the local level argued that the problem of HWC is not particularly significant. In most cases, respondents stated that this is a result of successful HWC mitigation strategies. In a few cases, respondents argued that the problem of HWC has been overblown by media attention and, in reality, has always been “sparse and sporadic”.

A clear sectoral pattern emerges across these responses. Agriculture officials at both the gewog and dzongkhag levels dominate those who believe the problem remains significant and is increasing. In contrast, livestock officials represent the vast majority of respondents who feel the problem is of little significance or decreasing. This pattern holds across geographic areas. Indeed, only two livestock officials believe the HWC problem is significant while no agriculture officials felt the problem was insignificant. The reason for this pattern is likely due to, as the sporadic available data suggest (CBS 2011: 466-468), the greater frequency of crop destruction versus livestock predation. Agriculture officials will encounter HWC more frequently than
Livestock officials. In addition, as the next section outlines, the HWC strategy that focuses on promoting improved livelihoods through livestock intensification has achieved notable success.

4.2 Outcomes of Livelihood Strategies

The largely smooth process of implementing the strategy of intensifying livestock through the replacement of traditional breeds with improved breeds is matched by consistently positive results reported at the local and national level. Local livestock officials across the gewogs outline dramatic increases in milk production from the improved breeds, with reports of 3:1 or 5:2 production increases when compared to traditional breeds. Moreover, the formation of farmers’ groups for collectively marketing and selling the milk has had multiple positive outcomes. Livestock officials within the central ministry report that 36,000 Nu (approximately US$630) is generated daily on a national scale from milk sold to urban centres, resulting in 5,000 Nu – 30,000 Nu (approximately US$88 - $525 equivalent) monthly income for households that participate in the farm groups. In addition, the interest free loans derived from profit made by milk groups have been used in multiple ways to improve the lives of group members. Local officials provided records that show the success of the milk groups has led to increased demand for improved breeds.

Other spin-off benefits are also evident. Livestock Extension Officers report that the use of stall feeding for improved breeds reduces the amount of time required to take care of the cattle, increasing the time that can be devoted to working in the fields. In addition, stall feeding gives farmers easier access to manure that can be used for increased crop production. Overall, these results are consistently reported across gewogs involved in the study, suggesting the strategy of livestock intensification is achieving success in increasing agricultural production and rural incomes. This success is perhaps not surprising. While the issue of HWC is complex, livestock intensification as one part of the HWC strategy can stand alone as an initiative regardless of the ambiguities that surround HWC. Further, its implementation pattern is clear, involving livestock officers and little overlap with other government officials.

In contrast to the livelihood intensification strategy, the use of compensation schemes to support livelihoods once livestock predation has occurred has met with mixed success. In addition to the lack of knowledge of the existence of compensation among some respondents at the local level, the actual pay-out of compensation has faced delays. Up until 2011, 6,524,159 Nu (approximately US$115,000) had been paid in compensation for livestock predation (DoFPS
While this is significant, particularly for those farmers who have made the claims, 947,700 Nu (approximately US$16,600), representing 15% of total claims, remains outstanding due to lack of funds (DoFPS 2011: 84). Compensation has therefore been only partially successful in supporting the livelihood of farmers. The creation of the HWC Endowment Fund is intended to increase success through a model of sustainable funding and community control, yet its effectiveness will only become evident as the strategy is rolled out over the next few years.

Overall, the outcomes related to improved livelihoods through the ICDP component of the HWC strategy are mixed. Success has been achieved, particularly in the case of livestock intensification, while poor information flow to local officials and unsustainable funding have acted as barriers to greater success elsewhere. This mixed record is again evident in the conservation outcomes.

**4.3. Conservation Outcomes**

Bhutan continues to be successful in much of its conservation efforts given the expansion of its forest cover and rich biodiversity. The specific contribution of the ICDP component of the HWC strategy to conservation, however, is less obvious. Two key themes emerge. First, the strategy of intensifying livestock is again an apparent driver of success. In addition to its contribution to increasing rural production and incomes, forestry and livestock officials consistently report that stall feeding of improved breeds has improved the quality of local forest cover. The damage created by over-grazing within the forest by local breeds has substantially declined with their reduction. This observation is widely reported but requires some qualification. A range of studies on Bhutan document the negative impacting of forest grazing on forest cover (see Buffum et al. 2009). Multiple other studies, however, suggest a more complex relationship between grazing and forest regeneration, with grazing contributing both negative and positive effects (Buffum et al. 2009; Darabant et al. 2007; Roder et al. 2002). The ecological impact of reducing local breeds may therefore be less conclusive than respondents think.

Second, the ability of the HWC strategy to reduce retaliatory killing of both ‘totally protected’ and ‘protected’ animals is unclear. Generally, retaliatory killing has not been a significant issue in Bhutan. Many respondents pointed to GNH-related values of compassion and the interconnectedness of all sentient beings as a reason for this. At the same time, there was evidence that farmers are sometimes making difficult ethical decisions between maintaining the
value of the sanctity of animal life and the need to survive as farmers. The entire issue is further confused by the admission by some respondents that they look the other way when retaliatory killings occur and the unclear reporting and accountability framework at the local level. The outcome of all this is no clear evidence either way on whether HWC strategies have reduced killings of protected animals. “There are no records”, “we don’t have concrete data” and “I don’t know if it has increased or decreased” are common refrains.

The lack of data that characterizes many components of the issue of HWC – the extent of retaliatory killings, the incidences of livestock and crop destruction, the underlying causes of HWC – combine to muddy the entire issue. Regardless of any individual successes the HWC strategy has achieved, the underlying nature of the problem remains complex, ambiguous and, to a certain degree, contested. Moreover, as the next section demonstrates, the ambiguity around the HWC issue appears to be having a negative impact on the perception of conservation as an important value. The Buddhist-inspired cultural values of respecting the sanctity of life and the interrelationship among all living beings may be subject to an emerging hardening.

4.4. Cultural Values and Governance

One of the intentions of the HWC strategy is to effectively integrate conservation and livelihoods not only on its own terms but to ensure the maintenance of Bhutanese cultural values that prioritize a conservation ethic. The complex process that characterizes the implementation of the strategy, however, illustrated that various values may collide, requiring ethical trade-offs be made that are a source frustration. Despite the Buddhist value that discourages killing, many respondents suggest that an outcome of this frustration is an emerging hardening of farmers’ attitudes toward conservation regardless of any successes achieved by the HWC strategy. “Farmers are now very angry,” stated a gewog official, “they hate animals now.” A Dzongkhag Forest Officer concurred, stating “They have no positive feelings to the wildlife.” This is the opposite of what is intended by the policy. Some caution, however, needs to be taken in interpreting this data. While this is a common sentiment, these are impressions of government officials, not direct claims made by farmers. At the same time, many of these officials work directly and engage regularly with farmers and, in some cases, are on the receiving end of farmer complaints. Previous studies that explore rural Bhutanese attitudes towards conservation both support this finding and complicate it. Two studies by Rinzin and colleagues (Rinzin et al. 2007; 2009) involving data collection in 2004 and 2005 found widespread rural support for
conservation, with Buddhist values playing an important role in shaping this support. Contradictory findings arise from two studies by Wang and colleagues (Wang et al. 2006a; 2006b). These studies found that a majority of farmers interviewed blamed conservation efforts for the perceived increase in HWC. They blamed the rules and regulations imposed by the Forest and Nature Conservation Act 1995 in particular, despite the intent of the Act to better balance Bhutan’s historically centralized approach with greater local management. Perhaps most surprisingly, almost 68% supported the extermination of problem wildlife (Wang et al. 2006a: 153).

The data collected for these studies predate the implementation of the HWC strategy. Wang et al. (2006a: 154) point to evidence from other national contexts that suggests the implementation of ICDP strategies such as those in the HWC strategy can promote positive attitudes towards conservation. They further suggest that the early implementation of such Bhutanese ICDP initiatives (prior to the HWC strategy) has been viewed positively by farmers (Wang et al. 2006a: 154). Yet Rinzin et al. again find somewhat contradictory evidence. Despite the support for conservation in their findings, they also found the existence of tension among government officials and between government and communities over the nature of conservation when ICDP activities are poorly managed (Rinzin et al. 2009: 193-194).

The findings of this study, with data collection occurring several years into the implementation of the ICDP component of the HWC strategy, suggest the loss of support for conservation found by Wang and colleagues continues. Further, the data also provide some support for Rinzin et al.’s finding of emerging tension among government officials around the management of ICDP activities. A small number of respondents from the agriculture sector outlined the hardening of their own attitudes towards conservation given the perceived ambiguous results of the HWC strategy. They argue that forest officials often remain too focused on conservation at the expense of livelihoods, particularly in the case of conserving animals designated as ‘protected’, like wild boar, rather than ‘totally protected’, like tigers. An official in the Department of Agriculture stated, “I personally don’t see why we need to protect this wild boar. Its multiplication power is so much and it is available anywhere. My belief is that if the farmer wishes to kill, let it be. Meat is also good I think [laughs].” He continued, emphasizing his differences with those

21 The issue of eating meat often emerged in a lighthearted manner in interviews. It provides further insight into the challenge some people face in reconciling potentially competing values and desires. A Dzongkhag Livestock Officer joked, “Our farmers do not want to kill. They blame somebody who is killing the animal. But he or she,
in the Department of Forests, “In that respect, anything to do with wild boar, to me, forest people [officials] may not agree, we should relax and differentiate [from ‘totally protected’].” The previous analysis suggests this tension, which is not widespread among respondents, masks a more subtle reality given the practice of some forest officials to ignore cases of retaliatory killing given their concern for farmers’ livelihoods. Yet it illustrates a perception, at least on a small scale, that officials from different departments within the Ministry of Agriculture and Forests are working from competing positions on an issue that is multi-sectoral and complex.

Despite some of the successes that have been achieved, the ambiguity and complexity of the process of implementing the HWC strategy has therefore not consolidated the conservation ethic within Bhutanese cultural values; rather, it appears to be accompanied by an erosion of these values. The issue, however, is again more complex. While the perception of an erosion of cultural values that privilege conservation may be the case in terms of HWC, the opposite appears evident elsewhere. Respondents report a parallel increase in support for conservation through the creation of community forests. While the establishment of community forests is not explicitly tied to the HWC strategy, it pursues the same priority of integrating conservation and rural livelihoods in a sustainable way rooted in greater local control. According to the Forest and Nature Conservation Rules (DoF 2006: 27-36), community forests, which cease to be Government Reserve Forests, require an interested group of community members to form a Community Forest Management Group (CFMG), develop their own bye-laws and management plan, and apply to the Ministry through the District Administration for official designation. Once a community forest is designated, the CFMG has the power to protect, sustainably use and equitably distribute to its members the community forest resources and the income they generate. Forest officials provide technical support and training.

The establishment of community forests is relatively new. Government respondents outline a number of challenges CFMGs face – ensuring equity in resource distribution, problems with illiteracy in creating management plans, lack of technical skills – but overwhelming point to the significant outcomes that have emerged. These outcomes encompass both increased incomes and improved conservation. Significantly, respondents also state that the successful integration of livelihoods and conservation through community forests has fostered the clear emergence of

whenever they go to the meat stall, they try to snatch everything, ‘I want this, this and this.’ They eat but they don’t want to kill.” He described his own struggle: “I know I shouldn’t kill for meat but it is so delicious!”
a strengthened commitment to conservation. According to one local official: “Community forests have been very valuable in promoting farmers’ understanding of the value of conservation. They see the usefulness of sustainable management and collective management as they see the connection between conservation and increased incomes.” This sentiment is very common across geographic regions. Again, caution is needed as these are perceptions of local forest officials and not community members themselves, but they point to the appearance of two parallel and seemingly contradictory processes that seem to be occurring. In the context of the ambiguity around the success of the ICDP component of the HWC strategy, farmers appear to be developing a hardened attitude against conservation, and conserving wildlife in particular. In contrast, farmers are also reported to be gaining an increased appreciation for conservation in the context of conserving forests. Overall, this paints a somewhat obscured picture of whether and how the Buddhist-inspired conservation ethic is evolving when faced with livelihood consequences.

The ambiguity around whether conservation related values are evolving raises a final issue. The intention of the HWC strategy is to integrate livelihoods and conservation in a way that sustains cultural values related to conservation. It does so with the recognition that democratization may open future avenues to express values opposed to conservation if current values are not maintained. All four GNH pillars – socio-economic, conservation, culture and good governance – are intimately linked. Decentralization is the key good governance component for balancing the pillars in the HWC strategy. The top-down, donor-influenced conservation practice of the past is meant to be replaced with greater local control over resources with the central government responsible for monitoring and technical support on a national scale. However, as the previous analysis has shown, this has been somewhat slow to emerge in the ICDP component of the HWC strategy. The unclear lines of reciprocal communication between the centre and local levels have, particularly in the cases of compensation programs and physical deterrents, often inhibited effective vertical information flows, data collection and reporting procedures.

None of this detracts from the successes that individual HWC strategies have achieved, particularly the intensification of livestock. Yet poor communication and data collection within the existing decentralization framework appear to hamper a more effective roll-out of piloted initiatives and obscure a clear understanding of the nature of the problem. Moreover, the challenges driven by the nature of decentralization may be contributing to a hardening of rural
attitudes towards conservation even though successes have been achieved. Ultimately, this is not a problem of decentralization itself. It is a problem with the specific framework of decentralization that currently exists in Bhutan. The emerging experience with decentralized and participatory management of community forests suggests an integrated approach rooted in local participation that successfully balances the economic, conservation, cultural and good governance pillars of GNH is possible. The parallel process that is now emerging through the Endowment Fund for Human Wildlife Conflict that will ultimately create Gewog Conservation Committees in all gewogs may replicate this success in the case of HWC. Yet neither of these clearly address the problems around the dual accountability framework of local government officials. Clarifying and streamlining accountability in Bhutan’s model of decentralization is central to promoting better communication and generating better data that better supports implementing HWC policy.

5. CONCLUSION
The HWC policy outcomes generated by the implementation process demonstrate an intriguing mix. Mitigation and livelihood initiatives have experienced both some significant success and more mixed results. These outcomes rest on an ambiguous foundation of limited data on the very nature of HWC and diverse understandings of its cause. The state-in-society framework suggests that power dynamics characterize interactions across state and society and within components of the state itself. These dynamics have been evident in all three of the previous policy fields but are less evident within the implementation of HWC. Indeed, outside of some irregular ad hoc practices by government officials outside of the capital, there is no clear domination by any level of government or significant conflict across levels of government. Divergent practices remain, however, as communication problems and unclear lines of accountability related to the nature of decentralization intrude into the implementation process. These are the source of the mixed policy outcomes.

The lack of clear domination by any level of government combined with unclear lines of accountability opens up the possibility for domination by local communities. This is not unique to decentralization as part of the GNH governance framework. Again, as was the case with fiscal decentralization challenges in the implementation of farm road policy, issues of accountability and decentralization are common in other contexts. Blair (2000: 27) argues incomplete accountability between local administrative officials and local politicians is a common occurrence in the process of decentralization. Incomplete structures of local accountability
increase the possibility for elite capture (Bardhan 2002). Without effective vertical and horizontal links, the state is less able to effectively pursue its policy priorities in an integrated way (Wollenberg et al. 2006: 422). In Bhutan, elite capture at the local level was not evident in the case of HWC but the case of farm road policy demonstrated a vocal community voice is emerging. The current nature of accountability in Bhutan's decentralized framework leaves the state a fractured entity potentially subject to future elite capture by local forces in society that are increasingly integrated with local government. Opportunities for an increased ability of local social forces to impose their priorities on HWC policy are emerging. At this point it is too early to say how this trajectory might play out. Indeed, as was the case with media and tourism policy, societal actors may play a role in pressuring the government to adhere to GNH rather than impose priorities inconsistent with GNH. Yet the door may be opening to allow the latter to occur. The need to address accountability within Bhutan's decentralization framework is critical.

A further result of the accountability and communication issue is a continuation of an on-going theme found in the previous policy chapters. While some of the successful policy outcomes reflect the GNH infused policy intentions, the image of the Bhutanese state as an emerging GNH state is again characterized by erosion. The state has not acted as a cohesive unit. Different government actors have pursued different strategies in the context of poor communication, incomplete accountability and the absence of GNH policy tools. They also hold competing views on the very nature of the HWC issue and its connection to the GNH pillars. Gross National Happiness as an uncontested national strategy led by a cohesive state and its GNH policy tools is not clearly evident. This is familiar terrain across all the policy fields that have been analyzed. What is troubling with the case of HWC policy is the deeper challenge of a potential value clash that represents a much more significant threat to the image and consistent construction of GNH. The apparent emergence of differences over which GNH values to emphasize in addressing HWC issues – balance versus the prohibition of killing – holds the possibility to complicate the operationalization of GNH. Again, this value clash must be kept in perspective given that it was not widespread. Its existence, however, has the potential to drive competing policy priorities in the future in ways that undermine a coherent understanding of GNH, both terms of the Bhutanese state’s image and its practices.
CHAPTER ELEVEN
THE GNH GOVERNANCE FRAMEWORK: BRIDGING IMAGE AND PRACTICES?

The first three words spoken by the first person interviewed for this study were completely unexpected. “GNH is bullshit,” he said. His comment signalled the complexity of the assumptions, priorities and interactions evident in the process of state and non-state actors implementing the four GNH policies analyzed in the study. Gross National Happiness is not simply an enlightened development strategy being implemented in the world’s last Shangri-La. It is a contested concept being acted upon as policy implementation actors pursue diverse practices and engage with one another in cooperative, conflictual or isolating ways. This chapter synthesizes the findings arising from the previous four chapters on media, tourism, farm road and human-wildlife conflict policy. It assesses the success of the GNH governance framework in shaping the agency of Bhutanese governance actors in a way that bridges the GNH image of the state and its GNH policy implementation practices. The chapter is divided into three parts. Part one provides a brief summary of the implementation experience of each of the four policy fields. Part two then unpacks five common themes that emerge across the four policy fields. Based on these common themes, part three provides a final assessment of the GNH governance framework and its ability to shape agency in the process of GNH policy implementation.

1. SUMMARY OF THE FOUR POLICY FIELDS

1.1. Summary of Media Policy Findings

Media policy, the first policy analyzed, demonstrated the successful emergence of a range of non-state actors as intended by the GNH governance framework. It illustrated that both cooperative and conflictual interactions occurred among central government, CSO and private sector media actors. Some of these interactions generated emergent priorities and shifting alliances as governance actors strove to impose their priorities on policy implementation. The GNH specific policy instruments played no significant role in shaping these policy implementation interactions and priorities. In their absence, governance actors demonstrated competing positions on how the cultural and good governance pillars of GNH should be expressed in practice. There was further disagreement over the nature and desirability of GNH itself as a national development strategy. The central ministry tended to be most likely to
influence the policy implementation process, but it also faced opposition and competing priorities from other components of the central government, sometimes in alliance with the private sector, resulting in fractured policy implementation. Private sector actors demonstrated some ability to impose their priorities yet were often unable to successfully collaborate to pursue common goals due to mistrust. The media related CSO and foundation had limited influence as their relationship to other actors was unclear. Donors have played a key role in building infrastructure and funding capacity development, but there was little evidence of them pursuing alternative policy priorities.

Despite these often fractured practices and diverse influences, there existed a common commitment across governance actors to the values that underlie GNH, although many non-state actors did not identify these values as GNH values. Policy conflict exists over the nature of the specific expression of the cultural and good governance pillars but not over the pillars themselves or the values that underlie them. These common values shaped broad policy priorities and actions, constraining the nature of conflict to specific operational issues. As a result, the implementation process, most often influenced by the central ministry, has led to media policy outcomes that generally reflect the government’s GNH policy intentions. At the same time, the existence of contested views on how the cultural and good governance pillars should be operationalized, fractured priorities within the state, and the opposition of some to GNH as a national strategy created fault lines in the image of the Bhutanese state as a coherent and purposeful GNH state. The practices of the state did not necessarily conform to the image of the state despite the generation of outcomes largely consistent with GNH.

1.2. Summary of Tourism Policy Findings

The implementation of tourism policy also demonstrated the emergence of an expanded range of state and non-state tourism governance actors as intended by the GNH governance framework. Interactions among these actors were characterized by cooperation, conflict and isolation. Unlike media policy, these interactions were not usually dominated by a single actor. Indeed, tourism policy illustrated very diverse patterns of domination across geographic locations and different constellations of actors. No consistently dominant source of power was obvious. The same actors (or types of actors) exhibited different degrees of influence in different regions of the country or within different tourism sectors. CSO and private sector actors sometimes demonstrated a significant ability to imprint their priorities on the policy
implementation process. In other cases, with ecotourism in particular, they were largely invisible. Individual components of the central government were often fractured and sometimes at odds with one another or working in isolation from one another in different tourism sectors. Local government officials in different geographic contexts were either key players, freelancing outside of official channels or completely disengaged. International actors like WWF and McKinsey & Company carved out new kinds of relationships with different components of the state with varying degrees of both success and failure.

The varying interactions and patterns of domination were characterized by different views among tourism governance actors over the proper balance of the economic, environment and cultural pillars of GNH, whether this balance was understood in explicitly GNH terms or not. In addition, the good governance pillar was contested in how it should properly partner state and non-state actors. In this context, The GNH structures and instruments played no discernible role and some government actors viewed them ambivalently. A common commitment to the Buddhist-inspired cultural values that underlie GNH was again evident, however, shaping and constraining the priorities and actions of both state and non-state actors. Cultural values filled the void created by diverse patterns of domination and the lack of GNH policy instruments, resulting in policy conflicts restricted to specific expression of these values rather than the GNH values themselves. The result was again the paradoxical fraying of the image of the Bhutanese state as a GNH state despite the achievement of tourism policy outcomes that generally were consistent with GNH policy intentions.

1.3. Summary of Farm Road Policy Findings

A new site of domination emerged in the implementation of farm road policy. Democratic decentralization, a key characteristic of the good governance pillar and a component of the GNH governance framework, has empowered local communities to act upon the policy priorities of local government officials in ways that upend the intended balance of GNH pillars and potentially undermine the sustainability of farm roads. Decentralization has also increasingly eroded the influence of the central ministry as it remained isolated from the front lines of farm road construction and maintenance. These relationships were not shaped by GNH policy instruments and many government actors were again ambivalent about them or viewed them as redundant. Different understandings (or lack of understanding) of GNH and its connection to farm roads were also evident. Moreover, the good governance pillar was once again contested.
Local officials emphasized democratic responsiveness at the expense of effective accountability and in a manner that upsets the balance of the economic and environmental pillars. GNH values again emerged but their expression was hampered by capacity and funding challenges or were overridden by many local officials’ singular focus on democratic responsiveness. The result: some success in achieving farm road policy intentions in the short term but with significant challenges to their sustainability, accompanied once again by a fraying of the image of the state as a GNH state that acts with coherence and consistent understandings of GNH.

1.4. Summary of Human-Wildlife Conflict Policy Findings

Human-wildlife conflict policy engaged a broad range of actors at all three levels of government and across multiple sectors linked to the problem. Its implementation demonstrated less overt conflict than the other three policy fields. Yet confusing lines of accountability and poor communication in Bhutan’s framework of decentralization resulted in a combination of consistent policy implementation practices in some cases but divergent practices in others. No single actor clearly dominated the process. Unclear accountability also undermined the effective collection of data, obscuring a consistent understanding of the very nature of the problem of HWC itself and its connection to GNH pillars. Again, GNH specific instruments were largely irrelevant or viewed as redundant and many actors demonstrated competing views on GNH or little understanding of it. A commitment to GNH related values again emerged, whether understood as values tied to GNH or not, but their role in shaping policy implementation was less clear. While the other three policy fields demonstrated cases where the pillars of GNH played off one another or where individual pillars were contested, HWC policy illustrated the deeper Buddhist values underlying the GNH pillars can also come into conflict in the search for balance. This is more troubling as it signals the potential for governance actors to disagree on initial policy intentions and their underlying values, something not evident in the other three policy fields. The challenges created by unclear accountability, diverse understandings of GNH and emerging differences over the balance of its underlying values have led to mixed HWC policy outcomes. They have also, again, contributed to a fraying of the image of a coherent, consistent and purposeful GNH state.

2. COMMON THEMES ACROSS THE FOUR POLICY FIELDS

The experience of each of the four policies demonstrates that implementing GNH policy is a complex process that is fractured and often contested. Despite this complexity, five overall
themes emerge from across the four policy fields. These themes focus on the nature of governance interactions in implementing GNH policy; the role of GNH-specific instruments in shaping these interactions; perceptions of GNH as a national development strategy; the influence of GNH values; and the overall impact of these interactions, policy instruments and values on the image of the Bhutanese state. Each of these themes has implications for an overall assessment of the GNH governance framework.

2.1. Governance Interactions: Different Contexts, Different Influence

The GNH governance framework brings together an historically strong and centralized state with non-state actors, decentralized levels of government and international donors. As these actors engage with one another, the overall experience of implementing the four policy fields clearly shows that there is not one consistent source of domination. Bhutan is often viewed as being dominated by a strong and unified central government (Rose 1977; Sinpeng 2007). This study has demonstrated a much more complex cocktail of interactions and priorities within and across state and society and at both the national and local levels. The cocktail has become more diverse since democratization, but the experience of media and tourism policy demonstrate it existed prior to democratization as well. In the practices of GNH policy implementation, Bhutan is no longer the highly centralized, top-down polity of the historical monarchy. Residue of its absolutist past may remain, but Bhutan has become a web of national and local governance actors with often competing interests, shifting alliances and emergent policy priorities. State and society transform one another as they engage with one another.

Such a conclusion is not unexpected. The state-in-society lens provides an analytical frame that is much more sensitive to the messy realities of the state and social forces as fragmented and evolving entities. Yet the Bhutanese case suggests something more. The patterns of domination and influence that arose across the four policy fields were often different in different contexts. The same actors’ influence frequently changed in different policy fields, geographic locations or constellations of governance actors. Central government ministries and agencies were often dominant in implementing media policy, had inconsistent influence across different constellations of actors in tourism and HWC policy, and were increasingly isolated and ineffective in farm road policy. Local governments, and gewogs in particular, had significant influence driven by community pressure in imprinting their priorities on farm road policy. At the same time, both gewog and dzongkhag officials had fractured influence in different geographic
contexts in tourism policy and were often confused about their roles in implementing HWC policy. CSOs involved in media and tourism policy demonstrated limited influence in partnership with the central government while, in the case of tourism, were effective in pursuing their priorities when confronting the central government. Private sector tourism actors were similarly successful, in partnership with CSOs, when pursuing their priorities in opposition to government. In contrast, private sector media actors often subverted their own collective interests due to mutual mistrust when attempting to oppose government action. Yet they, too, found success when allied with the prime minister against the ministry. Other private sector actors in radio and television successfully shaped programming based on their own interests despite the specific confines of government regulation. Lastly, international donor voices were often silent, effectively integrated into the Bhutanese government’s formal development priorities through the FYPs and through pooled funding for local government grants. Yet tourism policy demonstrated an ability of some international partners to carve out new relationships with different components of the state based on their own priorities and with varied levels of success.

The Bhutanese case therefore suggests the need to extend the state-in-society framework. The framework needs to direct more explicit analytical attention not only to the complex battles for influence among disaggregated state and society actors in various sites of domination, but to the notion that the nature of domination may be different in different contexts despite the participation of the same actors. The state itself is not only a fractured entity, its individually fractured components – both at the national and local levels - can have fractured influence in different contexts as well. The Bhutanese case confirms that governance systems themselves are indeed complex: interactions among interconnected governance actors are unpredictable, emergent and drive new forms of self-organization in different contexts (Duit et al. 2010; Duit & Galaz 2008; Mischen & Jackson 2008; Schneider & Bauer 2007). The focus on process that is central to the state-in-society framework needs to take this greater complexity into account.

2.2. GNH Policy Tools: Missing in Action and Misunderstood

The existence of different patterns of influence or domination in different contexts should potentially put at risk the achievement of GNH outcomes. It opens the policy implementation process to multiple and emergent priorities, intentions and influence across different contexts that may be consistent with GNH in some contexts and inconsistent in others. The GNH-specific policy tools were created to navigate this complexity. They are meant to ensure the multiple and
integrated dimensions of GNH are considered and assessed throughout the policy process, including policy implementation. Nonetheless, a clear theme emerging across all four policy fields is the general absence of these structures and instruments in shaping policy implementation practices. This was the case for the implementation of the national level policies of media and tourism as well as the decentralized policies of farm roads and HWC. The policy screening tool has begun to be used in the policy design stage and the GNH Index has measured policy outcomes. The other GNH instruments that are directed at shaping policy implementation – the project screening tool, GNH Committees and the GNH Check – are notable for their general absence. The project screening tool and GNH check were completely absent, where relevant, across all four policy fields. GNH committees were almost entirely absent as well, with some in existence but not influential given their perceived redundancy with other forums. In many cases, knowledge of the existence of these GNH specific tools did not even exist. The only notable exception was the Five year Plan, which was not a GNH specific tool until the 10th FYP (2008 – 2013). But while the FYPs have played a key role in shaping the planning process at all levels of government and have framed international donor actions, here, too, the understanding of the 10th FYP as a GNH tool was widely divergent. The plan’s actual operationalization through a results based management framework was also often unknown or misunderstood. Just as surprising as the general lack of use of the GNH policy tools in policy implementation by all levels of government was the occasional use or interest in using these tools by non-state governance actors. While this was rare, the interest expressed by some non-state actors, combined with the apparent disinterest of government in response, demonstrates a real ambivalence towards these GNH tools within the state.

The absence of the GNH tools in the policy implementation process represents a lost opportunity. The existence of different patterns of influence in different contexts demonstrates that policy implementation interactions are complex. The GNH tools were constructed to be sensitive to this complexity: adaptable, multidimensional, integrated and open to learning. They were constructed to be sensitive to governance as a complex system. A clear policy recommendation emerges from this situation. The Bhutanese government needs to institute the use of these instruments on a much broader scale in the process of policy implementation. Without a concerted effort to apply them in practice, their ability to shape the complex and fractured policy implementation process remains largely unknown.
2.3. GNH as a National Development Strategy: Contested and Unbalanced Pillars

There is a much deeper issue evident across the four policy fields than the lack of use of the GNH policy tools. The findings clearly show that Gross National Happiness itself is often understood only superficially, not understood at all, viewed in isolation from any links to policy, or viewed as too complicated. For some respondents, the GNH tools themselves have complicated GNH and obscured its understanding. For others, GNH has become the domain of Bhutanese elites and international academics, removing its relevance from everyday Bhutanese life. For many Bhutanese governance actors engaged in the implementation of the four policy fields, the country’s national development strategy - conceived in 1972 and gaining international traction - is merely a buzzword drained of consistent meaning. One of the things intended to define Bhutan is misunderstood or contested by the very people tasked with implementing it. This situation signals a failure on the part of the central government in communicating the nature of GNH both within government and to Bhutanese society at large. Another policy prescription that emerges from the study is the clear need for a national communication strategy targeted at all governance actors that clarifies GNH itself, its role in national development and the role of the GNH policy instruments. If properly understood, GNH should not be as controversial or contested as it currently is given the evidence in all policy fields of a common commitment to the values that underlie it.

The general absence of the GNH policy tools combined with the inconsistent understandings of GNH itself enabled two kinds of conflict to consistently emerge across the four policy areas. First, three of the four policies experienced conflict (or at least diverse opinions) arising from differences over how the various pillars of GNH should be balanced. The pillars frequently played off one another rather than mutually reinforce one another as governance actors pursued different perceptions of their required balance (whether they understood this in explicitly GNH terms or not). The implementation of tourism policy involved components of the central government promoting increased economic growth as a rebalancing of the GNH pillars given tourism policy’s perceived historical over-emphasis on preserving the cultural and environmental pillars. In contrast, CSOs and private sector tourism actors argued for a more subtle balance that sought greater integration across these three pillars. In both cases, opposing positions often appealed to GNH directly. Farm road policy saw the privileging of the good governance pillar by local officials at the expense of the environmental pillar, a position opposed by central government officials. Implementation of the HWC strategy experienced
differences over whether the cause of the problem was an over-emphasis on the environmental pillar at the expense of the economic pillar or the exact reverse.

Second, in addition to conflict over the balance of the GNH pillars, three of the four policy fields experienced contested perspectives on the specific nature of individual GNH pillars. Inconsistent regulations on cultural content in the implementation of media policy generated contested visions of the nature of a dynamic Bhutanese culture whether or not, again, culture was understood as a GNH pillar. The most consistently contested pillar was the good governance pillar. This is intriguing on its own as it is the pillar that tends to get the least emphasis in the literature. Yet as the pillar that is constructed as the foundation for the other three, contesting the nature of good governance has significant implications for operationalizing the other pillars. Media policy experienced conflicting views over the preferred expression of good governance, whether understood as a GNH pillar or not, in relation to open licensing, the advertising policy and regulating news content. In some cases, this brought notions of free speech in conflict with regulations intent on protecting society from content deemed inconsistent with GNH values. Good governance was also contested in the implementation of tourism policy. Tourism governance actors disagreed over the preferred nature of state/non-state partnerships as well as the preferred nature of partnering with international donors. Both farm road policy and HWC policy demonstrated the need for Bhutan to better address the nature of accountability, both bottom-up and top-down, in the country's model of decentralization, a key aspect of the GNH governance framework. The contested nature of the good governance pillar in the Bhutanese context remains an outstanding issue to be resolved. Good governance is both a constitutive and instrumental part of development in the GNH context. Its contested nature in practice, however, potentially subverts its instrumental role in promoting the other three pillars. Sen views the constitutive and instrumental roles of development dimensions as critical to the successful pursuit of development (Sen 1999). The Bhutanese case demonstrates that there is no automatic link between these constitutive and instrumental roles.

In both of these cases of policy conflict - balancing multiple GNH pillars and contesting individual pillars - the GNH-specific tools could play an important mediating role if they were used. While not avoiding such conflicts, they would provide instruments and venues for governance actors to engage with one another in discussing and resolving differences in a manner that explicitly directs them to account for the integrated nature of the GNH pillars. This would have the further spin-off effect of providing official channels for on-going learning as
different perspectives engage, ultimately allowing GNH to adapt as needed. At the very least, the use of the GNH instruments would act as a means to educate governance actors on the nature of GNH, enabling it to move beyond its currently contested nature or adapt. Finding the balance across GNH pillars is not a static undertaking. It is an ongoing process of adaptation and learning as the GNH responds to its changing context and evolves. The GNH tools should, but do not, play a role in this. The result is a national development strategy that is often misunderstood as actors struggle to find balance across and within its pillars.

2.4. GNH Values: Filling the Void (?)
The general absence of GNH instruments in shaping complex patterns of influence, underlain by the lack of a common understanding of GNH itself, offers a clear recipe for undermining GNH policy intentions. Different assumptions and priorities vying for influence in multiple contexts, largely unconstrained by the GNH policy tools or a common understanding of GNH, suggest a situation ripe for policy outcomes that do not look anything like GNH policy intentions. The complex political dynamics of the policy implementation process hold significant potential to thwart intended policy outcomes. The actual policy outcomes achieved across the four policy fields, however, tell a rather different story. As the findings demonstrate, the outcomes generated by the implementation of media and tourism policy, despite a mix of cooperative, conflictual and isolating interactions untouched by GNH instruments, tended to mirror the original GNH policy intentions. This is perhaps less surprising in the case of media policy where the central ministry was more likely to dominate, but it also occurred in the case of tourism policy where patterns of state and non-state influence were much more varied and fractured. In both policy cases, the void created by diverse priorities, fractured patterns of influence, little evidence of GNH instruments and inconsistent understandings of GNH itself was apparently filled by a common commitment among all governance actors to a common set of values that shaped agency. These values were the same as the Buddhist-inspired cultural values that underlie the official construction of GNH, whether governance actors recognized this or not.

The common commitment to these values frequently shaped and constrained media and tourism governance actors’ assumptions and priorities and, ultimately, their actions. Policy conflicts occurred through differences over the proper expression of these GNH-related values in policy implementation, not over the GNH values and policy intentions themselves. Conflicting positions over balancing the GNH pillars or the contesting of individual pillars were rooted in the same set of values and were often framed in GNH terms on both sides of the divide. The values
themselves - harmony, balance, interrelationship of all living things, sustainability, cultural
dynamism – were not contested. Policy outcomes in the media and tourism fields reflected the
influence of these common values and their ability to shape implementation interactions. The
absence of the GNH policy tools was offset by the role of common cultural values.

The other two policy fields – farm roads and HWC – introduced some complications to this
cultural values-driven argument. Both demonstrated that there are constraining factors on the
expression of GNH values in policy implementation. In the case of farm road policy, the
existence of a common commitment to a common set of values was constrained by the capacity
and funding challenges characteristic of Bhutanese decentralization. More significantly, the
implementation of farm road policy illustrated the willingness among many local officials to pay
lip service to the values of harmony, balance and integration while defaulting to an
overwhelming emphasis on responsiveness as part of the good governance pillar. This was
done despite knowing the potential negative impacts on the environmental pillar in the
construction of farm roads. Justification for these actions inevitably appealed to the need for
responsiveness to voters as demanded by GNH in Bhutan’s emerging democracy. It raised the
issue of whether the emergence of democracy in an historically absolutist regime is driving an
evolution of values as local officials must now respond to electoral demands. Farm road policy
outcomes reflected this murkier role of GNH values. The intended social and economic
outcomes of the policy intention appear to have been achieved in the short term, but they rest
on a very shaky foundation given their unsustainable nature.

The implementation of the HWC strategy introduced a further complication. A common
commitment to the values that underlie GNH was again evident. These values again shaped
governance actors’ assumptions and priorities. In a small number of cases, however, the values
themselves appeared to explicitly compete with one another. Unlike the other policy fields where
conflict was over the appropriate expression of values, the case of HWC demonstrated conflict
between the values themselves. This needs to be kept in perspective as it was evident among a
very small number of respondents. But it signals the potential for deeper policy conflicts around
initial policy intentions themselves rather than just conflicts over appropriate value expression in
policy implementation. Values may harmonize agency in some policy contexts, but in HWC their
potential to clash may have the opposite effect and lead to much deeper policy conflict.
Overall, the findings suggest that the Buddhist-inspired cultural values that underlie GNH have often played the key role in generating policy outcomes consistent with GNH policy intentions. This has occurred despite the lack of use of the GNH policy instruments and regardless of governance actors’ knowledge of or commitment to GNH. The findings also show, however, that there are factors that can constrain the effective expression of these values. Capacity and funding shortfalls related to decentralization, the potential for value shifts driven by democratization, and the emergence of an apparent conflict at the level of values all point out that a common commitment to common values does not inevitably lead to an effective expression of these values.

2.5. The Fraying of the Image of the GNH State

The role of common values in often filling the void created by fractured patterns of domination, absent GNH policy tools and contested views on GNH contributes to the great irony arising from the findings. The general achievement of GNH outcomes in media and tourism policies and the mixed achievement of GNH outcomes in farm road and HWC policies generally bode quite well, overall, for GNH as a national multidimensional development strategy. Gross National Happiness has generated development outcomes with notable, though often mixed, success in the four policy fields. Yet the way in which GNH outcomes have been achieved in all four policy fields has paradoxically contributed to a fraying of the image of the state as a GNH state. The image of the Bhutanese state is that of an emerging GNH state (Dessallien 2005; Mancall 2004; Tashi 2004: 485; Ura 2003: 1; Zangmo in McDonald 2010: 119-120). The state is the avatar of the Bhutanese people, a coherent entity that is purposefully leading society towards Gross National Happiness in partnership with non-state entities. The study illustrated, however, that within Bhutan itself this constructed image is subject to fraying in the GNH policy implementation process regardless of the actual policy outcomes achieved. Gross National Happiness as part of the state’s master narrative has not been very successful in generating a widely accepted and meaningful national collective consciousness.

The study’s use of the state-in-society lens clearly showed that the increasingly frayed GNH image is driven by the nature of the actual day-to-day practices of the disaggregated state, even when these practices are rooted in a common commitment to GNH values. The overt conflict, fracturing and isolation of many policy interactions, while often constrained in their nature by GNH values, subvert the image of a coherent state pursuing GNH with singular purpose. Moreover, the contested understandings or lack of understanding of the concept of GNH and its
operationalization demonstrated a state and its partners frequently unfamiliar, even when cooperating successfully, with the state’s own primary purpose. The GNH policy tools could play a key role in reknitting this frayed GNH image by requiring governance actors to explicitly engage with the multidimensional and integrated nature of GNH. Their absence in practice (and occasional contribution to furthering confusion around GNH) makes the frayed image even more tattered.

The role of Buddhist-inspired cultural values in shaping implementation interactions in ways often consistent with GNH does nothing to offset the fraying image of the GNH state. Values may contribute to the achievement of GNH outcomes, but a frequent lack of understanding of their connection to GNH simultaneously further undermines the GNH image. It allows, for example, for private sector media actors to act in ways consistent with GNH while outlining their stark opposition to it. It enables a high ranking central government official to sketch out the nature of farm road policy as integrating social, economic, environmental and good governance factors while also claiming farm roads have no connection to GNH. It allows for a tourism official to label GNH as “bullshit” while unknowingly advancing a GNH position. Guided by the values that underlie GNH, state and non-state governance actor are often successfully achieving GNH outcomes. Many simply do not realize it.

3. ASSESSING THE GNH GOVERNANCE FRAMEWORK

The five themes that cut across all of the policy fields demonstrate that the GNH governance framework has not fully achieved its potential. The framework’s intention of engaging a broadened range of decentralized and non-state actors has been successful but these actors’ practices have not been effectively shaped by GNH-specific policy tools or a consistent understanding of GNH itself. The result is a policy implementation process where conflicts often occur over the proper balance of GNH pillars or the nature of individual pillars. At the same time, this implementation process is often mitigated by the role of GNH related values in shaping governance actions in a manner consistent with GNH. The values often seem to act in spite of how the governance framework has been operationalized. Addressing some of the issues identified above – applying the GNH instruments on a broader scale, implementing a national communications strategy to clarify GNH and its tools, and resolving the contested nature of the good governance pillar – would go a significant way to enhance the ability of the GNH governance framework to more effectively navigate the policy implementation process. It would
also, by extension, potentially reverse the fraying image of the GNH state. By continuing to rely on a common commitment to a common set of GNH-related values alone, the policy implementation process will maintain the status quo of often achieving GNH outcomes while paradoxically undermining the state’s GNH image.

Yet this may be too optimistic. In the absence of resolving the issues outlined above, relying on a common commitment to common values to operationalize GNH carries a range of further challenges. As the implementation of farm road policy demonstrated, the ability of values to shape governance actions can be significantly constrained by the nature of funding and capacity. These are significant issues. Yet deeper challenges exist. Two are significant and potentially interrelated: shifting cultural values and the constructed nature of GNH values. Both of these require further exploration.

3.1. Shifting Cultural Values and the GNH Governance Framework

The analysis of the four policy fields demonstrated several cases where a shift in the cultural values underlying GNH may be occurring. Value shifts were not a dominant theme but hold potentially large consequences if the successes that GNH does achieve are rooted in the expression of GNH-specific values. The outcomes generated by media policy, for example, illustrated an emerging growth in values related to consumerism and consumption driven by international media content. Over-consumption is often characterized as something in direct conflict with Buddhist-inspired GNH values. At the same time, the emergence of consumption related values was found to be increasing among urban Bhutanese and young Bhutanese, two demographic groups on the rise. The influence of a growing consumer culture could be significant for how the GNH values of balance, harmony and sustainability are expressed (or constrained) in the future.

In addition to values related to consumption, the case of farm road policy illustrated that democratization may also be the source of a shift in values. Faced with the emergence of democratic citizens to whom they are now accountable, many local government officials, both elected and unelected, frequently defaulted to implementing policy in a manner that prioritized responsiveness to these citizens even when this knowingly led to policy outcomes that upended the intended balance across GNH pillars. The values of balance, harmony and interconnectedness were largely abandoned given the perception that democracy requires
responsiveness at all costs. Respondents from the Centre for Bhutan Studies, who played a central role in the design of the GNH-specific tools, argue that the GNH tools are intended to promote balance that avoids such democratic pandering. Without their use in the implementation process, however, democratization may contribute to re-shaping values that are unconstrained by GNH policy tools and their focus on balance. The case of HWC policy further illustrated a potential value shift that redefines balance as a small number of respondents outlined positions that deviated dramatically from the foundational Buddhist values of interconnectedness and compassion. The reason behind this apparent value shift, however, was not clear.

The notion of value shifts occurring that may be inconsistent with the values of GNH remains rather speculative. The speculative nature of these value shifts points to the need for further exploration. Is there an actual shift in values occurring within Bhutan driven by forces such as globalization and democratization? Are there spatial or demographic patterns to this shift? What are the implications for the current construction of GNH and its implementation? The apparent foundational role of cultural values in often shaping GNH governance practices in this study makes further research on the emergence of a potential shift in these values essential for a better understanding of where the operationalization of GNH may be heading and how it might adapt.

3.2. Constructed National Values and the GNH Governance Framework

Related to the issue of a potential shift in values driven by global consumer culture and democratization is a second challenge. As chapter five demonstrated, the official construction of GNH is explicitly rooted in Buddhist values tied to a national cultural identity associated with the culture of the Drukpa majority. The large minority of Hindu Lhotshampa in the south are subsumed within this national Drukpa Buddhist cultural identity. GNH’s cultural foundation is a socially constructed one. The construction of a Drukpa inspired national cultural identity is viewed as an imperative to protect against the loss of sovereignty that many of Bhutan’s neighbours have experienced. Tibet, Sikkim and Darjeeling are powerful influences on the Bhutanese psyche (Banki 2008: 36). At issue, however, is how the implementation of a national development strategy tied to a Buddhist inspired national cultural identity is affected by the existence of a southern Hindu minority with potentially different cultural values. The study found no evident patterns of domination or types of implementation practices among southern respondents that differed from respondents in other regions of the country. Implementation
interactions in the south demonstrated a complex pattern as they did elsewhere. In addition, the nature of cultural values discussed by southern respondents, unprompted, was always consistent with respondents from other regions of the country. No competing value sets were raised. At the same time, despite the construction of a national set of Buddhist-inspired values as GNH values, respondents often chose to describe these same values in different ways. The term “GNH values” was used by some, but others chose to conceptualize them as “Buddhist values”, “Bhutanese values” and, most interestingly, “Buddhist-Hindu values”. On the surface, there is no indication from this study that the nature of the values that often shape the agency of implementation actors is different among respondents in the Hindu dominated south versus respondents from other regions where Buddhism dominates.

But a significant caveat is necessary. The methodology used may have been too indirect to uncover potential differences in values among Lhotshampa respondents and the implications for governance practices in the south. The study attempted to address the ‘southern issue’ by including a southern dzongkhag and five southern gewogs in the sample. Yet the ethnicity of respondents was not tracked, although a significant number were identifiable as ethnic-Nepalese, both in the south and elsewhere, including some in high level government positions. Many other southern respondents, however, were clearly not Lhotshampa and stated they were not originally from the south given the common geographic rotation of civil servants. Nor were any questions asked that explicitly addressed Drukpa versus Lhotshampa cultural differences and their impact on implementation practices. The southern issue remains too sensitive to tackle these questions directly. This in itself raises a cultural red flag. It suggests the need for further exploration, when possible in Bhutan, beyond the indirect method used in this study. Do Bhutanese of ethnic-Nepalese descent who are primarily Hindu hold values that are consistent with the Buddhist Drukpa values that underlie GNH? Or is there evidence of competing value sets? If the latter, does this influence how ethnic Nepalese civil servants undertake their jobs implementing GNH policies or reshape the kinds of pressures Lhotshampa communities apply on local officials? Are cultural values defined explicitly in religious terms even relevant? Cultural identity can be situationally defined as individuals can hold multiple identities that shift, overlap and reconstruct based on context (Ross 2009: 153-154). As such, has the Bhutanese government’s pursuit of a single national cultural identity - part of a master narrative - led to a reconstruction of cultural identity and accompanying values among the Lhotshampa that is indeed “Bhutanese” rather than (or in addition to) Nepalese and Hindu? Or is the Buddhist and Drukpa constructed nature of Bhutan’s national cultural identity the source of an underlying
political cleavage that is currently latent yet holds the potential to emerge, as it did in the 1990s, potentially subverting the implementation of GNH as a national development strategy? The answers to these questions remain unclear.

3.3. The GNH Governance Framework in Bhutan: A Final Assessment

Overall, a final assessment of the GNH governance framework can only conclude that it remains a work in progress. Diverse state and non-state governance actors have been successfully engaged, yet their implementation practices are not significantly shaped by the GNH tools despite the promise these tools hold. Nor are they based on a common understanding of GNH itself. A common commitment to common GNH values often fills this void by constraining implementation actions. Yet questions remain over whether these cultural values are evolving in ways that may be inconsistent with the original construction of GNH or how they interact with the values of a cultural minority. The frequent achievement of GNH-related outcomes despite these issues demonstrates that Gross National Happiness continues to hold enormous potential as a multidimensional development strategy. But Bhutan needs to push more deeply in its operationalization of GNH. It needs to, at minimum, foster a collective understanding of the strategy and its values, including their relationship to other cultural values, and apply the GNH policy tools much more consistently and broadly. Doing so will more effectively bridge the GNH image and its practices. It will better navigate the politics of Gross National Happiness.
PART FIVE

CONCLUSION
CHAPTER TWELVE

GNH, AGENCY AND THE HUMAN DEVELOPMENT PARADIGM

This study explored how the governance framework in Bhutan shapes the contested implementation of multidimensional GNH policies and the development outcomes that result. Bhutan was used as an outlier case given its long experience implementing GNH, an experience that can potentially provide new causal insights for a broader understanding of operationalizing development approaches conceptualized in multidimensional terms. The study was rooted in the argument that there is a gap in current theorizing on operationalizing multidimensional development approaches and in the literature on the human development paradigm in particular. The dominant theoretical and practical attention paid to measuring development outcomes in multidimensional ways has left the actual operationalization of human development reliant on often simplistic or ambiguous notions of rationality. The result is an insufficient understanding of the role of agency in achieving human development. More specifically, how political dynamics within the process of policy implementation affect the achievement of human development outcomes is not well understood. Nor are the kinds of governance structures and instruments that might successfully shape these dynamics. This study has attempted to address these gaps.

What does Bhutan’s experience with implementing GNH policies contribute to a broader and better understanding of the ‘agency aspect’ of human development strategies? This concluding chapter explores the causal insights the Bhutanese case offers. It does so as a modest stepping stone for generating a more complete theory of agency for the human development paradigm. The chapter is divided into two sections. The first section provides an overview of the study and a summary of the findings and research gaps arising from the Bhutanese case. Section two draws on this summary to explore two key causal insights the Bhutanese case offers for the human development paradigm. First, it argues that the foundation of any conceptualization of agency in the human development paradigm must be infused with an understanding of power as complex and fractured. Second, cultural values, where culture is understood as shared meaning-making, need to be recognized as a harmonizing constraint on agency when power is understood as complex and fragmented.
1. SUMMARY OF THE STUDY AND FINDINGS

The study made use of a modified state-in-society framework to structure the analysis of how Bhutan’s GNH governance framework navigates and shapes interactions and practices of diverse actors involved in GNH policy implementation. It was argued that the state-in-society lens provides a more realistic conceptualization of the state and its relations with society. It distinguishes between the state’s image as a coherent and controlling entity that represents people within a given territory and the actual practices of its various components. These practices may differ across different components of the state as they engage with one another and with non-state actors, all of whom attempt to imprint their own priorities on the governance process. Such diverse practices may work at cross-purposes. They may undermine policy intentions and the image of the state as a coherent entity. The state-in-society lens therefore directs analysis towards political dynamics; attention must be paid to the process of governance as disaggregated state actors engage with one another and with non-state actors in evolutionary ways that may be cooperative, conflictual or isolating. These interactions can generate emergent policy priorities among governance actors, allowing state and society to transform one another. How the governance framework structures and navigates these diverse interactions and emergent priorities is central to whether or not intended multidimensional development policy objectives are achieved.

The state-in-society approach was complemented by recent insights from complexity theory. The literature on complexity theory extends the state-in-society lens by directing attention not just to the process of governance interactions and practices and their emergent outcomes, but to the kinds of complexity-sensitive governance structures and policy instruments that can successfully navigate and shape these shifting interactions. Such structures and instruments need to be multidimensional, integrated, promote learning and encourage adaptation, all while remaining stable enough to provide predictable regulation. Analyzing the complex nature of interactions among fragmented Bhutanese governance actors and whether or not GNH structures and instruments that recognize complexity are able to successfully shape these interactions anchored the analytical approach of the study.

Three research questions structured the modified state-in-society analytical framework in its application to each of four GNH policy fields. First, what are the initial GNH intentions of the selected policy? Identification of initial intentions was necessary in order to compare GNH policy
intentions to policy outcomes as a means to understand the intervening influence of the complex process of policy implementation. Second, how do GNH governance structures and policy instruments shape the complex and emergent priorities and practices of fragmented state, society and donor actors involved in the implementation of the policy? This was the heart of the analysis. It explored the nature of the implementation practices and interactions among GNH governance actors and how (or whether) the GNH governance framework shaped and mediated these interactions. Third, what are the resulting policy outcomes and how do they compare with initial GNH policy intentions? This final question enabled light to be shed on how the political dynamics of policy implementation and the GNH governance framework that attempts to mediate these dynamics ultimately shaped development outcomes in each of the four policy fields. It enabled an assessment of whether or not policy outcomes reflected the multidimensional policy intentions of Gross National Happiness.

Analysis of the experience of media, tourism, farm road and human-wildlife conflict policies demonstrated that GNH policy implementation practices are indeed diverse, generating inconsistent and often shifting priorities, actions, alliances and conflicts among state and non-state actors. At the same time, the media and tourism policy fields illustrated policy outcomes that were largely consistent with the GNH intentions of policy design. The other two policy fields also experienced some success in achieving intended policy outcomes but the sustainability of these outcomes was questionable in the case of farm road policy and the successes in HWC policy were divorced from an emerging ambiguity around the entire issue of human-wildlife conflict.

Five themes emerged from across the four policy fields. The themes explain this apparently contradictory situation of diverse implementation practices that threaten to undermine GNH yet often still generate outcomes consistent with original GNH policy intentions. First, the diverse implementation priorities and practices that were characterized by a cocktail of conflict, cooperation and isolation involved expressions of power that were fractured and complex. Different contexts involved different levels of influence for the same kinds of actors, both for national level and decentralized policies. The application of actors’ power differed in different policy fields, in different geographic regions within the same policy fields, or in different constellations of actors within and across policy fields. This cocktail of fractured power has become more diverse since democratization, but there was evidence that it existed prior to democratization as well.
It was further argued that this complex fracturing of power across contexts provides a refinement to the state-in-society approach. It extends analytical attention beyond the evolving and often competing practices and battles of disaggregated state and society actors to incorporate the notion that the nature of these battles may be different in different contexts despite the participation of the same actors. The expressions of power within the state-in-society approach are deeply fractured. State and society do transform one another as Migdal argues, but the nature of this transformation is itself fractured as it may occur in different ways in different contexts involving the same actors.

The second theme that emerged from the study is that the GNH policy tools intended to shape the fractured interactions and expressions of power in the policy implementation process were largely missing. This was the case for policies implemented at both at the national level and the local level. In theory, the GNH policy tools represent a notable attempt to recognize the complexity of the governance process, including policy implementation, and to navigate this complexity to better generate multidimensional and integrated GNH outcomes. The tools themselves are multidimensional, recognize the integration of development dimensions and are adaptable through an openness to learning. Yet in the practice of policy implementation their application has not occurred. Despite their promise, the GNH tools are largely unknown, misunderstood, viewed as too complicated or considered to be redundant. Even more significantly, the third theme emerging across the policy fields is that GNH itself is often misunderstood or contested by both state and non-state actors. Policy battles often occurred over how the pillars should be balanced or over the conceptualization of individual pillars. Gross National Happiness is often not recognized as a coherent national development strategy.

These three themes – fractured expressions of power in different contexts, missing GNH policy tools and the contested nature of GNH itself – suggest that GNH should be on life-support. Yet the policy outcomes, although mixed, demonstrate that this is not the case. The fourth theme emerging from the study argues that this rather dire situation appears to be mitigated by the role of religious-inspired cultural values in constraining policy implementation practices, including during the policy conflicts that occur. Governance actors demonstrated a widespread common commitment to a common set of values. These are the same values that underlie the official construction of GNH whether governance actors realize this or not. So while there are emergent interactions of cooperation, conflict and isolation characterized by diverse understandings and
misunderstandings of GNH and its policy tools, these interactions do not stray beyond the constraints of the cultural values that underlie them. Conflicts are largely, although not always, over operational issues, not over policy intentions or GNH itself even when governance actors claim to not understand GNH or to oppose it.

The fifth theme emerges from the interaction of the previous four themes. Cultural values may often fill the void left by fractured power expressed in the absence of GNH tools and contested understandings of GNH, but the result is the fraying of the GNH image of the Bhutanese state. Such fraying is occurring despite the frequent achievement of policy outcomes consistent with GNH policy intentions. Divergent and sometimes conflictual policy implementation practices, unused GNH tools and disputes over the very nature of GNH undermine the image of the state as a coherent entity that is leading Bhutanese society towards the achievement of Gross National Happiness. Where GNH outcomes are being successfully achieved, it is occurring despite the GNH governance framework.

Box 8 summarizes the five policy implementation themes.
Box 8. Common Themes across the Four Policy Fields

<table>
<thead>
<tr>
<th>POLICY FIELD</th>
<th>POLICY IMPLEMENTATION THEMES</th>
<th>POLICY OUTCOMES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Media</strong></td>
<td><strong>Fractured Expressions of Power</strong>: Ministry often dominant but conflict between state bodies; private sector both ineffective and influential in different actor constellations; CSOs lack influence but evolving; donor influence consistent with government policy</td>
<td>Cultural &amp; good governance pillars contested; some oppose or misunderstand GNH overall</td>
</tr>
<tr>
<td></td>
<td><strong>Lack of Use of GNH Tools</strong>: 10th FYP frames actions; other GNH tools largely missing</td>
<td>Common values constrain &amp; shape interactions &amp; conflicts</td>
</tr>
<tr>
<td></td>
<td><strong>Contested Understanding of GNH</strong>: Conflict over the balance between socio-economic, cultural &amp; environmental pillars; good governance pillar contested; some misunderstand GNH overall</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Role of Values</strong>: Common values constrain &amp; shape interactions &amp; conflicts</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Frayed Image of coherent GNH State</strong>: Unclear connection of GNH to policy field; fractured priorities between ministry and local governments; ambivalence to GNH tools</td>
<td></td>
</tr>
<tr>
<td><strong>Tourism</strong></td>
<td><strong>Fractured Expressions of Power</strong>: National state bodies, private sector and CSOs cooperate, conflict and work in isolation in different actor constellations; dzongkhag influence differs in different geographic areas; international actors collaborate with state based on own interests</td>
<td>Conflict or isolation between state bodies; non-state actors view state as abandoning GNH; different understandings of GNH; GNH tools largely missing</td>
</tr>
<tr>
<td></td>
<td><strong>Lack of Use of GNH Tools</strong>: 10th FYP frames actions; other GNH tools largely missing</td>
<td>Common values constrain &amp; shape interactions &amp; conflicts</td>
</tr>
<tr>
<td></td>
<td><strong>Contested Understanding of GNH</strong>: Conflict over the balance between socio-economic, cultural &amp; environmental pillars; good governance pillar contested; some misunderstand GNH overall</td>
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</tr>
<tr>
<td></td>
<td><strong>Role of Values</strong>: Common values constrain &amp; shape interactions &amp; conflicts</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Frayed Image of coherent GNH State</strong>: Mixed success in achieving policy intentions; emerging ambiguity around the nature of HWC</td>
<td></td>
</tr>
<tr>
<td><strong>Farm Roads</strong></td>
<td><strong>Fractured Expressions of Power</strong>: National state bodies isolated; gewogs dominate but driven by community pressure; dzongkhag influence differs in different geographic areas; donor influence minimal given nature of funding</td>
<td>Different perspectives on the balance between good governance &amp; environmental pillars; nature of accountability in good governance pillar contested; some misunderstand GNH overall</td>
</tr>
<tr>
<td></td>
<td><strong>Lack of Use of GNH Tools</strong>: 10th FYP frames actions but connection to GNH often misunderstood; rare use of GNH Committees; other GNH tools missing &amp; viewed as redundant; frequent lack of knowledge of GNH tools</td>
<td>Common values evident but their expression is constrained by funding and capacity issues; possible value shift with democratization</td>
</tr>
<tr>
<td></td>
<td><strong>Contested Understanding of GNH</strong>: Different perspectives on the balance between socio-economic &amp; environmental pillars; nature of accountability in good governance pillar contested; some misunderstand GNH overall</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Role of Values</strong>: Common values shape interactions; some evidence of value clash</td>
<td></td>
</tr>
<tr>
<td><strong>Decentralized Implementation</strong></td>
<td><strong>Frayed Image of coherent GNH State</strong>: Disputed connection of GNH to policy field; different local government practices in different geographic areas; ambivalence to GNH tools</td>
<td></td>
</tr>
</tbody>
</table>

Centralized Implementation

Decentralized Implementation

Human-Wildlife Conflict (HWC)
A number of general policy recommendations emerged from the five themes. These recommendations speak to both development policy implementation in Bhutan and, in some cases, to operationalizing multidimensional development approaches more broadly. First, and specific to Bhutan, the GNH policy instruments need to be applied in practice on a much broader scale. This is particularly the case for those instruments that influence policy implementation, such as the GNH project screening tool, GNH committees and GNH check. Their potential value as complexity sensitive policy instruments remains unrealized without greater application. Second, operationalizing a multidimensional approach like GNH requires an effective communications strategy to clarify among governance actors the nature of the approach and its accompanying policy tools. On the surface this appears an almost trite policy recommendation. The Bhutanese experience, however, demonstrates that inconsistent understandings of the nature of GNH, the interrelationship of its multiple dimensions, and its policy tools drives different policy implementation priorities and practices. While multidimensional approaches to development represent a more conceptually satisfying approach than the economic growth paradigm, their greater intricacy demands a communication strategy that clarifies their nature and operationalization. Third, the Bhutanese experience demonstrates a clear need to strengthen the connection between decentralization and accountability, both bottom-up and top-down, and to provide decentralized actors with sufficient fiscal mechanisms and capacity development opportunities. This largely confirms what is already found in the decentralization literature, but the tendency for the human development paradigm to treat decentralization uncritically suggests that in Bhutan and elsewhere, on-going attention to the quality of decentralized must be a policy concern for multidimensional strategies.

Two research gaps emerged from the study’s findings. Both require further exploration. First, evidence arose that suggests there may be value shifts occurring in Bhutan that have implications for GNH implementation. If cultural values play a key role in harmonizing policy implementation, shifts in these values may threaten the successful achievement of future GNH outcomes. Three kinds of possible value shifts emerged. There appeared to be an emergence of consumption related values in the experience of media policy inconsistent with the value of sustainable consumption that is central to GNH. In the farm road policy field there was evidence since democratization that local government actors are prioritizing responsiveness to voters.

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22 In late 2013 the Bhutanese government introduced a new funding mechanism to support decentralization called the Gewog Development Grant (GDG). The GDG will provide an additional Nu. 2 million to every gewog for use in making up shortfalls in their annual budgets or for other activities beneficial to each gewog (MoF 2013).
over other GNH related values. The HWC policy field illustrated on a very small scale a clash between the Buddhist values of economic justice and the sanctity of life and compassion. Further research needs to explore whether there is indeed a shift in values occurring on a larger scale within Bhutan, the forces driving such a shift and how this might impact the operationalization of Gross National Happiness.

The second research gap relates to the methodology used in this study. It is again associated with the issue of cultural values and their role in GNH. Gross National Happiness is constructed on a cultural foundation associated with the Drukpa majority that is largely Buddhist. GNH values are distinctly Buddhist values. The large minority of Bhutanese who are ethnic Nepalese and Hindu exist within this national cultural identity. Given the ethnic conflict of the early 1990s, how the construction of GNH as Drukpa and Buddhist affects the implementation of GNH in the context of a significant minority that is neither Drukpa nor Buddhist is a key issue. The on-going sensitivity of this issue required some methodological compromises. Directly exploring how GNH implementation priorities and practices might differ across governance actors who are Buddhist and Hindu was not possible. An indirect approach was taken that included sampling geographic areas where ethnic Nepalese are a majority. The findings, however, showed no clear policy implementation patterns related to geographic location that might indicate differences rooted in either Buddhist Drukpa culture or Hindu Lhotshampa culture. What was consistent across geographic areas was the fractured and complex expressions of power regardless of location. Yet the methodological compromise made in the study suggests this be viewed as a somewhat superficial finding. How GNH’s Buddhist inspired values engage with the values of a Hindu minority needs further and deeper exploration. Are there latent value clashes rooted in different cultures or are cultural values similar enough across Buddhist and Hindu Bhutanese to both be consistent with GNH? Alternatively, has there been a successful creation of a national culture that effectively incorporates minorities within a master narrative? These questions require further exploration.

Issues of GNH values and their interaction with both minority cultural values and external values brought on by globalization and democratization may remain, but the experience of implementing four GNH policies demonstrates that Bhutan has achieved considerable success in generating multidimensional development outcomes. The study suggests that GNH values rooted in Buddhism are significant in shaping the agency of governance actors in this
achievement. The GNH structures and instruments that are a part of the GNH governance framework may hold significant promise, but their promise remains unrealized.

2. INSIGHTS FOR UNDERSTANDING AGENCY IN THE HUMAN DEVELOPMENT PARADIGM

The purpose of this study was not only to explore the implications of the GNH governance framework for implementing GNH policy in Bhutan but to draw out broader causal insights from this experience for the ‘agency aspect’ of the human development paradigm. Based on George and Bennett’s six types of case studies (2005: 75-76), it was argued that Bhutan is an outlier that can be used as a heuristic case study. Such case studies do not test existing theory but explore new variables or causal mechanisms that may enable larger inferences to be drawn. As a heuristic case, does Bhutan’s experience provide any useful insight into how human development can be successfully operationalized given the inadequacies of the largely rational approach to agency found in the human development literature? This is no mere academic exercise. The designation of Bhutan to lead an international effort to operationalize UN General Assembly Resolution 65/309 as a means to elaborate a multidimensional global happiness framework makes the national experience of GNH a development issue of global interest.

The findings from the study suggest the Bhutanese GNH strategy is not one that, at this point, can simply and easily be replicated in other contexts. While there are small-scale cases where this is being directly attempted with some success (Kuensel 2010: 98), the foundation of GNH in Buddhist values, the often contested nature of the strategy, and the lack of use of many of the GNH policy tools all suggest it remains unclear exactly what should be replicated. At the same time, the Bhutanese experience does offer important insights related to agency worth exploring more broadly. In addition to the policy recommendations discussed above, two larger, more fundamental, issues emerge. They go to the heart of how the agency aspect of human development can be better understood and operationalized. They address the issues of how power should be understood in the process of multidimensional policy implementation – complex, unpredictable, emergent and self-organized – and the potential role of cultural values in harmonizing agency within this complex notion of power.
2.1. The ‘Agency Aspect’ of Human Development: Infusing Fragmented Power as the Foundation

The review of the literature in chapter two argued that the human development paradigm, and the capability approach as its theoretical foundation, have treated power relations in a way that is often ambiguous or idealistic, or have ignored power dynamics entirely. A consistent criticism is that neither Sen nor the human development literature provide a satisfactory theory of agency that clarifies how action can be successfully taken to promote multidimensional development outcomes (Fukuda-Parr 2009: 121; Gasper 2002: 17-24; Johnson 2009: 116-121; Stewart & Deneulin 2002: 69-70). Beyond idealized and largely uncritical notions of democracy and decentralization, the translation of policy intentions into policy outcomes is often treated like a linear, rational and predictable assembly line. In contrast, the process of implementing GNH policy in Bhutan clearly demonstrates that any theory of action in the human development paradigm must place power relations at centre stage. Moreover, these relations must be understood as complex. Governance actors act upon the policy implementation process based on often competing interests that create emergent priorities and evolving relations of conflict, cooperation or isolation. This includes the state, which is not a monolithic and coherent entity, but one characterized by different, potentially competing, priorities and practices within its component parts. A key insight from the Bhutanese case is that these complex power relations can result in the application of power in fractured ways. Individual types of actors or individual actors themselves may exercise different degrees of influence across different policy fields, within different geographic regions or across different constellations of actors. Governance actors – both state and non-state - do not engage in a rational assembly line of policy implementation; they engage in a complex web of interactions and power dynamics that are often highly context specific. Power is frequently fractured in unpredictable ways. Understanding agency in the human development paradigm needs to take this as a starting point. Democracy and decentralization may be critical for operationalizing human development as the literature suggests (Sen 1999: ch. 6; 2009a: chs. 15 & 16; UNDP 1993; 1997b; 2000), but these institutions and processes themselves are underwritten by fractured and context-specific applications of power in the implementation of human development policies.

A conceptualization of power as fractured and unpredictable suggests the need for institutions and policy instruments that can navigate and shape such fracturing in ways that promote successful development outcomes. Unfortunately, Bhutan’s promise in addressing this issue falls short. The general absence of GNH-specific tools in the policy implementation process in
particular provides little insight into how effective they could be in shaping the complexity of power dynamics among policy implementation actors. Yet their potential should not be sold short. Several multidimensional development strategies in the past have been criticized for playing different dimensions off one another (Booysen 2002; Gough & Thomas 1994; Hicks & Streeten 1979; Stewart & Deneulin 2002: 62). The GNH tools continue to hold promise as a means to engage governance actors in addressing the need for balance across dimensions with structures and instruments that potentially promote on-going learning and adaptability. While relatively little can be said at this point in terms of their effect on GNH policy implementation in Bhutan, their existing structure is a useful starting point to explore and apply them more broadly in other cultural contexts. Their potential effectiveness as complexity sensitive policy instruments that can help shape fractured applications of power needs to be assessed in practice.

2.2. The ‘Agency Aspect’ of Human Development: Recognizing Cultural Values as a Harmonizing Constraint on Fragmented Power

Social science research, according to Lichbach (2009: 67), can be boiled down into a single foundational statement regardless of paradigmatic differences: “discover a difficulty, suggest an explanation, and provide some evidence.” The middle component – suggesting an explanation – requires on-going refinement as “explanation merges with discovery” (2009: 67). This study did not set out to explore the role of religious-inspired cultural values in constraining practices in the implementation of GNH policies. It struck an institutional tone with its exploration of the influence of GNH governance structures and instruments in shaping the practices of governance actors. What emerged, however, was the greater role of Buddhist inspired cultural values in shaping and constraining agency in the practices of policy implementation. These values were not always successful in generating development outcomes consistent with GNH, but they emerged to play the key role in the absence of a consistent understanding or acceptance of GNH and the application of its policy tools.

Recent influential scholarship on development largely marginalizes the role of culture. Jared Diamond, Jeffrey Sachs, Dambisa Moyo, William Easterly and Daron Acemigilior and James Robinson, for example, have all pursued a range of often competing arguments, frequently rooted in the economic growth paradigm, based on geography, political institutions, free market mechanisms and the nature of aid (Acemigilior & Robinson 2012; Diamond 1997; Easterly 2006;
Moyo 2009; Sachs 2005). Culture is usually, at best, a poor cousin that may shape other explanations but has little influence on its own. Jared Diamond, in a recent op-ed in the New York Times, recognizes that multiple factors, including culture, contribute to development, but he isolates cultural explanations as “dangerously out of date” (Diamond 2012). Jeffrey Sachs accepts that culture may be “helpful” but only when other factors take centre stage, which “sharply reduces” the scope of cultural explanations (2000: 42).

The literature on human development and the capability approach is less dismissive of culture but the concept is treated with some difficulty. Martha Nussbaum (1995: 1-7) argues that the capability approach is compatible with notions of cultural relativism given the focus on expanding what people themselves have reason to value, yet the approach has taken a universalist stand on such things as gender equality. The 2004 edition of the Human Development Report continues this universalist approach and applies it to the promotion of cultural liberty itself as a constitutive dimension of development that requires the promotion of multiculturalism (UNDP 2004), a position that has been criticized as being itself rooted in western values (Pieterse 2010; 81). Sen takes a rather different perspective. He addresses culture and religion in terms of identity formation and violence (2006). He rejects the ‘solitarist’ approach to identity formation that underlies multiculturalism and is rooted in the notion that identity is tied to membership in a single cultural or religious group, something he feels promotes identity-based violence. Accordingly, Sen’s position is less likely to promote culture and religion as a constitutive dimension of development (Deneulin & Rakodi 2011: 48).

The Bhutanese case treads different ground. Unlike Diamond, Sachs and others who largely dismiss culture, the Bhutanese case demonstrates that explanations that focus on culture, and the influence of religious values as cultural traits in particular, are neither out of date nor merely helpful in explaining development outcomes. Cultural values not only matter, they matter significantly in directly shaping and harmonizing agency in the context of fragmented applications of power. This is not to suggest that cultural values always matters, but the experience of Bhutan demands that the role of cultural values be taken seriously on its own terms.

This finding also differs somewhat from the literature on culture and human development. The focus of this literature on whether (and how) culture and religion should be treated as a
constitutive component of human development does relatively little to advance an understanding of the instrumental role of religious-inspired cultural values themselves in fostering human development. They are both constitutive and instrumental to development conceived in multidimensional terms. The Bhutanese case suggests much greater analytical attention needs to be paid to this instrumental role in order to better understand agency in the human development paradigm. If agency is a complex process riddled with fractured applications of power in different contexts, cultural values must be recognized as a potentially key factor in harmonizing such fractured expressions of power in ways that direct agency towards the achievement of intended development outcomes. Cultural values are not only important on their own terms, nor are they restricted to a constitutive role in development; they are potentially a critical factor as an instrumental force in pursuing human development. The obvious question, of course, is which cultural values are able do this? Is it restricted to Buddhist-inspired values that value the integration, balance and harmony that are key to any multidimensional approach to development? Are western consumption-related values an inevitable barrier?

While there is something intuitively attractive about the role of Buddhist values given their emphasis on integration and interconnectedness, these questions risk a retreat into the same pitfalls faced by modernization theory: creating discrete cultural categories that are placed in opposition to one another based on their ability to promote or inhibit development. The Bhutanese case, in this sense, merely flips modernization theory on its head, placing a non-western and non-secular culture as the driver of development rather than as its barrier. But while the Bhutanese case points to the potentially key role of Buddhist values, it also hints that cultural values should not be viewed as rigidly deterministic. Regardless of the instrumental importance of cultural values in shaping agency, the values themselves are not fixed.

As chapter five demonstrated, the construction of GNH and its underlying Buddhist Drukpa cultural values is tied to an historical narrative of threats to sovereignty rooted in the country’s small size and the experience of its neighbours. The emergence of forces such as globalization and democratization, however, appear to be playing a role in shaping and re-shaping some Bhutanese respondents’ interpretations of their cultural values. Moreover, these forces may be doing so in ways that act upon agency in a manner that is not always consistent with GNH intentions. Cultural and religious values in this sense must be understood as socially constructed through shared meaning-making where discourse, language and practices shape
and reshape a common understanding of the world (Deneulin & Rakodi 2011; Ross 2009; Wedeen 2002). Culture is not a set of discrete and often stable traits as has been argued by some (Huntington 1996; Harrison & Huntington 2000; Inglehart & Norris 2003). It is not fixed or bounded but evolutionary, influenced by history and embedded in power relations, practices and institutions. Cultural values can both act on agency and be acted upon by structural and institutional arrangements (Wedeen 2002: 714). Culture, as a result, establishes what Ross terms the “conditions of possibility” rather than rigid and direct causality (2009: 158-159).

Understanding agency in the human development paradigm needs to take these two themes into account. Complex expressions of power can indeed, despite their complexity, be shaped and harmonized by common cultural values held by governance actors. Agency can be constrained by cultural values even as power is applied in unpredictable and fractured ways. The range of actions and practices may still be conflictual, but this conflict falls within acceptable values and norms. Nonetheless, what are considered acceptable cultural values and norms are themselves open to being acted upon as shared meaning-making changes as historical circumstances change. Understanding agency in the human development paradigm must pay close attention to cultural values on their own terms, but do so in a way that recognizes the causal influence of culture is itself evolutionary. This is perhaps a middle path understanding, to borrow an appropriate GNH phrase, of the role of culture and its relationship to agency in the human development paradigm. Cultural values are absolutely critical and may take centre stage alone in harmonizing complex and fractured expressions of power, but in this role they are neither stable nor fixed.

3. CONCLUSION

Development is about making a better life for everyone (Peet & Hartwick 2009: 1). Conceptualizing it in multidimensional terms moves beyond the singular focus of the economic growth paradigm and articulates an understanding of the many dimensions of being human. Gross National Happiness has been at the forefront of putting such an understanding of development into practice. It has also demonstrated that this process is fraught with political dynamics. Broad-based participation may be foundational to a multidimensional development approach, but this participation itself is subject to fragmented expressions of power that hold the potential to subvert the achievement of desired development outcomes. The politics of development policy implementation are a complex mix of unpredictable, emergent and evolving
power dynamics. Understanding agency as rooted in this complex application of power, and the potential role of cultural values in harmonizing such agency, is a first step to a better understanding of a theory of action for the human development paradigm. It is a first step to bridging the holistic image of multidimensional development approaches with their actual practices.
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APPENDICES
APPENDIX A
THE GNH INDEX

The GNH Index (GNHI) measures the nine domains of GNH by using a set of 33 clustered and weighted indicators that can be further disaggregated into 124 variables. Each of the 33 indicators has a ‘sufficiency threshold’ applied to it. The GNHI methodology measures sufficiency within these indicators at the individual level and aggregates this data into the nine domain level indicators, which are further combined through equal weighting into a single GNH measure for the population as a whole. A ‘happiness threshold’ establishes the number of domains or percentage of indicators within which sufficiency must be achieved in order to define an individual as happy. The Happiness threshold is recognized as being imperfect given the subjective nature of individual happiness. The final aggregate GNH measure is decomposable to enable comparisons of GNH across geographic districts, time, demographic categories and the nine domains.

<table>
<thead>
<tr>
<th>Domain</th>
<th>Indicators (% weight)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Psychological wellbeing</td>
<td>Life satisfaction (33%); Positive emotions (17); Negative emotions (17); Spirituality (33)</td>
</tr>
<tr>
<td>Health</td>
<td>Self-reported health (10); Healthy days (30); Disability (30); Mental health (30)</td>
</tr>
<tr>
<td>Time use</td>
<td>Work (50); Sleep (50)</td>
</tr>
<tr>
<td>Education</td>
<td>Literacy (30); Schooling (30); Knowledge (20); Value (20)</td>
</tr>
<tr>
<td>Cultural diversity &amp; resilience</td>
<td>Artisan skills (30); Cultural participation (30) Speak native language (20); Driglam Namzha (code of formal behaviour) (20)</td>
</tr>
<tr>
<td>Good governance</td>
<td>Political participation (40); Services (40) Governance performance (10); Fundamental rights (10)</td>
</tr>
<tr>
<td>Community vitality</td>
<td>Donations (time &amp; money) (30); Safety (30); Community relationships (20); Family (20)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Component</th>
<th>Components</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ecological diversity &amp; resilience</td>
<td>Wildlife damage (40); Urban issues (40); Responsibility towards environment (10); Pollution (10)</td>
</tr>
<tr>
<td>Living standard</td>
<td>Per capita income (33); Assets (33); Housing (33)</td>
</tr>
</tbody>
</table>

* disaggregated into 124 variables
There are currently 26 screening questions in the GNH Policy Screening Tool. Each screening question has a scale ranging from 1 to 4. This 4-point scale is ranked from the most negative to the most positive score. For the policy to pass the screening exercise, it must score an average of 3 on each question for a total of 78 out of a possible 104.

CBS [Centre for Bhutan Studies] has developed such screening questions covering the nine domains of GNH. So, all policies have to pass through these questions in order to test their applicability in enhancing the values of GNH.

### 1. Equity

<table>
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<th>3</th>
<th>4</th>
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<tr>
<td>Rationale for score:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Suggested alternative if score is 2 or below:</td>
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### 2. Economic Security

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<th>4</th>
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<tr>
<td>Suggested alternative if score is 2 or below:</td>
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### 3. Material Wellbeing

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<tr>
<td>Rationale for score:</td>
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### 4. Engagement in Productive Activities

<table>
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<tr>
<th>Suggested alternative if score is 2 or below:</th>
<th>Will decrease opportunities for engaging in productive activities</th>
<th>Do not know the effect on productive activities</th>
<th>Should have no effect on productive activities</th>
<th>Will increase opportunities for engaging in productive activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score:</td>
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<td>2</td>
<td>3</td>
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<tr>
<td>Suggested alternative if score is 2 or below:</td>
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</tbody>
</table>

### 5. Decision-making Opportunity

<table>
<thead>
<tr>
<th>Suggested alternative if score is 2 or below:</th>
<th>Will decrease opportunity for participating in decision-making</th>
<th>Do not know the effect on opportunity for participating in decision-making</th>
<th>Should have no effect on opportunity for participating in decision-making</th>
<th>Should increase opportunity for participating in decision-making</th>
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<tbody>
<tr>
<td>Score:</td>
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<td>2</td>
<td>3</td>
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<tr>
<td>Rationale for score:</td>
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<tr>
<td>Suggested alternative if score is 2 or below:</td>
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</tr>
</tbody>
</table>

### 6. Corruption

<table>
<thead>
<tr>
<th>Suggested alternative if score is 2 or below:</th>
<th>Will increase opportunity for corrupt behaviour in societies</th>
<th>Do not know the effect on opportunity for corrupt behaviour in societies</th>
<th>Should have no effect on opportunity for corrupt behaviour in societies</th>
<th>Should decrease opportunity for corrupt behaviour in societies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score:</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Rationale for score:</td>
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<tr>
<td>Suggested alternative if score is 2 or below:</td>
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</tbody>
</table>

### 7. Judiciary Efficiency

<table>
<thead>
<tr>
<th>Suggested alternative if score is 2 or below:</th>
<th>Should decrease efficiency of judicial system</th>
<th>Do not know the effect on efficiency of judicial system</th>
<th>Should not effects on judicial system</th>
<th>Will increase efficiency of judicial system</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score:</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
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<tr>
<td>Rationale for score:</td>
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<tr>
<td>Suggested alternative if score is 2 or below:</td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>
### 8. Judiciary Access

<table>
<thead>
<tr>
<th></th>
<th>Will decrease access to judicial services</th>
<th>Do not know the effect on access to judicial services</th>
<th>Should not have any effect on access to judicial services</th>
<th>Will increase access to judicial services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score:</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

**Rationale for score:**

**Suggested alternative if score is 2 or below:**

### 9. Rights

<table>
<thead>
<tr>
<th></th>
<th>Should decrease protection for individual rights</th>
<th>Do not know the effect on protection for individual rights</th>
<th>Should not have any effect on protection for individual rights</th>
<th>Should increase protection for individual rights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score:</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

**Rationale for score:**

**Suggested alternative if score is 2 or below:**

### 10. Gender Equality

<table>
<thead>
<tr>
<th></th>
<th>Will gender equality</th>
<th>Do not know the effect gender equality</th>
<th>Should not have any effect gender equality</th>
<th>Will promote gender equality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score:</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

**Rationale for score:**

**Suggested alternative if score is 2 or below:**

### 11. Information

<table>
<thead>
<tr>
<th></th>
<th>Will decrease the amount of information that most people have about government activities</th>
<th>Do not know the effect on the amount of information that most people have about government activities</th>
<th>Should have no effect on the amount of information that most people have about government activities</th>
<th>Should increase the amount of information that people have about government activities.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score:</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

**Rationale for score:**

**Suggested alternative if score is 2 or below:**
### 12. Learning

<table>
<thead>
<tr>
<th>Will decrease the number of persons who have an opportunity to increase skills and learning</th>
<th>Do not know the effect on persons opportunities for increasing skills and learning</th>
<th>Should have no effect on persons opportunities for increasing skills and learning</th>
<th>Will create an net increase in the number of persons who have an opportunity to increase skills and learning</th>
</tr>
</thead>
</table>

**Score:**

| 1 | 2 | 3 | 4 |

**Rationale for score:**

**Suggested alternative if score is 2 or below:**

---

### 13. Health

<table>
<thead>
<tr>
<th>Will increase public health risk</th>
<th>Do not know its impact on the health of the population</th>
<th>Should have no effect on health risk</th>
<th>Should improve the health of the population</th>
</tr>
</thead>
</table>

**Score:**

| 1 | 2 | 3 | 4 |

**Rationale for score:**

**Suggested alternative if score is 2 or below:**

---

### 14. Water Pollution

<table>
<thead>
<tr>
<th>Will increase the amount of water pollution</th>
<th>Do not know the effects on water pollution</th>
<th>Will not have any effect on water pollution</th>
<th>Will decrease the amount of water pollution</th>
</tr>
</thead>
</table>

**Score:**

| 1 | 2 | 3 | 4 |

**Rationale for score:**

**Suggested alternative if score is 2 or below:**

---

### 15. Air Pollution

<table>
<thead>
<tr>
<th>Will increase the amount of air pollution</th>
<th>Do not know the effects on air pollution</th>
<th>Will not have any effect on air pollution</th>
<th>Will improve the quality of air</th>
</tr>
</thead>
</table>

**Score:**

| 1 | 2 | 3 | 4 |

**Rationale for score:**

**Suggested alternative if score is 2 or below:**

---

### 16. Land Degradation

<table>
<thead>
<tr>
<th>Will lead to land degradation</th>
<th>Do not know the effects on land degradation</th>
<th>Will not have any effect on land degradation</th>
<th>Will improve land quality</th>
</tr>
</thead>
</table>

**Score:**

| 1 | 2 | 3 | 4 |

**Rationale for score:**
**Suggested alternative if score is 2 or below:**

<table>
<thead>
<tr>
<th></th>
<th>Will decrease the health and diversity of plants</th>
<th>Do not know the effects on plants</th>
<th>Should have no effect on the health and diversity of plants</th>
<th>Will improve the health and diversity of plants</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Score:</strong></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td><strong>Rationale for score:</strong></td>
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<tr>
<td><strong>Suggested alternative if score is 2 or below:</strong></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

**17. Conservation of Plants**

<table>
<thead>
<tr>
<th></th>
<th>Will decrease the health and diversity of plants</th>
<th>Do not know the effects on plants</th>
<th>Should have no effect on the health and diversity of plants</th>
<th>Will improve the health and diversity of plants</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Score:</strong></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
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<tr>
<td><strong>Rationale for score:</strong></td>
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<tr>
<td><strong>Suggested alternative if score is 2 or below:</strong></td>
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</tr>
</tbody>
</table>

**18. Conservation of Animals**

<table>
<thead>
<tr>
<th></th>
<th>Will decrease the health and diversity of animals</th>
<th>Do not know the effects on animals</th>
<th>Should have no effect on the health and diversity of animals</th>
<th>Will improve the health and diversity of animals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Score:</strong></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
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<tr>
<td><strong>Rationale for score:</strong></td>
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<tr>
<td><strong>Suggested alternative if score is 2 or below:</strong></td>
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</tbody>
</table>

**19. Social Support**

<table>
<thead>
<tr>
<th></th>
<th>Will decrease the amount of social support available to people in time of need.</th>
<th>Do not know the effect on the amount of social support available in time of needs</th>
<th>Should have no effect on amount of social support available in time of needs</th>
<th>Should increase the amount of social support available to people in time of need.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Score:</strong></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
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<tr>
<td><strong>Rationale for score:</strong></td>
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<td><strong>Suggested alternative if score is 2 or below:</strong></td>
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</tbody>
</table>

**20. Family**

<table>
<thead>
<tr>
<th></th>
<th>Will decrease time for interacting with family members</th>
<th>Do not know its impacts on time for interacting with family members</th>
<th>Should have no impacts on time for interacting with family members</th>
<th>Will increase time for interacting with family members</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Score:</strong></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
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<tr>
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<td><strong>Suggested alternative if score is 2 or below:</strong></td>
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<td></td>
</tr>
</tbody>
</table>
### 21. Nature

<table>
<thead>
<tr>
<th></th>
<th>Will provide a net decrease in the number of persons who can access and enjoy nature</th>
<th>Do not know the effects on people's ability to access and enjoy nature</th>
<th>Should have no effect on people's ability to access and enjoy nature</th>
<th>Will provide a net increase in the number of persons who can access and enjoy nature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score:</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
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<tr>
<td>Rationale for score:</td>
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<tr>
<td>Suggested alternative if score is 2 or below:</td>
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<td></td>
</tr>
</tbody>
</table>

### 22. Recreation

<table>
<thead>
<tr>
<th></th>
<th>Will decrease the opportunities that people have to spend time in recreational pursuits</th>
<th>Do not know the effect on opportunities that people have to spend time in recreational pursuits</th>
<th>Should have no effect on opportunities that people have to spend time in recreational pursuits</th>
<th>Should have no effect on opportunities that people have to spend time in recreational pursuits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score:</td>
<td>1</td>
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<td>3</td>
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<tr>
<td>Rationale for score:</td>
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<tr>
<td>Suggested alternative if score is 2 or below:</td>
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</tr>
</tbody>
</table>

### 23. Culture

<table>
<thead>
<tr>
<th></th>
<th>Should decrease the opportunity for people to learn about or participate in cultural practices and traditions</th>
<th>Do not know the effect on opportunity to learn about or participate in cultural practices and traditions</th>
<th>Should have no effect on opportunity to learn about or participate in cultural practices and traditions</th>
<th>Should increase opportunity to learn about or participate in cultural practices and traditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score:</td>
<td>1</td>
<td>2</td>
<td>3</td>
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<tr>
<td>Rationale for score:</td>
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<tr>
<td>Suggested alternative if score is 2 or below:</td>
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</tbody>
</table>

### 24. Values

<table>
<thead>
<tr>
<th></th>
<th>Will undermine the importance of values such as compassion and generosity</th>
<th>Do not know the effect on compassion and generosity values</th>
<th>Should have no effect on the importance of values such as compassion and generosity</th>
<th>Will reinforce the importance of compassion and generosity values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score:</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
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<tr>
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<td>Suggested alternative if score is 2 or below:</td>
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</tbody>
</table>
### 25. Spiritual Pursuits

<table>
<thead>
<tr>
<th></th>
<th>Will decrease the opportunities that people have to spend time in spiritual pursuits</th>
<th>Do not know the effect on opportunities that people have to spend time in spiritual pursuits</th>
<th>Should have no effect on opportunities that people have to spend time in spiritual pursuits.</th>
<th>Should increase the opportunities that people have to spend time in spiritual pursuits.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score:</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
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<tr>
<td>Rationale for score:</td>
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<tr>
<td>Suggested alternative if score is 2 or below:</td>
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</tbody>
</table>

### 26. Stress

<table>
<thead>
<tr>
<th></th>
<th>Will increase the number of people feeling stressed in the population</th>
<th>Do not know the effect on the number of people feeling stressed in the population</th>
<th>Should have no effect on the number of people feeling stressed in the population</th>
<th>Should decrease the number of people feeling stressed in the population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score:</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Rationale for score:</td>
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<tr>
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APPENDIX C

PROTOCOL FOR POLICY FORMULATION

All public policies in Bhutan, irrespective of their origin but with the exception of a Royal Command or national exigencies, shall be approved and adopted in line with the following Protocol for Policy Formulation.

1. Any issues to be formulated into public policies in Bhutan can originate from the Lhengye Zhungtshog (Cabinet), Sectors and the Gross National Happiness Commission (GNHC).

2. All policies originating from the Sectors must be routed through their respective Policy & Planning Divisions (PPDs), who shall be the focal points for policy coordination.

3. The formulation of any policy will begin with the preparation of a Concept Note of maximum 3 pages by the proponent Sector, which is submitted to the GNHC for endorsement. The Concept Note should clearly state the following:

   i) The reason/rationale for proposing the policy (what issues need to be addressed and government directives if any).
   ii) The process and indicative timeline that will be followed in developing the policy including likely need/use of TA. (If TA is to be used, the ToR must be shared with RED, GNHCS for comments)
   iii) Identify opportunities and alternatives to integrate GNH principles and crosscutting issues such as environment, poverty, climate change, gender, etc. within the policy.
   iv) Major impediments or risks foreseen in the development of the policy.

4. The GNHC shall comment on the concept note normally within 14 working days from the receipt of the concept note.

5. Upon incorporation of the comments through discussions with the GNHC Secretariat (GNHCS), the proponent Sector may commence formulation of the policy proposal.

6. Once the draft policy is ready, the proponent Sector shall submit the following documents to the GNHCS:

   i) the Draft Policy
   ii) the Policy Protocol Report

7. With the submission of the above documents to the GNHCS, the Research and Evaluation Division (RED) shall review the documents and provide feedback/comments to the proponent Sector within 14 working days.

---

8. Within 7 days of submitting the Draft Policy, the proponent Sector shall make a presentation to the GNHCS, if required.

9. The Draft Policy shall be made available for comments on a public domain (web-based or other means) and shared with relevant Research Institutes and key stakeholders for mainstreaming cross-cutting issues such as gender, environment, poverty, climate change, etc.

10. A series of consultations and dialogue shall take place between the proponent Sector and the GNHC Secretariat before the Draft Policy is revised and formally submitted to the GNH Commission.

11. The revised Draft Policy shall be subjected to the Gross National Happiness (GNH) Policy Screening Tool by the Proponent Sector and the GNHCS (as two separate exercises).
   
   i. The screening shall be undertaken individually by those participating in the screening exercise (The Draft Policy and Screening Tool to be shared a few days prior to the meeting).
   
   ii. The individual results shall be discussed and compiled during the screening meeting.
   
   iii. A diverse mix of stakeholders shall participate, numbering to at least 15 participants.
   
   iv. The Gender Focal Point of the proponent Sector, environment representatives and other external key stakeholders shall be involved in the screening exercise.

12. The revised Draft Policy, Policy Protocol Report, and the GNH Screening Results shall be submitted to the GNHC through the GNHCS. The results of the GNH Screening exercise conducted by the GNHCS shall also be shared with the concerned sector prior to the GNHC meeting.

13. During the GNHC meeting, the GNHCS presents the Policy Protocol Report, additional comments, if any and the results of the GNH Screening followed by presentation of the Draft Policy by the proponent Sector.

14. The GNHC may decide to either go straight to Step 17, or consider instituting a task force to review the Draft Policy further. The task force will be purpose based, work to a defined timeline and ensure all major stakeholders are consulted.

15. In the event a Task Force is instituted, the revisions recommended by the Task Force shall be reviewed by an independent body identified by the GNHC. They will provide critical views and recommendations (within four weeks) to the Task Force and the GNH Commission.

16. The Task Force shall consider and incorporate comments of the independent body and then submit it (within two weeks) along with the original report of the independent body, for review and endorsement by the GNH Commission.
17. After the Draft Policy is endorsed by the GNHC, the feedback and comments shall be incorporated/discussed within a period of ten days between the Proponent Sector and RED, GNHCS. The revised Draft Policy shall be submitted by the proponent sector to the GNHCS for review and endorsement,

18. The Draft Policy endorsed by the GNH Commission shall be submitted by the proponent sector to the Lhengye Zhungtshog (Cabinet) for approval. A copy of the Draft Policy shall be submitted to RED, GNHCS, to ensure that comments have been incorporated.

19. Simultaneously, a copy of the GNHC comments will be submitted by RED, GNHC to the Lhengye Zhungtshog for reference.

20. Once approved by the Lhengye Zhungtshog and the incorporation of comments, the policy shall be implemented by the proponent sector.

21. A copy of the approved policy shall be sent to RED, GNHCS by the proponent sector.

22. The concerned ministry/agency shall submit an action plan for the implementation of the policy to the GNH Commission Secretariat, after the endorsement of the policy by the Lhengye Zhungtshog. The action plan should clearly spell out the implementing agency, indicative budget and timeframe.

23. The GNH Commission shall carry out post-adoption evaluation of policies. The findings of the policy evaluations shall be used to refine policies.
APPENDIX D

GNH PROJECT SCREENING TOOL26

The GNH Project Screening Tool is based on a similar format as the GNH Policy Screening Tool (see Appendix B). It is comprised of a series of screening questions with each having a 4 point scale measuring either negative (1), uncertain (2), neutral (3) or positive (4) impact of the proposed project on the issue represented in each screening question. For a project to be approved it must score an average of 3 out of 4 on each screening question.

Unlike the Policy Screening Tool, which has 26 standard screening questions applied to all policies regardless of sector, the Project Screening Tool has a different set of screening questions for individual sectors. Sectors include:

- Agriculture
- Forestry
- Livestock
- Ecological Diversity and Resilience
- Living Standard
- Trade and Manufacturing
- Education
- Youth
- National security
- Health
- Psychological Wellbeing
- Cultural Diversity and Resilience
- Community Vitality
- Good Governance
- Judiciary
- Spirituality
- Time Use and Balance
- Media and Information
- Public transport and road safety

Example: GNH Project Screening Tool for Media and Information

The Project Screening Tool for Media and Information has 71 screening questions. For example, the first screening question is the following:

1. GNH

<table>
<thead>
<tr>
<th>Will limit information on the values and principles of GNH development</th>
<th>Do not know the effects on the amount of information that most people have on the values and principles of GNH development</th>
<th>Will not have any appreciable effects on the amount of information that most people have on the values and principles of GNH development</th>
<th>Will inform people on the values and principles of GNH development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score:</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Rationale for score:</td>
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</tbody>
</table>

The remaining screening questions for the Media and Information project screening tool cover the following, with each question using the four point ranking scale as above:

*Public discourse* – effect of the proposed project on stimulating public discourse

*Media commercialism* – effect of the proposed project on favouring public service over commercialism

*Media independence1* – effect of the proposed project on decreasing government influence on private media

*Media independence2* – effect of the proposed project on increasing media independence

*Media viewership* – effect of the proposed project on favouring Bhutanese media over imported media

*Corruption* – effect of the proposed project on informing society about corruption

*Transparency and accountability* – effect of the proposed project on increasing government transparency and accountability

*Electorate processes* – effect of the proposed project on increasing the number of informed people on electoral processes

*Voter rights* – effect of the proposed project on increasing the number of informed people on voting rights

*Political activities* – effect of the proposed project on informing people of the activities of political parties

*Judicial* – effect of the proposed project on informing people of legal rights and procedures

*Dzongkha language* – effect of the proposed project on promoting the use of Dzongkha

*Mother tongue* – effect of the proposed project on promoting the use of one’s mother tongue

*Other dialects* – effect of the proposed project on encouraging the use of other dialects

*Dzongkha reading materials* – effect of the proposed project on increasing the publication of Dzongkha reading materials

*Driglam namzha* – effect of the proposed project on increasing the knowledge and practice of Driglam namzha (code of conduct)

*Self-development* – effect of the proposed project on promoting self-development

*Family life* – effect of the proposed project on strengthening the importance of family life

*Friendship* – effect of the proposed project on strengthening the value of friendship

*Spiritual faith* – effect of the proposed project on strengthening the value of spiritual faith

*Compassion* – effect of the proposed project on strengthening the value of compassion

*Responsibility* – effect of the proposed project on strengthening the value of responsibility

*Freedom* – effect of the proposed project on strengthening the value of freedom
Generosity – effect of the proposed project on strengthening the value of generosity
Local festivals – effect of the proposed project on increasing knowledge of local festivals
Local legends and folk stories – effect of the proposed project on increasing knowledge of local legends and folk stories
Mask dances – effect of the proposed project on increasing knowledge of mask dances
Folk songs – effect of the proposed project on popularizing folk songs
Religious songs – effect of the proposed project on popularizing religious songs
Religious prayers – effect of the proposed project on increasing the practice of religious prayers
Public ceremonies – effect of the proposed project on increasing participation in public ceremonies
Historical sites and religious sites – effect of the proposed project on increasing knowledge of historical and religious sites
Architecture and design – effect of the proposed project on promoting indigenous styles of architecture
Weaving – effect of the proposed project on increasing the practice of weaving
Embroidery – effect of the proposed project on increasing the practice of embroidery
Painting – effect of the proposed project on increasing the practice of painting
Carpentry – effect of the proposed project on increasing the practice of carpentry
Carving – effect of the proposed project on increasing the practice of carving
Sculpture – effect of the proposed project on increasing the practice of sculpture
Casting – effect of the proposed project on increasing the practice of casting
Blacksmithing – effect of the proposed project on increasing the practice of blacksmithing
Bamboo works – effect of the proposed project on increasing the practice of bamboo works
Gold and silversmithing – effect of the proposed project on increasing the practice of gold and silversmithing
Masonry – effect of the proposed project on increasing the practice of masonry
Leather works – effect of the proposed project on increasing the practice of leather work
Paper-making – effect of the proposed project on increasing the practice of paper making
Traditional sports and games – effect of the proposed project on promoting traditional sports and games
HIV/AIDS – effect of the proposed project on increasing awareness of HIV/AIDS
Family planning – effect of the proposed project on increasing awareness of family planning
Traditional medicine – effect of the proposed project on increasing knowledge about traditional medicine
Balanced diet – effect of the proposed project on increasing awareness of balanced diet

Alcohol – effect of the proposed project on increasing awareness of the adverse impacts of alcohol

Smoking – effect of the proposed project on increasing awareness of the adverse impacts of smoking

Tobacco - effect of the proposed project on increasing awareness of the adverse impacts of consuming tobacco products

Doma - effect of the proposed project on increasing awareness of the adverse impacts of chewing doma

Traditional healers - effect of the proposed project on increasing awareness of traditional healers

Air pollution - effect of the proposed project on discouraging behaviours that increase air pollution

Water pollution - effect of the proposed project on discouraging behaviours that increase water pollution

Forest conservation - effect of the proposed project on encouraging behaviours that assist forest conservation

Interdependence - effect of the proposed project on promoting interdependence among man, nature, deities and sentient being

Diversity in land use - effect of the proposed project on promoting diversity in land use

Diversity in forest and nature conservation - effect of the proposed project on promoting diversity in forest and nature conservation

Environmental rules and regulations - effect of the proposed project on improving knowledge of environmental rules and regulations

Abodes and deities - effect of the proposed project on promoting the preservation of natural bodies that are considered to be the abodes of deities and spirits

Traditional resource management - effect of the proposed project on encouraging traditional resource management

Forests fires - effect of the proposed project on discouraging behaviours that increase forest fire risk

Farming and agricultural practices - effect of the proposed project on providing useful information on farming and agricultural practices

Electricity - effect of the proposed project on promoting the use of electricity over firewood
Waste management - effect of the proposed project on encouraging citizen participation in waste management

Waste production - effect of the proposed project on discouraging a lifestyle and consumption pattern that increases waste production
APPENDIX E
GNH CHECK

WHAT IS IT?
This tool helps to assess a prioritized development activity according to Gross National Happiness criteria.

WHY USE IT?
The GNH check is used to double check if the GT is making a wise decision to invest in a development activity. It helps to assess one development priority against 4 criteria sets namely, 1/ Poverty and disadvantaged groups (including food and nutrition security); 2/ Gender equality; 3/ Environment, climate change and disaster risk; 4/ Preservation of Culture with the view to mainstream these.

HOW TO USE IT?
Discuss each of the prioritised development activity:

**Poverty and Disadvantaged Groups (including Food and Nutrition Security)**
- Who are the poor? (land holding size, land productivity, number of people in households, number of months with little food, access to basic services such as BHU, schools, water, electricity etc, type of housing, roofing, remoteness)
- Who are the disadvantaged groups such as disabled, elderly, single parents and individuals, children- orphans, HIV affected people?
- How will the poor and disadvantaged groups benefit from the activity? For example, economic benefits, employment opportunity, access to basic services including better food and any other benefits?
- How many poor people/households will benefit from the activity?
- Whether the activity will have any negative impacts on the poor and disadvantaged groups?
- How will this activity reduce vulnerability of the poor and the disadvantaged groups?
- How sustainable is the activity in terms of poverty reduction?

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**Gender Equality**
- Will women and men have equal access to the services provided through the activity?
- Will women and men benefit equally from the activity?
- Whether the activity will have any negative impact on women and men?
- How does the activity take into account and promote gender equality?
- How sustainable is the activity in terms of gender equality?

**Environment, Climate Change and Disaster Risk**
- How much environmental damage would this activity cause for e.g. noise, air and water pollution, bio-diversity (plants, animals etc) and land degradation (including conversion of farmland into non-farm uses)?
- How much will the activity contribute to environment conservation, adaptation and mitigation of climate change, and minimization of vulnerability from natural disasters' impacts and risks?
- Are there any measures in place or planned to minimize the negative impacts (climate change, land slides, fires, earthquakes, floods, hazardous materials etc) on environment and society?
- How sustainable is the activity in terms of environment conservation and management (biodiversity, land, forest and waters...), climate change adaptation (extreme weather, new incidences of diseases and problems), and disaster risk reduction and management? (protective and preventive measures of land slides and floods, earthquakes etc.).

**Preservation of Culture**
- What impact does the activity have on cultural aspects? Positive and negative impacts should be discussed.
- How much will the activity contribute to preservation of culture?
- Are there any measures planned to minimize the negative impacts that the activity may have on the preservation of culture?
- How does this activity affect community vitality (improves or reduces)?
- How sustainable will the activity be in terms of preservation of culture?