Gross National Happiness (GNH) in Bhutan’s GNH Tourism Model: An investigation using Grounded Theory Methodology

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This dissertation is presented for the degree of
Doctor of Philosophy
at
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Murdoch University, Perth, Western Australia
Author’s Declaration

I declare that this thesis is my own account of my research and contains as its main content work that has not previously been submitted for a degree at any tertiary education institution.

.................................

Simon Teoh
Abstract

Gross National Happiness (GNH) is an aspirational development philosophy promoted by Bhutan’s 4th King. GNH attracted world attention at the United Nations (UN) when Happiness was declared the 9th Millennium Development Goal in 2012. This dissertation examines how GNH is manifest in tourism policy, planning and development in Bhutan. The study employs a constructivist grounded theory methodology (GTM). Data was collected through a number of qualitative methods, including fieldwork, participant observation, case studies, and semi-structured interviews with tourism stakeholders. The investigation follows the researcher’s journey, navigating through a romanticised notion of GNH, to experiencing the issues and challenges of the implementation of GNH policy in tourism in Bhutan. The GTM led the researcher to Foucault’s governmentality framework, which is used to examine the relationship between tourism development and GNH, in particular the changes in Bhutan’s tourism policy from high value, low volume to high value, low impact, between 2008 and 2012. The study uncovered a number of contradictions in the implementation of GNH; paradox through the change in tourism policy; tensions resulting from the Accelerate Bhutan’s Socio-economic Development (ABSD) Plan’s McKinsey Report; controversy around the Ura-Shinghkhar Gold Course Development; and, the concerns of some tourism stakeholders about meeting the demands of increasing tourist numbers whilst maintaining GNH principles. The dissertation has found that the first term democratically elected Bhutanese government (2008 - 2013) prioritised economic benefits over its socio-cultural and environmental integrity through the ABSD Plan, and demonstrates the complexities involved in tourism policy, planning and development. The dissertation concludes that the ‘low impact’ tourism policy is unsustainable and proposes that reverting to ‘low volume’ is better aligned to the GNH value-led and slow-paced development philosophy. The study contributes an increased understanding of the complexities inherent in Bhutan aligning its tourism policy, planning and development with its GNH development philosophy.
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Notes

Anonymity

Respondents were offered the choice of anonymity. Where indicated in the interview consent form, some chose anonymity whilst others gave permission to use their identity. However, for consistency, anonymous respondent codes were used in this dissertation. It is common for respondents to feel proud of their contributions and for this reason those respondents who gave permission to use their identity are listed in the acknowledgements.

Appendix

Appendices in this dissertation are found on the attached CD disc.

Bhutanese names

Bhutanese names are given according to consultation with Buddhist clergy. It could be just one or two names. Unlike other cultures, there is no surname system in Bhutan, although the younger generation is beginning to establish surnames. For example, the name Thinley can both be a first or a second name, as well as a female or male gender. In this dissertation, I have used the second name as the surname unless otherwise cited as two names in published articles, works, etc. For this reason, at times there can be identical first and second names for two different persons. Furthermore, Bhutanese English spelling differs, for instance, Jigme is also spelt as Jigmi, for consistency, I use Jigme.

Italics

Italics are used in this dissertation for book titles, document names and non-English words

Language

This dissertation uses Standard Australian English. For consistency, where possible all spellings including citations, titles of works, reference list are standardised to this format. Hence, words such as ‘organization’ will appear as ‘organisation’. However, exceptions occur where original references and image sources used American English spelling format.
The Bhutanese English expressions, both spoken and written, differ from the Australian Standard English. A local transcriber transcribed the interviewees’ data, however, the author has modified the transcriptions for contextual understanding adhering to the Standard Australian English.

**Referencing convention**

The referencing convention used in this dissertation is APA 6th version
## Abbreviations

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<td>ABTO</td>
<td>Association of Bhutanese Tour Operators</td>
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<td>ABSD</td>
<td>Accelerating Bhutan's Socio-Economic Development</td>
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<tr>
<td>ADC</td>
<td>Austrian Development Cooperation</td>
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<tr>
<td>BCE</td>
<td>Bhutan Cultural Event</td>
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<td>BCCI</td>
<td>Bhutan Chamber of Commerce and Industry</td>
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<td>BYGA</td>
<td>Bhutan Youth Golf Association</td>
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<tr>
<td>CAQDAS</td>
<td>Computer Assisted Qualitative Data Analysis Software</td>
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<tr>
<td>CBS</td>
<td>Centre for Bhutan Studies</td>
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<tr>
<td>DG</td>
<td>Director General</td>
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<tr>
<td>DoT</td>
<td>Department of Tourism</td>
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<td>DoFPS</td>
<td>Department of Forest and Park Services</td>
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<td>DPT</td>
<td>Druk Phuensum Tshogpa</td>
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<tr>
<td>DYT</td>
<td>Dzongkhar Yargye Tschogchung</td>
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<tr>
<td>EDP</td>
<td>Economic Development Policy</td>
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<td>FDI</td>
<td>Foreign Direct Investment</td>
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<td>FYP</td>
<td>Five Year Plan</td>
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<td>GAB</td>
<td>Guides Association of Bhutan</td>
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<td>GATT</td>
<td>General Agreement on Tariffs and Trade</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GNH</td>
<td>Gross National Happiness</td>
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<td>GNHC</td>
<td>Gross National Happiness Commission</td>
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<td>GNP</td>
<td>Gross National Product</td>
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<td>GPI</td>
<td>Genuine Progress Indicator</td>
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<td>GPIA</td>
<td>Genuine Progress Index Atlantic</td>
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<td>GT</td>
<td>Grounded Theory</td>
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<td>GTM</td>
<td>Grounded Theory Methodology</td>
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<td>GYT</td>
<td>Gewog Yargye Tschogchung</td>
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<td>HAOB</td>
<td>Handicraft Association of Bhutan</td>
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<td>HAB</td>
<td>Hoteliers Association of Bhutan</td>
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<td>HDI</td>
<td>Human Development Index</td>
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<td>HPI</td>
<td>Happy Planet Index</td>
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<tr>
<td>IBRD</td>
<td>International Bank for Reconstruction and Development</td>
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<td>IMF</td>
<td>International Monetary Funds</td>
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<td>ISH</td>
<td>Index of Social Health</td>
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<td>ISEW</td>
<td>Index of Social and Economic Wealth</td>
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<td>ITY</td>
<td>Integrated Tourism Yield</td>
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<td>JICA</td>
<td>Japan International Cooperation Agency</td>
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<td>JSWNP</td>
<td>Jigme Singye Wangchuck National Park</td>
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<tr>
<td>MoAF</td>
<td>Ministry of Agriculture and Forest</td>
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<td>MoEA</td>
<td>Ministry of Economic Affairs</td>
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<td>MoHCA</td>
<td>Ministry of Home and Cultural Affairs</td>
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<td>MoWHS</td>
<td>Ministry of Works and Human Settlement</td>
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<td>MDG</td>
<td>Millennium Development Goals</td>
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<td>Acronym</td>
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<td>NDP</td>
<td>New Development Paradigm</td>
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<td>NGO</td>
<td>Non-government Organization</td>
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<td>OECD</td>
<td>Organization for Economic Co-operation and Development</td>
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<td>PRA</td>
<td>Participatory Rural Appraisal</td>
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<td>PM</td>
<td>Prime Minister</td>
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<td>RCSC</td>
<td>Royal Civil Service Commission</td>
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<td>RGoB</td>
<td>Royal Government of Bhutan</td>
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<td>RSPN</td>
<td>Royal Society for the Protection of Nature</td>
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<td>RSTA</td>
<td>Road Safety and Transport Authority</td>
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<td>SAP</td>
<td>Structural Adjustment Program</td>
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<td>STDMW</td>
<td>Strategic Tourism Destination Management Workshop</td>
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<td>STDMP</td>
<td>Strategic Tourism Destination Management Plan</td>
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<td>SNV</td>
<td>Netherlands Development Organization</td>
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<td>SWB</td>
<td>Subjective Wellbeing</td>
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<td>TCB</td>
<td>Tourism Council of Bhutan</td>
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<td>United Nations Human Development Index</td>
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<td>UNHDR</td>
<td>United Nations Human Development Report</td>
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<td>United Nations World Tourism Organization</td>
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<td>USGCD</td>
<td>Ura-Shingkar Golf Course Development</td>
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<td>WES</td>
<td>Belgium Tourism Consultants</td>
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<td>WTO</td>
<td>World Tourism Organization</td>
</tr>
</tbody>
</table>
### Non-English Words

<table>
<thead>
<tr>
<th>Word</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bhutanese</strong></td>
<td></td>
</tr>
</tbody>
</table>
| Ara | home brewed alcohol made from wheat  
Bardo | soul in transition before rebirth  
Chanda | the desire for actions directed toward benefit  
Choekey | Tibetan’s classical script  
Choesham | prayer altar  
Cho-sid-nyi | Tibetan system of dual government  
Chiwang | two strings Tibetan fiddle  
Dekid | happiness  
Delwa | freedom  
Dewa | happiness  
Desi | civil ruler  
Dramyin | three strings instrument  
Driglam Namza | Bhutanese traditional code of etiquette  
Dukkha | inescapable suffering  
Druk Phuensum Tshogpa | first democratically elected government  
Dzong | monastery  
Dzongkha | official language of Bhutan  
Dzongkhag Yargye Tshogchung | District Development Committee  
Ema datsi | dish made of yak cheese and green chilies  
Gewa | Rites of merit  
Gewog Yargye Tshochung | Block Development Committee  
Gho | traditional Bhutanese costume for men  
Gyalyong Gakyi Pelzom | Gross National Happiness  
Je Khenpo | Chief Abbot or spiritual ruler  
Jorpa | wealth  
Kabney | white scarf  
Kira | traditional Bhutanese costume for women  
Lhengye Zhuntshog | Cabinet  
Lhotshampas | Bhutanese people of Nepali origins  
Lingm | six holes flute  
Lodroe Tshogde | Royal Advisory Council  
Marga | the way to end suffering  
Metta | to experience joy in the happiness of others  
Mey yang | cremation  
Momos | Tibetan steamed rice flour dumplings  
Mon | darkness  
Ngalops | Bhutanese people from western Bhutan  
Norodha | avoidance of suffering  
Nyen gyi tendrel | marriage celebration  
Sangha | community of monks  
Samsara | creation of suffering  
Semso | monetary gift for the deceased  
Sharchops | Bhutanese people from eastern Bhutan  
Suja | butter milk tea |
<table>
<thead>
<tr>
<th>Word</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tanha</td>
<td>artificial want</td>
</tr>
<tr>
<td>Thangkhas</td>
<td>Buddhist paintings</td>
</tr>
<tr>
<td>Tshangla</td>
<td>main language spoken in eastern Bhutan</td>
</tr>
<tr>
<td>Tshechu</td>
<td>religious festival</td>
</tr>
<tr>
<td>Tshogdu</td>
<td>National Assembly</td>
</tr>
<tr>
<td>Tsipa</td>
<td>astrologer</td>
</tr>
<tr>
<td>Yakchoe</td>
<td>special yak dance</td>
</tr>
<tr>
<td>Zhabdrung</td>
<td>supreme religious power</td>
</tr>
<tr>
<td>Zakar</td>
<td>auspicious moment to undertake an activity</td>
</tr>
<tr>
<td><strong>German</strong></td>
<td></td>
</tr>
<tr>
<td>Gesellshaftspolitik</td>
<td>the politics of society</td>
</tr>
<tr>
<td>Zeitgeist</td>
<td>the product of the times</td>
</tr>
</tbody>
</table>
Publications Associated With Dissertation

Journal articles


Book chapter


Reports


Newspaper articles


Magazine article

Conference presentation


Poster presentation

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Finally, I especially want to thank the most important person in my life, my partner Heinz. Thank you Heinz for all your love, patience, support and belief in me.
For Heinz
“Bhutan - Happiness is a Place”

Branding by Ogilvy and Mather consultancy firm (TCB, 2010).

**Bhutan’s Tourism Mission statement in 2012:**

*The Royal Government of Bhutan adheres strongly to a policy of high value, low impact tourism which serves the purpose of creating an image of exclusivity and high-yield for Bhutan.*

(Source: http://www.tourism.gov.bt/tourism-policy/tourism-policy)

**Bhutan’s Tourism Vision statement in 2012:**

*To foster a vibrant industry as a positive force in the conservation of environment, promotion of cultural heritage, safeguarding sovereign status of the Nation for significantly contributing to Gross National Happiness*  

(Rogers & Tourism Council of Bhutan, 2012, p.iii)
Chapter 1 : Shangri-La As Bhutan’s Gross National Happiness

1.1 Introduction

Known as the last ‘Shangri-La’ (Hilton, 1947), Bhutan is shrouded in mystical charms and secrecy. Bhutan has a living Mahayana Buddhist culture, and an excellent environmental report card that boasts of over seventy percent forest cover (National Statistics Bureau, 2013, p.xiii). Visiting Bhutan is a remarkable experience. It is like stepping back in time, into a remote or forgotten bygone era outside of the modern world of consumerism.

This mysterious, small kingdom opened its door to the world only four decades ago. Little was known about Bhutan until its entry into the world’s economy and modernity (The World Bank, 1989) in 1979, when the fourth Bhutanese King promoted Gross National Happiness (GNH) as Bhutan’s development philosophy (Phuntsho, 2013). Happiness and wellbeing are core Bhutanese values that guide this unique development philosophy. Since 1979, Bhutan has attracted the well-travelled and those in pursuit of the GNH philosophy, including academics.

The growing popularity of GNH has recently led to developed nations such as Canada, France, Britain, and Germany including happiness as a measure of their nation’s social and environmental wellbeing. Bhutan proposed Resolution A/RES/65/309 at the 65th United Nation (UN) Session in 2011. The Resolution “Happiness: towards a holistic approach to development” was adopted by the General Assembly on 19th July 2011. This led to the UN adopting Happiness as the 9th Millennium Development Goal (MDG) in 2012, which is being embedded in the UN’s Post-2015 New Development Paradigm (NDP).

This dissertation analyses how the GNH development philosophy is manifest in the GNH Tourism Model through Foucault’s framework of governmentality (Foucault, 1991a). The dissertation examines how GNH is manifest in tourism policy, planning and development through the notion of the art of government, the conduct of conduct of the government, within the governmentality framework.

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This study of Bhutan’s GNH Tourism Model provides important information from a unique environment that rarely reveals itself to outsiders. This study contributes to advancing knowledge regarding a holistic approach to tourism development.

Following this introduction, I show Bhutan’s geographical location, and contextualise the GNH philosophy through an outline of Bhutan’s value system based on its Mahayana Buddhist values and provide a brief history of Bhutan. I introduce the Four GNH Pillars and the GNH Index with its nine domains and thirty-three indicators. I then provide a background to the study, followed by the thesis aim and focus. To conclude, I provide an overview of the study.

**Bhutan’s geographical location**

Bhutan is a landlocked nation, sandwiched between China in the north and India to the south (see Figure 1.1). It has an area size of 38,394 sq.km., measuring 350 km long and 150km wide (roughly the size of Switzerland), and a population of 720,679 (National Statistics Bureau, 2012, p. xiii). It has three distinct ecological zones ranging from the southern sub-tropical, temperate in the middle, and subalpine in the north (Wangchhuk, 2010, p.1).

![Figure 1.1. Map showing geographic location of Bhutan.](http://www.oneworld365.org/img/101/Bhutan%20Volunteer%20Work.png)


**1.2 Bhutan’s Values**

In order to understand Bhutan and the notion of GNH, it is necessary to first understand Bhutan’s remarkable worldview or value system (Jordan, 2008). Buddhist values dominate the worldviews of the majority of Bhutanese (Jigme Thinley, 1998). According to Phuntsho (2013),
Traditional Bhutan functioned primarily based on the cultural ethos derived from [a] Buddhist and pre-Buddhist belief and religious system. The traditional worldviews, perceptions, attitudes, behaviour and practices in general and the pre-modern education system in particular were informed by religious values and principles (p.588).

For example, the majority of Bhutanese consult a tsipa (astrologer) who determines the zakar or auspicious moment to undertake an activity. These include departing on a journey, selecting a school to send a child aboard for studies, starting a business or a job, moving in or out of a home or office (refer to Appendix 1.2). This traditional practice is deeply rooted in Buddhist beliefs.

The two key tenets of Buddhist beliefs are the impermanence of life (Kelsang, 1993), and the suffering of life (Burton, 2004). According to Buddhist beliefs, there are three key causes of suffering: greed, ignorance and anger (Hammalawa Saddhatissa, 1970). Achieving happiness requires freeing oneself from life’s sufferings. Spiritual development is crucial for this. It allows people to develop a clear mind and clear intention, leading to a pure mind and pure intention, and thus to stopping karmic evolution (Napper, 1989; Thubten Chodron, 1990). This means not causing harm to sentient beings, and having a right attitude, with a right motivation. The empty mind is a pure mind, and when greed, ignorance and anger are absent or negated, the empty and pure mind can achieve a sense of happiness (Cabezón, 1993). In this sense, Buddhist beliefs for achieving happiness, as an individual value and as a collective societal good, dominate Bhutan’s value system.

1.2.1 Buddhist Ethics

The practice of Buddhist ethics is inherent to Bhutan’s value system. Buddhist ethics are based within the framework of karma and rebirth (De Silva, 1991; Dharmasiri, 1986; Hammalawa Saddhatissa, 1997; Keown, 1995), and the Four Noble Truths (De Silva, 2002) (refer Section 1.2.3). Buddhist ethics teach pure sensitivities in body, speech and mind to achieve pure morality (Harvey, 2000), achieved through skilful ways of avoiding excessive behaviours and cravings for materialism (Hsing & Graham, 1998). It includes the belief that humans have a symbiotic relationship with nature, requiring them to respect, not exploit Earth’s ecology (Tucker & Williams, 1997). It challenges people to realise the impermanence of life and the false attraction of materialism (Hammalawa Saddhatissa, 1970; Harvey, 2000), and inculcates the need for happiness (Jamgon Kongtrul Lodro Taye & International Translation Committee Kalu Rinpoche, 1998).
Buddhist ethics distinguish three different kinds of happiness: dependent, independent and altruistic happiness (Hammalawa Saddhatissa, 1970; Payutto, 1994). Payutto (1994, p.58) suggests that,

Dependent happiness is happiness that requires an external object. It includes any happiness contingent on the material world, including wealth, family, honour and fame. Dependent happiness, being dependent on things that can never be ours in an ultimate sense, is fickle and uncertain.

Examples of such happiness include material wealth gained through competitive financial market speculations, which depends on economic cycles, or happiness based on attaining political fame that can be fickle and thus contentious.

Independent happiness,

… arises from within a mind that has been trained and has attained some degree of inner peace. Such a happiness is not dependent on externals and is much more stable than dependent happiness (Payutto, 1994, p.58).

Spiritual happiness that brings inner peace and a calming nature is an example. It is more stable and lasting and is independent of materialism and excess. The third kind of happiness, altruistic happiness,

… is directed toward wellbeing and motivated by goodwill and compassion. Through personal development, people can appreciate this truer kind of happiness – the desire to bring happiness to others (Payutto, 1994, p.59).

This kind of happiness is known as metta in Buddhism. A metta experience is one in which we experience joy in the happiness of others. It may come from volunteering in disaster relief work or taking the time to visit a sick neighbour. A metta experience brings inner contentment resulting from inner development attained through social engagement in helping others (King, 2005), and is arguably the antidote to dependent happiness. Altruistic happiness,

… is less dependent on the acquisition of material goods and arises more from giving than receiving. Although such happiness is not truly independent, it is much more skilful than the happiness resulting from selfish acquisition (Payutto, 1994, p.59).

The highest level of happiness, “is the liberation resulting from enlightenment, which is irreversible” (Payutto, 1994, p.59), also known as Nirvana (refer to Section 1.2.3.).
1.2.2 Buddhist Economics

According to Nishikawa and others, Buddhist and Western understanding of economics differ from each other (Nishikawa, 2013; Payutto, 1994; E. F. Schumacher, 1974; E.F Schumacher, 2012). Western economics places utility and consumption as the main function of all economic activity, with production (labour, capital and land) as the means to achieve prosperity (Ison & Wall, 2007). It foregrounds rational decision-making in the interest of material production and consumption (Stiglitz, 1997, 2000). According to Payutto, Western economics is myopic as it limits the truth to the material world (Payutto, 1994, p.16), and it does not take into consideration the non-material world, including feelings and emotions that result in economic activity.

Buddhist teaching encompasses a holistic approach to rational decision-making. It deals with profound insights into the psychology of desire and the motivating forces of economic activity (Payutto, 1974, p.xiii). It teaches one to detach from all things material, since the desire to attain materialistic objects leads to dissatisfaction (Narada, 1980). Payutto (1994) argues that, Economics cannot be separated from other branches of knowledge. Economics is rather one component of a concerted effort to remedy the problems of humanity; and an economics based on Buddhism, a “Buddhist economics”, is therefore not so much a self-contained science, but one of a number of interdependent disciplines working in concert toward the common goal of social, individual and environmental well-being (p.17).

The idea is to think and desire for the greater good of society, the individual and for a healthy environment.

Buddhist economics focuses on human wellbeing. According to Schumacher (1974), some aspects of Buddhist economics are,

(1) to give man a chance to utilise and develop his faculties; (2) to enable him/her to overcome his/her ego-centredness by joining with other people in a common task, and (3) to bring forth the goods and services needed for an existence (p.2).

Buddhist economics is thus somewhat different from the Western economics of accumulation and materialism since, “the Buddhist sees the essence of civilisation not in a multiplication of wants but in the purification of human character” (Schumacher, 1974, p.3). The rationale behind Buddhist economics is that since consumption is merely a means to human wellbeing, the aim of economics, “should be to obtain the maximum wellbeing with the minimum of consumption” (Schumacher, 1974, p.4).
At the core of Buddhist economics then, is the notion of contentment and satisfaction because the tireless chase to satisfy desires is in itself a kind of suffering (Narada, 1980; see Perez-Remon, 1980, p.189). Buddhist philosophy requires a stop to tanha or artificial want, and gives attention to chanda or the desire for action directed toward benefit for true wellbeing and contentment (Payutto, 1994, p.34). Reducing the desire for tanha and opting for chanda could result in less desire for material consumption.

However, as Payutto (1994) explains,

… it is not wealth as such that is praised or blamed but the way it is acquired and used…. Blameworthy qualities are greed for gain, stinginess, grasping, attachment to gain and hoarding of wealth. Acquisition is acceptable if it is helpful in the practice of the Noble Path or if it benefits fellow members of the Order (p.61).

Thus, from a Buddhist perspective,

Economic activity should be a means to a good and noble life. Production, consumption and other economic activities are not ends in themselves; they are means, and the end to which they must lead is the development of wellbeing within the individual, within society and within the environment (Payutto, 1994, p.35).

This brief discussion of Buddhist ethics and Buddhist economics provides a context to the GNH development philosophy, to which I turn next.

1.2.3 GNH Influenced by Buddhism

Buddhist philosophical teachings underpin the GNH development philosophy. At the centre of Buddhist teaching is life’s impermanence based on the Four Noble Truths, which deal with the discourse of dukkha (inescapable suffering), samsara (its creation of suffering), norodha (its avoidance) and marga (the way to end suffering) (De Silva, 2002). At the heart of Buddhist teaching lie the values of fundamental wisdom and compassion (Coleman and Sagebein, 2004, p.252).
Buddhist philosophy focuses on personal development for rebirth, ahead of all other forms of development (Harvey, 1990). The sole purpose of a Buddhist’s life on Earth is to achieve Nirvana or Enlightenment (Hammalawa Saddhatissa, 1970), which is guided by the Noble Eight Fold Paths\(^2\) (or the cessation of samsara or suffering). Buddhist philosophical teaching primarily centres on non-materialism in favour of spiritual development. In this sense, it is the spiritual development of the individual self that is central to Bhutan’s GNH philosophy.

In achieving spiritual development, there is an element of contentment, peace and atonement within one’s inner self through “freeing of the mind” (Hammalawa Saddhatissa, 1997, p.317). By freeing the mind, the inner-self can attain happiness. Happiness in this context is taken to mean, “a range of human wellbeing, in the traditional domains of living standards, health and education, as well as in less traditional domains as time use, psychological wellbeing, culture, community vitality, and environmental diversity” (Ura, Alkire, & Zangmo, 2012, p.3). Buddhist spiritual development has two Buddhist traditions, which I discuss next.

### 1.2.4 Theravada and Mahayana Buddhism

Two Buddhist traditions, the Theravada and the Mahayana traditions (De Silva, 1991), are discussed here in order to contextualise the type of Buddhism existing in Bhutan. Both Buddhist traditions teach the attainment of Bodhisattva, or one who achieves perfect attainment, known as the Enlightenment or Nirvana (Gombrich, 1988; Lester, 1973). Attaining Nirvana or Buddhahood ends life’s sufferings and the cycle of reincarnation or rebirth into a sentient being (Collins, 1982; Narada, 1980).

Theravada Buddhism, the older of the two Buddhist traditions, is commonly found in Sri Lanka, Myanmar, Thailand, Cambodia and most of South East Asia (Bragt & Takeuchi, 1995). Mahayana Buddhism (meaning the Greater Vehicle) is more prevalent in Nepal, China, Korea and Japan, while the Tantrayana practice (the Esoteric Vehicle that emphasises symbolism and rituals) within the Mahayana Tradition emerged in Tibet and Mongolia (De Silva, 1991, p. 59). According to Mahayana Buddhist teachings, the Bodhisattva mandate is not for individual Enlightenment but for the suffering of all sentient beings (Blofeld, 1971; De Silva, 1991; B. L. Suzuki, 1981; D. T. Suzuki, 1963).

---

\(^2\) The path leading to enlightenment comprises: right view, right thought, right speech, right action, right livelihood, right effort, right mindfulness, and right concentration (Hsing & Graham, 1998, p.155).
The key difference between the Mahayana and Theravada traditions is that one attains Buddhahood and exits the cycle of rebirth, whilst in the Mahayana tradition one is reborn in the interest of relieving *samsara* of all sentient beings (Kelsang, 1993). According to De Silva (1991, p.67), in the Mahayana tradition,

… there is a higher ideal, that of the Bodhisattva, which indicated an infinite commitment to others and was an expression of the widest limits of altruism. The Buddha is an enlightened one and a Bodhisattva is one who aspires to be a Buddha. The Bodhisattva has special virtues dedicated to charity, patience, effort, meditation and wisdom. The Bodhisattva attempts to identify himself with the liberation of others.

An example is the reincarnation of the Dalai Lama, who chooses to rebirth into the cycle of suffering as an Enlightened Being or in the state of Buddhahood, as a sacrifice for the suffering of all sentient beings (Williams, 1989). It is this Buddhist tradition of Mahayana Buddhism, imbued with Tantrayana practice and also known as Tibetan Buddhism, that spread to Bhutan and contributed to the Bhutanese values of kindness and compassion for the collective societal good or the common good. As well as deep spiritual links, Bhutan has deep historical links to Tibet. The official language of Bhutan, *Dzongkha* is a variation of Tibetan’s classical script *Choekhyu*.

Knowledge of how Bhutanese values are influenced by Buddhist ethics and Buddhist economics provides an understanding of the inherent influence of Buddhism in the GNH development philosophy. I turn to a history of Bhutan next, to further contextualise the concept of GNH.

### 1.3 A Brief History of Bhutan

To understand the worldviews prevalent in a country, it is necessary to understand its history. Bhutan’s history is divided into five significant periods: Pre-historic and ancient times, the arrival of Buddhism, the unification period, pre-modern times, early modern and modern times.
The pre-historic and ancient times

The first significant period, the pre-historic and ancient times, locates Bhutan’s geological and historical origins. Archaeological artefacts found in Bhutan reveal the Late Stone Age around 2000-1500BC (Phuntsho, 2013). Early Neolithic settlers arrived from surrounding regions around 4000 years ago. These settlers included people from the Tibeto-Burman language group, whose origins can be traced back to the province of Sichuan in China (Phuntsho, 2013, pp.66-70). These inhabitants practiced Bonism, an animistic tradition commonly found throughout the Himalayan region (Berthold, 2005; Phuntsho, 2013; Pommaret, 1998; Wangchhuk, 2008). During this period, Bhutan was known as Mon Yul (Mon country) or Lhomon (southern Mon). Mon is a derivative of mun, a Tibetan word denoting darkness (Phuntsho, 2013, p.2). From a Tibetan perspective, those living to the south live in socio-spiritual darkness and were seen as, “groping in darkness without the light of Buddha’s wisdom” (Phuntsho, 2013, p.2).

The arrival of Buddhism

The second significant period in Bhutan’s history was the arrival of Buddhism. Guru Padmasambhava, more popularly known as Guru Rinpoche (the Precious Master), brought Buddhism to Bhutan in 747AD (Aris, 1994; Berthold, 2005; Wangchhuk, 2008). This form of Buddhism is the Vajrayana Mahayana form, popularly known as Tibetan Buddhism, that is imbued with tantric practices and is located within Mahayana Buddhism (Harvey, 1990). Tibetan Buddhism is also found in India (Dharmasala, Ladakh), Mongolia, and parts of Russia (Buryatia, Tuva, Kalmykia). Guru Rinpoche’s arrival is significant in Bhutan’s history for Buddhism’s centrality to its political, social and cultural development.
The Unification period

Bhutan’s unification (1594-1651) is the third significant period, which began with the arrival from Tibet of Zhabdrung Ngawang Namgyal, an exiled leader of the Drukpa Kagyu School of Buddhism (Phuntsho, 2013, pp.207-213). The Zhabdrung as he is commonly known, consolidated his power through diplomatic relations with warring fiefdoms inside Bhutan, as well as with the neighbouring kingdoms of Nepal, Cooch Bihar and Ladak. After defeating the Tibetan invasion of 1639, he was declared the leader of Druk Yul (derived from the school of Drukpa Kagyu) and given the title of Zhabdrung, meaning, “at whose feet one submits, or the Supreme Religious Power” (Wangchuk, 2010, p.17). Due to its roots to Buddhism, Bhutan was unified based on theocracy (Phuntsho, 2013), which is a form of government of a country by religious leaders similar to that practiced in the medieval European courts (Ferrero & Wintrobe, 2009, p.57). This form of government provides some understanding of the role of the spiritual ruler in modern day Bhutan.

The pre-modern period

During Bhutan’s pre-modern history (1651-1907), the fourth significant period, leadership was inherited from the Tibetan system of dual government known as Cho-sid-nyi, which includes the role of Desi as civil ruler and Je Khenpo as Chief Abbot or spiritual ruler (Aris, 1994). The dual leadership resulted in civil strife, particularly amongst contenders for the role of Desi. Ugyen Wangchuck (1862-1926), the son of the 48th Desi, the Trongsa Penlop Jigme Namgyel, emerged victorious. At the Battle of Changlingmethang in Thimphu in 1885, Ugyen Wangchuck ended the internal civil strife and unified the warring states (Phuntsho, 2013, p.491).
At this time, colonial British India was looking to expand regional supremacy in the Himalayan region, especially Tibet, and turned toward Bhutan for assistance (L. Dorji, 2008). Ugyen Wangchuck was instrumental in helping British India’s Younghusband Expedition (1903/4) establish a trading post with the Tibetan government in Lhasa (Phuntsho, 2013, pp.497-502). The British India Government subsequently knighted Ugyen Wangchuck and awarded him the “insignia of the Knight Commander of the Indian Empire” (Phuntsho, 2013, p.508). This British India Empire similarly awarded him as: Sir Ugyen Wangchuck (Phuntsho, 2013, p.511). Ugyen Wangchuck was made hereditary King on 17th December 1907, by the Desi, the Je Khenpo and the monastic order, and the regional governors and their fiefdoms. Hence, the Wangchuck Dynasty was established as a new political order (Phuntsho, 2013, pp.514-520), with the Je Khenpo remaining as the spiritual ruler.

Early modern and modern times

The fifth significant historical period is Bhutan’s early modern period (1907 – 1961) and modern period (1961 – present). This period is characterised by the five eras of the Wangchuck Kings (see Table 1.1).

Table 1.1. The Bhutanese Kings.

<table>
<thead>
<tr>
<th>Kings of Bhutan - Wangchuck Dynasty</th>
<th>Popularity known as</th>
<th>Era</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Ugyen Wangchuck</td>
<td>The Founding Monarch</td>
<td>Unification</td>
</tr>
<tr>
<td>2. Jigme Wangchuck</td>
<td>The Consolidatior</td>
<td>Consolidation</td>
</tr>
<tr>
<td>3. Jigme Dorji Wangchuck</td>
<td>The Father of Modern Bhutan</td>
<td>Modernisation</td>
</tr>
<tr>
<td>4. Jigme Singye Wangchuck</td>
<td>The Visionary King</td>
<td>Democratisation</td>
</tr>
<tr>
<td>5. Jigme Khesar Namgyal Wangchuck</td>
<td>The People’s King</td>
<td>Dawn of a new Era</td>
</tr>
</tbody>
</table>

Source: Adapted from Wangchuk, 2010, pp.22-39.

The first Wangchuck King: The Unification Era

During the first era of the Wangchuck Dynasty, the first King Ugyen Wangchuck (born 1862, reign 1907 - 1926) was instrumental in strengthening diplomatic ties with British India, Tibet and China (Phuntsho, 2013, pp.525-528). His reign is known as the Unification Era as it ended internal strife. A significant development was the opening of two schools in the central province of Bumthang and in the West in Haa. Internal trade and commerce was developed, transport and communication improved, and a land tax imposed (Wangchuk, 2010, p.25).
The second Wangchuck King: The Consolidation Era

The second King, Jigme Wangchuck (born 1905, reign 1926 - 1952), propelled the consolidation process through numerous cultural, educational and most significantly, health developments (Phuntsho, 2013, pp.535-543). A feature of this period was the surrounding political unrest: China’s Nationalist-Communist conflict (1927-1937), the Sino-Japanese War (1937-1945), World War II (1939-1945), The Partitioning of India (1947), India’s quest for Independence (1947-1950), and the Chinese invasion of Tibet in 1959. Surrounded by political unrests, it may be reasonable to suggest that Bhutan went into hibernation, thus securing its sovereignty (Phuntsho, 2013, pp.551-564). According to Karan (1990, p.99),

… until 1959 Bhutan’s rulers consistently refused to allow the road [from India] to be built, preferring to let the country’s natural barriers discourage travellers. Behind the mountains, Bhutan continued in its own ways undisturbed; its culture effectively insulated from the outside world.

This period of isolation finished when the third King, Jigme Dorji Wangchuck (born 1928, reign 1952 - 1972), opened international relations with India. He is fondly known as the ‘Father of Modern Bhutan’ and the architect of modernisation in Bhutan.

The third Wangchuck King: The Modernisation Era

The third King’s opening up of Bhutan in 1961 was the beginning of Bhutan’s modern history. Road construction with Indian foreign aid finally made Bhutan and its cultural worldview that emphasised great respect for and reliance on the natural environment accessible to the outside world. Phuntsho (2013) purports that,

… the Bhutanese people have a wonderful symbiotic relationship with their environment, which is very different from the extractive and exploitative attitude induced by modern materialism today. Their worldviews, cultural habits and lifestyle are heavily influenced by their interaction with their land and nature and vice versa (p.40).

Bhutan’s population consists of three distinct ethnic groups: the Ngalops in the west, Sharchops in the east, and the Lhotshampas of Nepali origins in the south (Wangchhuk, 2008). Prior to the 1950’s, Bhutan was divided into distinct language groups with Dzongkha in the north, Tshangla in the east and Nepali in the south. There was little contact between these groups due to the inaccessibility of these regions. The first modern road was built in the early 1960’s linking the north to the south under the modernisation era of the 3rd King.
Under the third King, Bhutan began the process of decentralisation and democratisation that led to five significant developments. The first was the emancipation of bonded laborers, and the abolition of serfdom (Wangchhuk, 2010, p.30). This benevolent act, deemed the first step towards modernisation, changed the political, social and economic landscapes.

The second significant development was the establishment of the Tshogdu (National Assembly) in 1953 and the beginning of democratic governance, in which theocracy and monarchism exist symbiotically. It was thought that his Western education in Britain and Switzerland was most likely to have influenced the third King’s vision of winning “people’s trust through interactive rule and consultative governance” (Phuntsho, 2013, p.566). The King took a further step towards democracy by subjecting himself to a vote of no confidence every three years, with the Tshogdu having the power to remove the King with a two-thirds majority (Phuntsho, 2013, p.567), in order to promote the process of democratisation.

The third significant development was the setting up of the Lodroe Tshogde (Royal Advisory Council) in 1965 and the Lhengye Zhuntshog (Cabinet) in 1968 (Phuntsho, 2013, p.567). This development signalled a call for more inclusive governance, culminating in the removal of, “the royal power to veto bills presented in the parliament” (Phuntsho, 2013, p.567). These developments were significant as it subsequently led to the 1959 establishment of Thrimzhung Chenmo (Supreme Laws), which laid the foundations to the 1967 establishment of the High Court.

The fourth significant development was the bestowal of citizenship to the Nepali immigrants in the southern lowlands in 1958 (Phuntsho, 2013, pp.566). The Nepali immigrants were approximately 20% of the population. The impact of this citizenship resulted in two state religions: Buddhism in the north and Central regions, and Hinduism in the south. However, as discussed earlier, Buddhism is still the dominant religion with its practice of the ‘middle path’ through Buddhist ethics (Harvey, 2000), and forms the backbone of Bhutan’s major social and cultural values.
Lastly, the fifth and perhaps most significant development saw Bhutan admitted as a member of the United Nations (UN) in 1971. This secured recognition of Bhutan on the international political stage (Parmanand, 1992). It sealed the legitimate position of Bhutan as a sovereign nation, despite its porous boundaries and geo-political location between China and India. After four decades, this significant move eventually led to Bhutan planting the seed of happiness as a worldwide development goal, as was incorporated in the UN’s 9th Millennium Development Goal (MDG) announced in 2012. Hopefully, exciting times lie ahead, as the sapling happiness plant at the UN continues to grow and mature as it approaches the Post -2015 New Development Paradigm (NDP).

**The fourth Wangchuck King: The Democratisation Era**

Bhutan’s fourth King, Jigme Singye (born 1955, reign 1972-2006), further strengthened his father’s democratic process with six significant developments during his reign. First, democracy and decentralisation were achieved through the devolution of power to the people through the design of the *Dzongkhag Yargye Tshogchung* (DYT) or District Development Committee in 1981, and the *Gewog Yargye Tshochung* (GYT) or Block Development Committee in 1991 (Wangchhuk, 2010, p.32). The key function of DYT and GYT was to foster democracy through citizens’ participation in government at the grassroots level.

The second and most significant development was the introduction of the idea of Gross National Happiness (GNH) in 1979. The King propounded that, “Gross National Happiness is more important than Gross National Product” (Phuntsho, 2013, p.595). GNH aspires to place the ‘happiness and wellbeing’ of the nation’s people as a necessary part of the development process and not base development primarily on economic prosperity (Phuntsho, 2013, p.595). The GNH aspirational development paradigm establishes that,

> Bhutan seeks to establish a happy society, where people are safe, where everyone is guaranteed a decent livelihood, and where people enjoy universal access to good education and health care. It is a society where there is no aggression and war, where inequalities do not exit, and where cultural values get strengthened every day. A happy society is one where people enjoy freedom, where there is no oppression, where art, music, dance and culture flourish (Royal Government of Bhutan, 2000, p.17).
The third significant development was Bhutan’s entry to the World Bank in 1981. This move signalled a need for integration into the world’s economy (Karan, 1990). It also meant increased access to foreign aid, for Bhutan depended heavily on India for its first four Five Year Plans (Dharamdhasani, 1996). This development allowed Western influence into Bhutan. However, Bhutan was cautious and selective of its donor aid partners (Sweden, Denmark, Switzerland, Australia, Canada, New Zealand).

The fourth significant development was the enforcement of Driglam Namzha, a traditional code of etiquette, in 1989. According to Ura (1997, p.247), Driglam Namzha is a, “system of rules of physical conduct and external forms, applied on an individual basis to forge a sense of nationhood”. It is a code of conduct and etiquette governing official dress codes and manners, as well as architectural styles. A key distinguishing feature is the requirement for all Bhutanese to wear the national dress code in public, the Gho for men and Kira for women. This was a strategy to further strengthen the people as ‘One Nation, One People.’ The cultural distinctiveness of Driglam Namzha contributes to making the Bhutanese culture outwardly unique, and is a significant tourist attraction (Ritchie, 2008). Figure 1.2 shows performers at a Tschechu (religious festival) wearing the national costume.

Figure 1.2. Tschechu – a religious dance festival.

However, Driglam Namzha was unpopular with the people of Nepali origins called Lhotshampas, who settled in southern Bhutan (Wangchhuk, 2008). Further, Dzongkha was declared the national language and the Nepali language was removed from school curriculum in 1988, leading to social unrest, political conflict and dissent (Hutt, 1994). These resulted in the expulsion of Nepalese originating non-Bhutanese citizens who had settled in the southern regions (Phuntsho, 2013, pp.578-583), and led to more than 100,000 southern Bhutanese refugees moving into the UNHCR camps in southern Nepal in 1993 (Hutt, 1996a, 2003, 1994; South Asia Human Rights Documentation Centre, 1998). The refugee issue is contentious in Bhutan’s political and socio-cultural discourse (Basu, 1996; Hutt, 1996a, 2003, 1994; E. L. Rose, 1994; Saul, 2000; Shaw, 1994; Jigme Thinley, 1994; Whitecross, 2009).

The fifth significant development was the introduction of the television and the internet in 1999 (McDonald, 2004b). This was a critical step as it opened Bhutan further to the outside world and globalisation. This led to positive outcomes such as media modernisation and a global connection to the outside world. More importantly, it hastened communications within Bhutan and provided a platform for political engagement (Turner & Tshering, 2014), as it led to robust debates through social media (Avieson, 2015). However, at the same time, it ushered in social consequences, such as Western consumption values (McDonald, 2007), and a host of other threats to the fabric of its socio-cultural integrity (Wantane Suntikula & Ugyen Dorjib, 2015).

The sixth, and perhaps the turning point in development, was universal suffrage in 2008. The fourth King had learnt lessons from unpopular sentiments against Monarchism from neighbouring Sikkim (absorbed into India in 1975), and Nepal (Nepalese Civil War 1996-2006). It would be reasonable to expect that if the Wangchuck Dynasty were to survive, political, socioeconomic and cultural transformations in Bhutan had to be made. The fourth King prepared the way for democracy, leading his people to accept a constitutional monarchy, because he believed that, “the future of the nation lies in the hands of the people” (Wangchhuck, 2010, p.32), and abdicating in 2006, in favour of his heir.

**The fifth Wangchuck King: The Dawn of a new Era**

Bhutan’s fifth King, Jigme Khesar Namgyel (born 1980, reign 2006 - present) has continued his father’s political program. In his first address to the nation on 17th December 2006, he proclaimed that the citizens of Bhutan must show that,
… our responsibilities will always be first and foremost, the peace and tranquillity of the nation; the sovereignty and security of our country; the fulfilling of the vision of Gross National Happiness, and the strengthening of this new system of democracy. To fulfil these aspirations, in this age, we must first build a strong and dynamic economy (L. Dorji, 2008, pp.149-150).

A significant development during this period was Bhutan’s first democratic elections in 2008. The Bhutanese Parliament consists of two houses: the National Assembly with 47 members, and the National Council with 20 members (Sithey & Centre for Research Initiative, 2013). The democratisation process and the influence of globalisation brought profound changes and challenges to the country’s development (Ura, 2010). According to Dorji (2008), the fifth King regards GNH as, “a bridge between the fundamental values of kindness, equality and humanity” and “as the nation’s collective conscience, always guiding the nation to achieve the ultimate goal of human development, which is happiness” (p.152). One way to achieve this is by strengthening its economy through stable government.

The first democratically elected government

The first democratically elected government (2008 – 2013), the Druk Phuensum Tshogpa (DPT), campaigned under the message of, “Towards Self Reliance with Equity and Justice, A harmonious & Happy Society”, and won under the leadership of Lyonpo Jigme Y. Thinley (Sithey & Centre for Research Initiative, 2013, p.9). The newly elected democratic government (consisting of the Prime Minister, ten Ministers and two Speakers) sought to further develop the nation guided by the principles of GNH. The issues facing Bhutan included growing debt, the Indian rupee crisis, youth unemployment, rising corruption and poverty, (Sithey & Centre for Research Initiative, 2013). The new government embarked on socio-economic reforms through the Accelerate Bhutan’s Socio-economic Development (ABSD) Program, which accelerated tourism development through the McKinsey Report that led to the change in tourism policy from high value, low volume to high value low impact. This brief review of Bhutan’s history provides the historical context of Bhutan’s GNH development philosophy. The next section discusses the concept of GNH.

1.4 The Concept of GNH

The core principle of GNH, according to the predecessor to the Gross National Happiness Commission (GNHC) is that, “development should be understood as a process that seeks to maximise happiness rather than economic growth” (Planning Commission, 1999, p.10). GNH, “places the individual at the centre of all development efforts and it recognises that the individual has material, spiritual and emotional needs” (Planning Commission, 1999, p.10). In doing so, GNH focuses on human development ahead of conventional theories of development economics such as utility maximisation, consumption and material fulfilment. As such, GNH is,

… a specific Bhutanese path to development in pursuit of values that were consonant with Bhutan’s culture, institutions and spiritual values, rather than values that were defined by factors external to Bhutanese society and culture (Ura & Galay, 2004, p.vii).

It would be naïve to interpret GNH as a rejection of economic growth. According to Bhutan’s GNH Commission, economic growth is a, “precondition for safeguarding our independence, enlarging our self-reliance, increasing standards of living and enlarging the opportunities and choices of our people” (Planning Commission, 1999, p.12). The GNH development philosophy focuses on human development, with particular attention given to equitable and sustainable socio-economic development, preservation and conservation of the environment the conservation and promotion of culture, and good governance. In this respect, GNH offers a holistic approach to development.

The GNH development philosophy can be traced back to the pre-modern period of Bhutan. The 1729 legal code of Bhutan states that, “if the Government cannot create dekid⁴ (happiness) for its people, there is no purpose for the Government to exist” (Ura, 2010). The Constitution of Bhutan (2008, Article 9) directs the State to, “promote those conditions that will enable the pursuit of Gross National Happiness”. As former Prime Minister Lyonpo Jigme Y. Thinley has stated that,

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⁴ Some words in Dzongkha have similar meanings. The word dekid consists of two words: dewa and kidpa. Dewa means without problem, peaceful/wellbeing. Kidpa means peaceful.
While conventional development models stress economic growth as the ultimate objective, the concept of GNH is based on the premise that true development of human society takes place when material and spiritual development occur side by side to complement and reinforce each other (cited in Acharya, 2004).

In this sense, GNH is a reflection of the values of the Bhutanese society.

### 1.4.1 Happiness and Wellbeing as Shared Value in GNH

In the context of GNH, happiness and wellbeing are collective shared value rather than an individual value. An important feature of happiness and wellbeing in GNH is that it is multidimensional. It is,

… not measured only by subjective wellbeing, and not focused narrowly on happiness that begins and ends with oneself and is concerned for and with oneself. The pursuit of happiness is collective though it can be experienced personally (Karma Ura, Sabine Alkire, Tshoki Zangmo, & Karma Wangdi, 2012b, p.1).

The individual, community and the State have a moral obligation and responsibility in developing GNH as a collective shared value for all citizens. The function of the government is to create policy that provides the enabling environment for GNH to flourish. The current 5th Bhutanese King propounds that,

GNH has come to mean so many things to so many people but to me it signifies simply – Development with Values (cited in Ura, Alkire, et al., 2012b, p.71).

In the context of GNH, happiness and wellbeing is featured as a common public good because of its collective shared value that serves all in the public interest and in multidimensional ways (Karma Ura, Sabina Alkire, Tshoki Zangmo, & Karma Wangdi, 2012a, p.7). The following section examines the features of GNH.

### 1.4.2 The GNH Index

The GNH philosophy proposes an holistic approach to development. GNH is further defined and operationalised through the GNH Index in terms of the four Pillars, nine domains and thirty-three indicators. Table 1.2 defines the four GNH Pillars, and Table 1.3 lists the nine GNH domains and the thirty-three indicators. These are combined in the GNH Index illustrated in Figure 1.3.
Table 1.2. The Gross National Happiness Pillars.

<table>
<thead>
<tr>
<th>Pillar</th>
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<tr>
<td>1. Equitable and sustainable socio-economic development</td>
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<td>2. Preservation and conservation of the natural environment</td>
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<td>3. Cultivation and promotion of culture</td>
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<td>4. Good governance</td>
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Table 1.3. List of GNH’s 9 domains and 33 indicators.

<table>
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<tr>
<th>Domains</th>
<th>Indicators</th>
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<tbody>
<tr>
<td>1. Psychological Wellbeing</td>
<td>1. Life satisfaction</td>
</tr>
<tr>
<td></td>
<td>2. Positive emotions</td>
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<tr>
<td></td>
<td>3. Negative emotions</td>
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<tr>
<td></td>
<td>4. Spirituality</td>
</tr>
<tr>
<td>2. Health</td>
<td>5. Mental health</td>
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<td></td>
<td>6. Self reported health</td>
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<td></td>
<td>7. Healthy days</td>
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<tr>
<td>3. Time use</td>
<td>8. Disability</td>
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<tr>
<td></td>
<td>9. Work</td>
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<tr>
<td></td>
<td>10. Sleep</td>
</tr>
<tr>
<td>4. Education</td>
<td>11. Literacy</td>
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<td></td>
<td>12. Schooling</td>
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<td></td>
<td>13. Knowledge</td>
</tr>
<tr>
<td></td>
<td>14. Value</td>
</tr>
<tr>
<td>5. Cultural diversity and resilience</td>
<td>15. Speak native language</td>
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<tr>
<td></td>
<td>16. Cultural participation</td>
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<tr>
<td></td>
<td>17. Artistic skills</td>
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<tr>
<td>6. Good governance</td>
<td>18. Driglam Namzha</td>
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<td></td>
<td>19. Government performance</td>
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<td></td>
<td>20. Fundamental rights</td>
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<tr>
<td>7. Community vitality</td>
<td>21. Services</td>
</tr>
<tr>
<td></td>
<td>22. Political participation</td>
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<tr>
<td></td>
<td>23. Donations (time and money)</td>
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<tr>
<td></td>
<td>24. Community relationship</td>
</tr>
<tr>
<td>8. Ecological diversity and resilience</td>
<td>25. Family</td>
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<tr>
<td></td>
<td>26. Safety</td>
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<tr>
<td></td>
<td>27. Ecological issues</td>
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<td></td>
<td>28. Responsibility towards environment</td>
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<td></td>
<td>29. Wildlife damage (rural)</td>
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<td></td>
<td>30. Urbanisation issues</td>
</tr>
<tr>
<td></td>
<td>32. Housing</td>
</tr>
<tr>
<td></td>
<td>33. Household per capita income</td>
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</tbody>
</table>

A more detailed discussion on the purpose of the GNH Index, the weighting of the indicators, the GNH screening tool and the 2010 GNH Survey is undertaken in Chapter 3. The next section discusses the background leading to this study.

1.5 Background to Study

The notion of GNH has long interested me, as I believe in Jeremy Bentham’s theory (1748-1832) that one of human beings’ ultimate aims is to achieve happiness. Also known as the greatest happiness principle, the basic tenet of Bentham’s theory is that humankind prefers pleasure to pain. This interest in achieving happiness in life motivated me to examine the concept of GNH within the particular context of tourism.
Tourism development appears to be synonymous to economic development in many developing countries (Tisdell, 2001). This is because tourism offers economic development that provides better living standards and financial benefits (Bahar & Kozak, 2008). However, there are costs associated with tourism development such as socio-cultural degradation and risk to the natural environment (Hall & Lew, 2009; Mason, 2008). Bhutan is a developing country that has embraced controlled tourism development to protect and promote its socio-cultural and natural environment. Therefore, I was intrigued with the concept of GNH as a value based approach to tourism policy, planning and development (Teoh, 2012b).

Tourism is the highest foreign income earner in Bhutan. In 2008, tourism accounted for US$31.88 million direct gross income, contributing US$10.66 million as Royalty Fees to the government (Tourism Council of Bhutan, 2009, p.3). In 2012, international tourist revenue reached US$62.8 million, representing a growth of +31.71% from the previous year (Tourism Council of Bhutan, 2013, p.11). As such, tourism plays a key role in the government’s revenue receipts. Because of the economic importance and foreign earnings contribution tourism brings to Bhutan, the tourism industry has been widely regarded to be the ‘cash cow’ of the nation (Kinga, 2014). If tourism development is not carefully managed, an increase in international tourist numbers is most likely to have detrimental impacts on this small kingdom.

**Bhutan’s GNH Tourism Model**

This section briefly introduces Bhutan’s GNH Tourism Model in the context of slow-paced development. As explained earlier, Bhutan was closed to the outside world until 1961, when the third King began to modernise the country (Wangchhuk, 2008). He decided not to fully open Bhutan to the outside world, so that it could retain its traditional values through slow-paced development based on the principles of GNH (Ritchie, 2008) and benefit from modern technology etc. Queen Ashi Dorji Wangmo Wangchuck (2006) reaffirms the fourth King’s GNH development policy which holds that,

> Bhutan does not want to keep the outside world and the twenty-first century at bay. We want prosperity, but not at the cost of our cherished traditions and culture. We want the benefits of modern technology, but at our own pace, according to our own needs (p.21).
Tourism in Bhutan began with a handful of guests personally invited to the coronation of the fourth King in 1974. Since then, the number of international tourists to Bhutan, rose steadily from 274 in 1974 to its peak of 54,685 in 2012 (Tourism Council of Bhutan, 2013). The tourism policy was originally termed as high value, low volume, (Ritchie, 2008). This policy targets low numbers of affluent high spending tourists thereby adding value to Bhutan’s tourism development program. The media reports that “high value, low volume tourism must be maintained to prevent any negative consequence on our society and culture” (Bhutan Observer, 2012, p.25). This policy included the concept of controlled tourism in which Bhutan controlled tourism through its policy of high value, low volume. However, the first term democratically elected government changed the tourism policy to high value, low impact in 2010. The notion of high value, low impact is defined as tourism that is value-led as it seeks to add value for Bhutan. According to the Tourism Council of Bhutan (TCB),

… the basic premise of our tourism development is to ensure that the number of tourists admitted to Bhutan is well within the capacity of our socio-cultural and natural environment to absorb visitors without negative impacts, while ensuring that the experience we provide to the visitors are of high quality. This way, we target our markets based on the principle of ‘high value, low impact’ (Tourism Council of Bhutan, 2013).

Features of the GNH Tourism Model

The GNH Tourism Model has three features. The first feature is the use of a tariff structure. International tourists are charged a daily minimum tariff of US$200 per person per night during the high season (Tourism Council of Bhutan, 2009), which was increased to US$250 in 2012. This tour package consists of a minimum 3-star hotel accommodation, a pre-set tour itinerary, the provision of a tour guide, all transportation, all meals and entrance fees to cultural sites or trekking routes. The controlled tourism model ensures that international tourists visiting Bhutan should experience a high value product (Ritchie, 2008). The second feature is the prepayment for the tour package before the issuance of a tourist visa. The third feature is a direct contribution to the government coffers of around thirty percent of the tourism tariff, which is called the Royalty Fee used to provide universal education and health services. Thus, it can be argued that Bhutan’s tourism development since the 70’s, is a unique controlled tourism model.
1.6 Thesis Aim and Focus

The aim of this thesis is to examine how GNH, as an aspirational development goal, is manifest in the context of tourism policy, planning and development. The research approach evolved as a result of the Grounded Theory Methodology (GTM). As is detailed in Chapter 2, there are five Stages in the GTM process. In Stage I the research was based on an etic approach to examine international tourists’ perspectives of the GNH Tourism Model in the context of the high value, low impact policy. However, through the GTM process, the fieldwork outcomes from Stages II and III necessitated a conceptual redesign. This resulted in a change to an emic approach with a research focus on the lived experience of Bhutanese tourism stakeholders. As such, this study is an inquiry into the socio-cultural realities of GNH. Broadly, the scope of this study involves identifying Bhutanese notions of happiness and wellbeing in the context of GNH; examining how GNH is perceived in the context of tourism policy planning and development; and using two case studies (the McKinsey Report (2010) and the Ura-Shinghkar Golf Course Development (USGCD)) to examine how GNH is manifested in tourism policy, planning and development. The research question, evolved through the GTM process, is: “What are the consequences of the change in Bhutan’s tourism policy from high value, low volume to high value, low impact”.

Previous studies on tourism in Bhutan have focused on ecotourism (Dhan B Gurung & Seeland, 2008; Dhan Bahadur Gurung & Seeland, 2011; Rinzin, Vermuelen, & Glasbergen, 2007), community based tourism (Dhan B Gurung & Scholz, 2008), tourism planning and policy (Inskeep & World Tourism Organisation, 1994; Ritchie, 2008; Ken Schroeder & Sproule-Jones, 2012), sustainable tourism (T. Dorji, 2001; Inskeep, 1992; McIntyre, 2011), and power and conflict in regional tourism in Bhutan (Nyaupane & Timothy, 2010). No study has attempted to examine the consequence of the change in Bhutan’s tourism policy from high value, low volume to high value, low impact that occurred during the term of the first democratically elected government 2008-2013. This study has identified and seeks to fill that gap.
This thesis examines how the GNH Pillars are manifest in tourism policy, planning and development. The key focus is on the socio-cultural nuances of this through perspectives of Bhutanese tourism stakeholders. This research is significant because it examines a values based tourism development model. Bhutan is unique in adopting an approach to societal development and progress through the four GNH Pillars. GNH is, “at one and the same time a reflection on theories of development, on policies of development, and on the values that should guide those policies” (Mancall, 2004, p.11). The fourth King’s model of GNH as a national development approach challenges Western development policies (Mancall, 2004, p.11), which arguably centre on neo-liberalism and the private sector. By examining the manifestation of GNH in Bhutan’s tourism policy, planning and development, knowledge is provided that will be useful to other governments and tourism stakeholders. This study is timely in face of Western European leaders such as France’s Sarkosy (Samuel, 2009), Britain’s Cameron (ABC News, 2010), and more recently Germany’s Chancellor Merkel’s (Fuchs, 2013), calls to include happiness in the development paradigm.

1.7 Dissertation Overview

Chapter 2 establishes the dissertation’s methodology and research design. I discuss and justify the adoption of a qualitative and constructivist approach using Grounded Theory Methodology (GTM). Using an ethnographic approach, I apply reciprocity, fieldwork, participant observation, photo taking, engaged listening, document analysis and social media, case studies and semi-structured interviews. I discuss the use of the Nvivo10 qualitative analysis software program as a tool to sort and analyse the interview data that led to grounding the theoretical framework.

Chapter 3 details Stage I of the GTM process in two Parts. I begin Part I with a review of GNH in order to develop a deeper understanding of the GNH development philosophy. In Part II, I describe my romanticising of GNH, after social interactions with Bhutanese students in Perth that led to the Bhutanese Cultural Event, before my visit to Bhutan. I also discuss Bhutan’s Lhotshampa Refugee issue of the 1990’s. Methodologically, and within the GTM process, this chapter entails the inductive process of data collection, coding, and memoing.
Chapter 4 discusses Stage II of the GTM process in three Parts, and presents the experiences of my first fieldwork: a scoping visit to Bhutan. In Part I, I discuss GNH development in light of Western literature concerning development, modernisation and the Human Development Index in order to further understand and contextualise GNH as development philosophy within a Buddhist paradigm. In Part II, I discuss tourism as a development catalyst. I examine the GNH Tourism Model in detail and highlight three key tourism issues. In Part III, I describe the apprehension I faced regarding the policy of high value, low impact through my tourism experiences in Bhutan and discuss how I negotiated permission for this study. Finally, I discuss two significant outcomes from this visit: my moment of spiritual enlightenment, and the invitation to participate in the ten-day Strategic Tourism Destination Management (STDM) Workshop.

Chapter 5 presents Stage III of the GTM process divided into two Parts: Part I - The Workshop and Part II - the aftermath for me. In Part I, I discuss The Workshop and review Bhutan’s key tourism policy documents. I highlight the strains within the TCB and the unease between tourism stakeholders and the TCB. In Part II, I investigate and highlight the contradictions within GNH, the tensions surrounding the McKinsey Report and the controversy in the Ura-Shinghkar Golf Course Development (USGCD) proposal that required a redesign in the research focus.

Chapter 6 reflects Stage IV of the GTM process and is in three Parts. In Part I, I narrate my experiences at a wedding, the Thimphu *Tshechu* and a funeral in terms of the three GNH domains of community vitality, cultural diversity and time use. In Part II, I discuss the tourism stakeholders’ interview procedure. Finally in Part III, I present the themes deducted from the tourism stakeholders’ interview data. In terms of the GTM, this chapter centres on theoretical saturation.

Chapter 7 presents Stage V of the GTM process. The Chapter draws the research together through a discussion of Foucault’s governmentality as the theoretical framework for the analysis of the research. I discuss consequences from the change in tourism policy from high value, low volume to high value, low impact. I analyse Bhutan’s governance and the paradox in tourism policy. I discuss governmentality in GNH as the creation of enabling conditions to achieve GNH; the people’s power in the Ura-Shinghkar Golf Course Development (USGCD); and the politics in the *Lhotshampa* refugee issue. Methodologically, this chapter situates my post-fieldwork and represents the process of deductive analysis.
In the concluding Chapter 8, I demonstrate how the research question, aim and focus have been achieved. I reveal a disconcerting discovery of the disjuncture in tourism policy, discuss the dynamic nature of Bhutan’s tourism policy, planning and development and propose the Post-McKinsey Report GNH Tourism Model. I draw on the methodological strength of the research to signify its contributions to knowledge. I discuss the limitations of the study, the implication on the Post 2015 New Development Plan and conclude with recommendations for further research.

1.8 Conclusion

The opportunity to experience the mystical charms of Bhutan together with its traditional culture and Buddhist values of zakar remains a dream for many people. A journey to experience Bhutan’s majestic peaks, along with its aspirational GNH philosophy, attracts travellers and academics alike. In this Chapter, I have introduced Bhutan’s geographical location and contextualised the GNH philosophy and outlined Bhutan’s value system that is influenced by its Mahayana Buddhist values. I have provided a brief history of Bhutan ranging from the ancient times to the first term democratically elected government. I have presented the concept of GNH as a shared value of happiness and wellbeing based on the Four GNH Pillars, and the GNH Index. I have given the background to the study and discussed the features of the GNH Tourism Model and its important to Bhutan’s development.

This dissertation aims to broadly inquire how GNH, as Bhutan’s aspirational development goal, is manifest within the specific context of tourism policy, planning and development. To do this, the thesis focuses on the socio-cultural nuances of tourism stakeholders’ perceptions of the GNH Tourism Model. The inquiry leads to grounding the research question, evolved through the GTM process, and which is: “What are the consequences of the change in Bhutan’s tourism policy from high value, low volume to high value, low impact”. The auspicious journey begins in the next chapter through a discussion of Grounded Theory Methodology.
Chapter 2 : Grounded Theory Methodology

“Knowledge is not neutral, nor are we separate from its production or the world”
(Charmaz, 2006, p.185).

“Researchers as well as the researched construct their own multiple versions of reality”
(Phillimore & Goodson, 2004, p.40).

2.1 Introduction

The production of knowledge is never neutral; and there are pluralities of reality, as the authors above suggest. We are actors and agents (part and parcel) of reality in knowledge construction. This chapter outlines the dissertation’s methodology and research design. First, I discuss my methodological journey and how I employed a qualitative inquiry that led to a constructivist Grounded Theory Methodology (GTM). I then explain the five stages in the GTM, before discussing my research methods and the use of the software NVivo10 program for the analysis of the tourism stakeholders’ interview data that resulted in grounding the governmentality theoretical framework.

2.2 The Methodological Journey

Research projects are dynamic in nature. Even with the best of planning, a researcher can face challenges resulting in methodological changes (Breckenridge, Jones, Elliott, & Nicol, 2012). In this study, my position, being a foreigner to Bhutan, is at the same time an advantage and disadvantage. It is an advantage in that I can negotiate access to the Bhutanese students and tourism stakeholders, analysis data objectively and avoid potential power conflicts; a disadvantage in that my own bias can impact upon the limitations of my viewpoint during data analysis. However, I believe that these positioning advantages and disadvantages provided me with. Because of the challenges I faced, I had to make subsequent adjustments in order to advance the investigation.
I faced challenges in establishing an appropriate methodology because I began with investigative assumptions based on my own perceptions, ideals and rationalities about the research context. However, through being in the field (socialising with the Bhutanese student community in Perth, and engaging with tourism stakeholders in the subsequent fieldwork visits to Bhutan) my understanding of GNH and the GNH Tourism Model was challenged. The emerging data from the Bhutanese students about their perceptions of GNH, and from the tourism stakeholders about their perceptions of the GNH Tourism Model, differed markedly from my own assumptions. For instance, the emergent conceptualisations of happiness were different from my understanding of GNH as a finished product and something already achieved. I was confronted by my own ignorance of what happiness means to the Bhutanese and had romanticised the notion of GNH. As such, I was confronted with the challenge of a major and necessary methodological change.

The original focus of the research was to determine international tourists’ perceptions of the GNH Tourism Model. Based on commentaries from social media, there appeared to be shortcomings in the GNH Tourism Model. Commentaries included complaints regarding: a poor level of hospitality service, substandard hotel accommodation, a lack of public toilets, long windy roads, the stray dog population, and a lack of a variety of cuisine. To pursue this line of inquiry, I originally designed a research project using a survey questionnaire of international tourists’ in order to gauge their perceptions of the high value, low impact GNH Tourism Model. I assumed that the most appropriate methodology would be quantitative, and the most appropriate method would be a survey of groups of international tourists upon their arrival before their tour began, and another survey administered at the end of their visit. The focus was to compare tourists’ perceptions of the GHN Tourism Model with their experience of it. The desired outcome was to identify any gaps between the tourism products on offer and the experiences of these international tourists.
However, during my initial investigations, interactions with two groups of Bhutanese redirected my line of inquiry. First, through social interactions with the Bhutanese Student community in Perth (around 100 people) in 2010, I discovered that there was a difference between my understanding of GNH and what GNH meant to the Bhutanese people depending on factors such as their ethnicity, location and gender. This student community consisted of predominately 60% Ngolops (from the West) and 30% Sharchops (from the East), with a small minority 10% of Lhotshampas (of Nepali origins from the southern Dzongkhags). I befriended two Lhotshampas and in several of our conversations, the issue of Lhotshampa refugees surfaced (refer to Section 3.8).

I also discovered that for this student community GNH exists in both a spiritual and material context. For these Bhutanese students, happiness is generally achieved through spirituality. All twelve Bhutanese households I visited in Perth had a Choesham (Buddhist Altar or shrine) with Thangkhas (paintings) of Buddhist deities (see Figures 3.8 & 3.9 in section 3.7.1). Happiness to these students was also equated to materialism: earning enough money to buy a house, a car, a piece of property (land) in Bhutan, and to lead a comfortable life. Generally, the main objective in coming to Australia, alongside pursuing a post-graduate degree, was to earn money for a better life in Bhutan. Socialising with the Bhutanese students provided my first opportunity to understand a Bhutanese experience of GNH and this in turn helped to shape the methodological journey.

The second set of interactions with the Bhutanese occurred in my subsequent scoping visit in 2011 during which I discovered tensions between tourism stakeholders and the government regarding the expansionist McKinsey Report (2010) and the USGCD proposal. The McKinsey Report was the strategic action plan of the ABSD implemented by the government and which advocated an increase in tourist numbers to 100,000 by 2012 (refer to Section 5.4). The USGCD project proposed to develop tourism by building a golf course in a remote village of Shingkhar, in the Gewog of Ura, in the Dzongkhag of Bumthang in Central Bhutan (refer to Section 5.5). These deeper insights into the GNH Tourism Model confronted my own assumptions and understandings of GNH and of the GNH Tourism Model. Through reflection, I realised I needed to use a qualitative inquiry, with an emic focus on tourism stakeholders’ perceptions of how GNH is manifest in tourism policy, planning and development.
2.2.1 Qualitative Approach

A qualitative research approach can provide deep insights into socio-cultural worldviews. As such, a qualitative approach is most appropriate to explore Bhutan’s socio-cultural meanings within the context of GNH and the GNH Tourism Model. An ethnographic approach follows, “the art and science of describing a group or culture” (Fetterman 1989, p.11) through the, “in-depth study of people in their natural setting” (Sarantakos, 2005, p.426). According to Charmaz (2006) ethnography involves, “recording the life of a particular group”, requiring, “sustained participation and observation in their milieu, community, or social world” (p.21). This includes participant observation, or, “an observer being a member of the group that he or she observes” (Sarantakos, 2005, p.430), and analysis of data taken from documents, interviews and questionnaires.

Consequently, the data obtained represents an emic perspective, or insiders’ view, rather than an etic perspective or outsiders’ view (Matsumoto & Juang, 2004, p.20). Hollinshead (2004) proposes that qualitative analysis offers a humanistic and holistic research approach, which is reflective of a societal consciousness that can give voice to populations who are rarely heard. In this sense, Hollinshead (2004) contends that, “conducting qualitative research is a political act […] the age of a supposedly value-free social science has ended” (p.78). By this Hollinshead suggests that the researcher’s interpretation in qualitative analysis is necessarily part of the research and is a value judgment. This value judgment is necessary in order to give voice to the Bhutanese tourism stakeholders. By investigating lived experiences and social realities of the Bhutanese tourism stakeholders, I am closer to the truths as constructions of their lived experiences, and am also able to trace political power at play. In this study, I do this through a constructivist paradigm.
2.2.2 Constructivist Paradigm

A constructivist paradigm in social research provides an understanding of the diverse meanings created by participants in the inquiry. According to Patton (2002, p.100), “knowledge is viewed relative to time and place, never absolute across time and space”. Charmaz (2006, p.32) suggests that a constructivist approach elicits, “the participant’s definition of terms, situations, and events” and taps “his or her assumptions, implicit meanings, and tacit rules”. Furthermore, Charmaz (2006, p.184) suggests that the value of a constructivist approach is that understanding is gained, “while becoming increasingly aware of the interactive and emergent nature of your data and analyses”. The constructivist paradigm is appropriate because the focus of this study is to uncover emic perspectives in the context of the GNH Tourism Model. In addition, Perneckys (2012) suggests that the application of constructivist discourse is under-utilised in the study of tourism (p.1127). Thus, this study advances the constructivist paradigm in tourism knowledge through a grounded theory methodology, which I turn to next.

2.3 Grounded Theory Methodology (GTM)

In this section I explain the concept of GTM, highlight the key features of the inductive approach, discuss developments in GTM, review the four criteria to evaluate data collection, and situate this dissertation in advancing the application of GTM in the study of tourism.

GTM features a form of theoretical inquiry situated within the qualitative research paradigm. The founders of GTM were Barney Glaser and Anselm Strauss (1967). Glaser and Strauss were influenced by the concept of symbolic interactionism (Mead 1932, Blumer, 1969), where, “people act toward things based on the meanings of those things to them; meaning is derived from social interactions, and meaning is a result of an interpretive process used by people to deal with the stimuli that they encounter” (Jaccard and Jacoby, 2010, p.257).
One key way of knowing what GTM is, is to know what GTM is not: GTM is not verifying existing theory, that is, there is no hypothesis testing (Glaser & Strauss, 1973, pp.10-13). A literature review is not carried out before fieldwork so that there is no, “preconceived theoretical framework” (Glaser & Strauss, 2012, p.45). However, it would be naïve and dishonest to claim that I had no prior information about Bhutan and GNH before my fieldwork in Bhutan as institutional requirements demanded a preliminary literature review (refer to Chapter 4). However, in keeping with GTM, and as a result of the methodological change during the research process, the theoretical framework emerged from the tourism stakeholder interview data. GTM offers, “an inductive approach to the study of social life” (Babbie 2005, p.483). That means the researcher starts with interest in the field of study and allows knowledge from the fieldwork data to emerge (Charmaz, 2006, p.17).

**Developments in Grounded Theory Methodology**

GTM has developed since its inception. Glaser and Strauss (1967), began theorising GTM together, however they had a falling out in their approaches: namely between Glaser’s emergent theory and that of Strauss’s forcing the data to fit the theory (Strauss and Corbin, 1990). Glaser promotes a purist approach (Glaser, 1992) focused on open coding, flexibility, and inductive analysis based on a positivist approach that derives theory from a quantitative method (for example, counting the number of times a theoretical concept is expressed across the sample population). In contrast, Strauss and Corbin’s (1990) approach to GTM offers a more practical and pragmatic approach, where data are forced into preconceived categories. Glaser objected strongly to Strauss’s prescriptive ‘axial coding’, which in Glaser’s mind is a way of ‘forcing the data to fit the theory’, thereby fast tracking the findings (Glaser, 1992). Regardless, both approaches are subject to theoretical sampling and theoretical saturation, which is the cornerstone of GTM.

Urquhart (2013) argues for Glaser’s purist method as the more credible method, for the idea of emergent means that, “we stay true to our data, we look for what the data is telling us” (p.17). However, Urquhart also suggests that,

> … the idea of whether or not some inherent truth resides in the data depends on your point of view. I prefer to think of constructing meanings about the data, but the idea that you give the data due consideration, due respect, before imposing other theories on it makes perfect sense (p.17).
In this sense, Charmaz (2000, 2006; Charmaz & Mitchell, 2001) offers a shift towards a constructivist GTM paradigm, and suggests, “we construct grounded theories through our past and present involvements and interactions with people, perspectives, and research practices” (Charmaz, 2010, p.10). In doing so, Charmaz, (2010) argues that the “theoretical concepts serve interpretive frames and offer an abstract understanding of relationships” (p.140).

In this study, I adopt Charmaz’s constructivist GTM paradigm, in which the focus is on the abstract relationships grounded in the richness of the emerged data rather than on Glaser’s quantification of emerged data. More importantly, the iterative process of GTM allows further investigations that lead to the development of emerging themes known as theoretical sampling or constant comparison method. Charmaz (2006) purports that, “whereas quantitative researchers want to use their data to make statistical inferences about their target populations, grounded theorists aim to fit their emerging theories with their data” (p.101). Following Charmaz’s constructivist GTM approach, I develop the connections in the emerging data that is grounded in the research context.

Criteria to evaluate data collection

Charmaz recommends four criteria in constructivist GTM to evaluate the data collected, namely: credibility, originality, resonance, and usefulness (Charmaz, 2000, 2006). Essentially, a range of credible data must be collected and examined that inductively fit arising concepts and themes. This can be achieved through close familiarity with the setting so that there is sufficient data to merit claims. For the originality criteria, the dissertation must establish fresh categories that offer new and significant insights and concepts. The resonance criterion is associated with categories that portray the fullness of the inquiry. The usefulness criteria examine the ability of the analysis to offer contributions to knowledge.
GTM’s inductive approach offers “explanations which are relevant to a particular set of circumstances and situations” (Crowther & Lancaster, 2009, p.185). GTM is ideographic as it provides a symbolic representation of thick description but with limited capacity for generalization Wolcott (2001, p.38). However, Strauss and Corbin (1990) suggest that the robustness of GTM lies in the validation of outcomes against the data through the grounding process (p.133). A review of previous studies using GTM suggests that GTM gained prominence in the last one and half decades\(^1\). However, there are limitations using GTM (Harry, Sturges, & Klinger, 2005), which will be addressed in Section 8.6. My study advances this trend by applying the five stages of GTM to understand how Bhutan’s aspirational GNH development philosophy is manifest in the GNH Tourism Model.

2.4 Five Stages in GTM

There are five key stages in the GTM process of: data collection, coding, memoing, theoretical sampling, and theoretical saturation. These five stages explain the logic and sequence of GTM (see Figure 2.1). However, the approach is not linear in practice. At the heart of Grounded Theory is the question ‘what is happening here?’ Grounded Theory is particularly useful in an ethnographic approach and can be constituted as a craft that researchers practice because of its iterative element (Charmaz & Mitchell, 2001).

\(^1\) There have been previous studies using Grounded Theory Methodology in education (J. Stewart, 2007; Williamson, Carnahan, & Jacobs, 2012), media (Mc Ginley, 2009), nursing (Morgan, 1999), disability study (Galvin, 2004), sociology in ocean cruising culture (Jennings, 1999), organisational behavior (Boaks, 2006), law (crime) (Field, 2012), security and risk (refugee) (Hoffman, 2010), psychology (Henshaw, 2000), sports (Fletcher & Sarkar, 2012) and in tourism (Daengbuppha, Hemmington, & Wilkes, 2006; Lumsdon & McGrath, 2011; Martin & Woodside, 2008; Mehmetoglua & Altinayb, 2006; Papanassiss & Knolle, 2011; Woodside, Macdonald, & Burford, 2004).
2.4.1 Initial Data Collection

The process of GTM begins with the first stage of gathering information (data), in the general area of study and within the academic discipline, in order to identify the initial research problem. Unlike quantitative methodologies, which usually begin with a review of existing theory (Bryman, 2012), GTM engages with the data directly (Charmaz, 2006; Glaser & Strauss, 1967, 1973). As such, general information on Bhutan is deemed relevant until the focus of the inquiry is established. I gathered information on Bhutan in order to situate the research problem. For instance, I first examined Bhutanese tour operator websites, institutional websites (GNH Commission, TCB), and discovered data that indicated the lack of infrastructure (roads, public amenities, water and electricity supply) and superstructure (hotel and hospitality services). Additionally, I examined Bhutan’s 10th Five Year Plan Tourism Policy (TCB, 2007), and the Bhutan Tourism Monitor Reports (2008-2012), as well as Bhutanese media websites: newspaper articles from Kuensel, Bhutan Observer, Business Bhutan and Bhutan Today. This range of data collection in the first stage of GTM provided me with an understanding of some of the tourism issues. An analysis of these issues then led to further inquiry.
Figure 2.1. The grounded theory process.

Source: Charmaz 2006, p.11.
2.4.2 Coding

The second stage in GTM is to code the data to have a sense of the emerging concepts as they reflect the socio-cultural realities. The data coding is dealt with in three forms: open, axial and selective coding (Strauss & Corbin, 1998), and each serves a distinct function. The aim of open coding is to identify first-order concepts and substantive (dealing with significant matters) codes. In other words, the researcher combs through the data to label and identify patterns, and look for central themes that conceptualise the data (Strauss and Corbin, 1998, p.224). An example of open coding during the initial interactions with the Bhutanese student community in Perth is the perception of GNH as branding (Personal communications, December 04, 2010). Subsequent discussions suggest that GNH is difficult to achieve. For instance, there is much poverty in the rural areas (Personal communications, July 23, 2011), which the government needs to address.

Axial coding advances the open coding in that it brings together concepts that build relationships to show a pattern. Strauss and Corbin (1998) define axial coding as, “relating categories to subcategories along the lines of their properties and dimensions” (p.124), as if one is driving an axis through the data. The process of axial coding inducts concepts and themes that lead to higher theoretical codes. Written memos are an example of axial coding (to Appendix 4.16). Selective coding cements higher order core concepts that lead to the central focus of the study. The researcher aims for the highest abstract level of categories. This process is further developed through theoretical sampling (see Section 2.4.4) until theoretical saturation (see Section 2.4.5). In this study, I used NVivo coding. This means I derived selective codes based on participants’ lived-experiences through their spoken words. A coding example of the tourism stakeholders’ interview data is provided (see Table 2.1). These selective codes are formulated as higher core concepts. As emerging patterns arise from higher concepts, the researcher notes these emerging concepts through writing theoretical memos.
Table 2.1. Coding in NVivo from interview transcript.

<table>
<thead>
<tr>
<th>Part of interview transcript on &quot;What does happiness mean to you?&quot;</th>
<th>Participant</th>
<th>NVivo Open Coding</th>
</tr>
</thead>
<tbody>
<tr>
<td>...happiness comes only after you have sort of ...what do you call...fulfill the three basic requirement, food, shelter and clothing. After that I think specially you know it depends on what stage of life you are in and what is your ... what sort of relationships you have. As a married person and with children, I think family life and children's happiness is foremost. Once you fulfilled your filial responsibility and then I think talk about personal happiness ... basically being happy in the true sense of the word, that is being happy by being detached ... maybe from the Buddhist concept of happiness.</td>
<td>23. TCB3/m</td>
<td>food shelter clothing family filial responsibility Buddhism detachment</td>
</tr>
</tbody>
</table>

2.4.3 Memoing

The third stage in GTM is memoing, which facilitates reflection and allows for understandings to evolve as the coding process occurs (Glaser & Strauss, 2012). Memos help to contextualise the data and assist in developing theoretical insights (Walter 2006, p.268). For example, during social interactions with the Bhutanese students, I observed that there is a sense of pride in working for the government (Personal communication, December 28, 2010). This sense of pride as a civil service employee was further reinforced during the scoping visit.

Within memoing, there are three types: code, theoretical and operational (Jaccard & Jacoby 2012). Code memoing refers to notes taken that are relevant to the creation (coding) of categories. Operational memoing refers to directions about the evolving research design and data collection strategies. Theoretical memoing (see Table 2.2) refers to theoretical propositions linking categories or variables (Jaccard & Jacoby, 2012, p.268).

Table 2.2. Examples of memo types.

<table>
<thead>
<tr>
<th>Memo type</th>
<th>Issue</th>
<th>Action taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>Code memo</td>
<td>13.09.12. Tourism biggest foreign income earner</td>
<td>Cross-check for newspaper reports supporting this assertion</td>
</tr>
<tr>
<td>Operational memo</td>
<td>07.09.12. Notice participants nervous about written consent</td>
<td>Ensure explanation given regarding interviewees' rights on giving consent and the reasons behind it</td>
</tr>
<tr>
<td>Theoretical memo</td>
<td>07.09.12. Participant does not understand the four GNH pillars</td>
<td>Need to explain the four GNH pillars Establish that not everyone understands the construction of GNH</td>
</tr>
</tbody>
</table>
Together, these three memoing types provide a crucial link between the data and research construction. Memoing is likened to an audit trail in documenting the research process (Strauss & Corbin, 1998, p.273). Memoing helped me contain and compartmentalise my thinking process that later lead to describing and defining concepts (also known as conceptual mapping) (Babbie, 2005). Thus, memoing is a powerful function that facilitates and raises questions for further investigation leading to theoretical sampling.

2.4.4 Theoretical Sampling

The fourth stage in GTM is comparative analysis, also known as the practice of theoretical sampling or constant comparison. This process is used to provide rigor and credibility to build a substantive theory or research outcome. Glaser and Strauss (2012) suggest that, “theoretical sampling is done in order to discover categories and their properties” (p.62). According to Urquhart (2013), theoretical sampling is akin to, “deciding on analytical grounds where to sample from next” (p.42). Charmaz best summarises theoretical sampling as, “sampling to develop the properties of your category (ies) until no new properties emerge” (2006, p.96). The decision on where to sample next is based on memos written as part of the analysis process. Thus, rigor and credibility are ensured through operating the features of theoretical sampling.

Theoretical sampling is a key strength in GTM as, “it allows researchers to follow an emerging storyline suggested by the data” (Urquhart, 2013, p.8). Thus theoretical sampling facilitates prediction as to where and how one finds the required data to cement those gaps and saturate categories (Charmaz, 2006, p.103; Jaccard & Jacoby, 2010, p.258). This is particularly useful to test social meanings given to a concept, which in this study revolve around conceptions of GNH. As Charmaz (2006) suggests, “theoretical sampling pertains only to conceptual and theoretical development” (p.10). In other words, it is to locate another source of data that can confirm the developing analysis to the point where the data fits the analysis, also known as theoretical saturation (Gibbs, 2002, p.229). In this study, theoretical sampling follows an iterative process involving three fieldtrips to Bhutan, where on each occasion, various discussions with tourism stakeholders occurred, which subsequently led to the eventual grounding of the interview questions. In addition, secondary media sources (newspapers and social media) add to the constant comparison method, as well as the iterative process in collecting evidence to ground theory.
2.4.5 Theoretical Saturation

The final stage in the GTM is theoretical saturation, which refers to, “the decision to stop data collection because more data will not add anything new” (Jaccard and Jacoby, 2010, p.269). Glaser and Strauss (2012, pp.224-225) suggest that theoretical saturation is achieved, when the researcher is convinced that his [sic] conceptual framework forms a systematic theory, that it is a reasonably accurate statement of the matters studied, that it is couched in a form possible for others to use in studying a similar area … [and] he has been living by his analyses, testing them not only by observation and interview but also by daily living (ibid, p.225).

In this study, I achieved a sense of data saturation by the thirtieth tourism stakeholder interview, and found the additional six interview participants’ data saturated with repetition.

In summary, emergent themes evolve through the five stages in the GTM process. The iterative elements allow grounded theorists to discover and rediscover ideas that evolve from the data until such point where saturation occurs or no new ideas evolve (Glaser & Strauss, 1967). GTM is premised on the dictum that “all is data” (Glaser, 2001, p.145). In grounded theory, the data collection is limited only by its relevance to analysis, also known as theory generation. My research process used a range of methods of data collection, which I discuss next.

2.5 Research Methods

The research methods used in this study relate directly to the grounded theory methodology, and the overall research design reflects this. A range of research methods is used, including: fieldwork, participant observation (engaged listening and observation, photo taking), document analysis (formal documents, social media, newspaper articles), case studies (McKinsey Report and USGCD), and semi-structured interviews with tourism stakeholders. This study aims to inquire how GNH, as Bhutan’s aspirational development goal, is manifest within the specific context of tourism policy, planning and development. The focus is to examine tourism stakeholders’ perspectives on GNH in the context of tourism grounded through the GTM process (see Figure 2.2).
2.5.1 Reciprocity

Underpinning this research design is a reciprocity paradigm. I discuss reciprocity before discussing the methods and explaining the research design. When researching in an indigenous community setting, it is important to acknowledge and discuss socio-cultural expectations (social custom), in particular the notion of reciprocity (Yan, 1996). Apart from my self-interest to secure social ties, build trust with the Bhutanese people, and gather background knowledge, my intention was to establish reciprocity or giving back (Adams, 1998). As a researcher, I capitalised on participants’ resources, including their time, intellectual property, and sense of hospitality. In this study, I see reciprocity as giving back or compensation.

Reciprocity took a number of forms. Gift giving (Adloff and Mau, 2006) was applied in various forms during my fieldwork, including, souvenir gifts from Australia and/or a meal and drinks. Other actions of reciprocity included organising events and staff development, contributing to planning discussions, and giving feedback on TCB presentations (see Table 2.3).
<table>
<thead>
<tr>
<th>Stage</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Stage I: Perth</strong></td>
<td>1. The conceptualisation and organisation of the Bhutanese Cultural Event (BCE) in Perth in August 2010.</td>
</tr>
<tr>
<td></td>
<td>2. Donations collected from BCE for the Respect Educate Nurture and Empower Women (RENEW) Program.</td>
</tr>
<tr>
<td><strong>Stage III: Thimphu, Bhutan</strong></td>
<td>3. Entertained Bhutanese students to dinner at my home (16 occasions), organised picnics (4 occasions), provided food and drinks at invited social gatherings (26 occasions), and provided transportation (12 occasions).</td>
</tr>
<tr>
<td></td>
<td>4. The Workshop – Brainstorming contributions to the 11th Five Year Plan at the Strategic Tourism Destination Management Workshop (STDMW), 05th – 16th December 2011.</td>
</tr>
<tr>
<td></td>
<td>5. Oral presentation to tour guides (16th December 2011) on cultural differences in Chinese tourists between Mainland Chinese and South East Asian Chinese.</td>
</tr>
<tr>
<td><strong>Stage IV: Thimphu, Bhutan</strong></td>
<td>6. Trained and provided employment to one local transcriber, Thimphu, Bhutan.</td>
</tr>
<tr>
<td></td>
<td>8. NVivo10 Workshop for Tourism Council of Bhutan staff: Introduction to Qualitative Social Research Methods using NVivo10 analysis tool, on 07th and 13th December 2012, Thimphu, Bhutan (see Figure 2.3).</td>
</tr>
<tr>
<td><strong>Stage V: Perth</strong></td>
<td>9. Comments on draft copy of the Bhutan Tourism Monitor 2012 (March 2013) and 2013 (March 2014).</td>
</tr>
<tr>
<td></td>
<td>11. Assisted with contents of oral speech and power point presentation “Beyond Mass Tourism: Targeting for less to get more” for the Tourism Council of Bhutan, at The World Tourism Conference, 21st - 23rd October 2013 held in Malacca, Malaysia.</td>
</tr>
<tr>
<td></td>
<td>12. Critique provided on TCB’s <em>Bhutan’s Drive Tourism</em> Paper for the Asia-Pacific Drive Tourism Conference, 29th January - 02nd February 2014 held in Manila, the Philippines.</td>
</tr>
</tbody>
</table>
A major way of giving-back post fieldwork was in the form of a report of my findings to the TCB. This report: *To change or not to change: The way forward for the GNH Tourism Model*, detailed the three tourism stakeholder interview questions which were specifically designed for the TCB, and which do not form part of this dissertation. The three interview questions were:

1. What are some of the tourism challenges in achieving the GNH goals?
2. What are some of the strategies to manage these challenges?
3. What change would you like to see in policy in order that the GNH Tourism Model can help achieve happiness?

Reciprocity with the TCB was important to me because the TCB sponsored my temporary residence permit and provided logistical assistance (transportation and use of office space) during my fieldwork. Giving-back also involved keeping interview participants informed of the research outcomes: all participants received an executive summary of the TCB Report and access to the full report.
2.5.2 Fieldwork

This study involved three fieldwork trips to Bhutan. The first was carried out between 11th to 25th October 2011, the second from 4th to 18th December 2011 and the third from 30th August to 15th December 2012. The first fieldwork was a scoping trip focused on my experiencing Bhutan as a tourist, presenting my research project to the various authorities, establishing myself as a researcher and seeking permission from the TCB to carry out my research project. The focus of the second fieldwork trip was in response to an invitation by the TCB to attend their ten-day Strategic Tourism Destination Management Workshop (STDMW). The third fieldwork trip was to conduct the tourism stakeholders’ interviews.

2.5.3 Participant Observation and Engaged Listening

Participant observation provides an important method to study and gain insights into a group of people, mostly used by ethnographers. Participant observation is “a form of observation in which the observer becomes a member of the group or a part of the situation he/she observes” (Sarantakos, 2005, p.430). In any study involving fieldwork, importance must be given to the social milieu, and one way is to observe and participate in that social milieu. Belsky (2004) refers to participant observation as “the method of researchers making observations in the course of taking part in the activities of the people they study” (p.277), in order to gain an insider’s view. The researcher participates, interacts and observes first hand in the research setting (Walter, 2006). Recent discourse on participant observation has also identified the importance of engagement through photo taking (Allen, 2012; Crang & Cook, 2007; Johnson, Sharkey, & Dean, 2011; O’Reilly, 2009; Watson & Till, 2010) during fieldwork. Taking photos can be a powerful way to demonstrate credibility and invite participation from readers (O’Reilly, 2009). Crang and Cook (2007) suggest that photos, “provide more insights into the social milieu of actors” (p.160).

The practice of engaged listening has increasingly attracted attention in research (Cohen & Rapport, 1995; Forsey, 2010). Cohen and Rapport (1995) argue that ethnographic researchers (especially anthropologists) listen above all else. Similarly, Forsey’s analysis of key British, American and Australian anthropological journals revealed that,

… a little less than half of them were based on a roughly equal mix of what is seen and heard in the research process, 45 percent on interviews and informal conversations and only 7 percent on what the ethnographer observed (cited in Hockey & Forsey, 2014, p.158).
Forsey concludes that ethnographers,

… report more of what they hear in the field than what they observe, that we listen to people at least as much as we watch them and that it is therefore useful to allow engaged listening to sit on equal footing with participant observation when discussing what ethnographers do (Forsey, 2010, p.569).

In this study, I have used participant observation, photo taking and engaged listening methods in four ways.

Firstly, I spent approximately a year and a half socialising with the Perth-based Bhutanese student community (of around 100 people including spouses and children) in order to establish social ties and gather information about their cultural values and their notions of GNH. As Bhutan was completely foreign to me, this social interaction gave me vital preliminary insights and understanding into a cultural group that is otherwise largely inaccessible. I used participant observation, photo taking and engaged listening during these social interactions, and these informed the initial coding and memoing stages in grounded theory.

Second, I used these methods on my first scoping trip to Bhutan in October 2011 during discussions with government officials, tour operators, hoteliers and the Bhutanese public (residents) regarding my research project. My intention was to gain deeper insights into the Bhutanese way of life, thinking and their concept of GNH. My visit coincided with the busiest tourist season, as well as the Royal Wedding on 13th October. I used photo taking to represent participant observation in terms of the tourist experience. I was confronted with some of the complexities and contradictions within GNH philosophy. For example, whilst preservation and conservation of the natural environment is one of the GNH Pillars, there appeared to be little effort taken on waste management. This was evidenced in Thimphu when I visited the iconic tourism attraction Taktsang Monastery (see Figure 2.4), also known as Tiger’s Nest, built in 1692 and perched at 3120 meters high on a cliff in Paro (Ardussi, 1999).
I observed litter all along the tourist trek route of one of Bhutan’s holiest temples, as well as soil erosion on paths from use by tourists, and the horses and donkeys used to carry both tourists and supplies. What struck me most was a lack of public toilets. On a more positive note, I found there was a ban on the use of plastic bags, and on the use of tobacco. Such insights provided me with a sense of the realities of the GNH Tourism Model and led me to have discussions with the TCB on such issues.

Third, I used these methods when I was invited to participate in the TCB’s STDMW held in December, 2011. This provided me with an opportunity to interact with the TCB and other tourism stakeholders, and to understand the GNH Tourism Model from their perspective. As a result, I became aware of the strains within the TCB, as well as between tourism stakeholders and the government. Lastly, I used these methods during fieldwork concerned with the tourism stakeholders’ interviews between August and December 2012. Participant observation, photo taking and engaged listening provided me with the tools for social emersion in the fieldwork. This experience also helped me build social relationships and to establish myself as a researcher.
2.5.4 Document Analysis, Media and Social Media

An important document source is official tourism documents, including:

- *Bhutan’s Tourism Tariff Review and Recommendations for Change 2002*
- *Bhutan’s Tourism Potential Research and Recommendations 2002*
- *Sustainable Tourism Development Strategy 2005*
- *Strategic Plan for Association of Bhutanese Tour Operators (ABTO) 2008-2010*
- *Bhutan Tourism Monitor Reports 2008-2013*
- *Draft Tourism Act, Tourism’s Role and Mandate 2011*
- *Draft Diagnostic Trade Integration Study (DTIS) 2011*
- *Regional Tourism Markets to Bhutan – A market analysis 2012 and*
- *Tourism Strategy and Development Plans 2013-2018*

These official tourism policy documents are difficult to obtain. However, as I have established trust with the TCB authorities, these documents were made available to me. They provide historical and political insights that enriched my understanding.

Newspaper articles provide a wealth of information that is reflective of the nation’s voice on current issues in the media (Lamble, 2011). I collected and analysed Bhutanese newspaper articles from the *Bhutan Observer, Business Bhutan, The Bhutanese, Kuensel* (both in print and electronic) and the *K2 Magazine* (weekday magazine of *Kuensel*). These newspaper articles contribute to the research in ways in which interviews and participant observation were unable to do. For example, newspaper articles reflected diverse public opinions, perspectives and sentiments in the McKinsey Report and the USGCD Proposal, which informed the research. Similarly, social media provides a tool to obtain social knowledge (Girard & Girard, 2011). For instance, I used social media platforms such as websites of Bhutanese: government and non-government agencies, tour operators, and bloggers to gather relevant information.
2.5.5 **Case Studies**

This research also uses two case studies. A case study is particularly appropriate for the, “in-depth study of a single instance of some social phenomenon” (Babbie, 2005, p.480), and suits the ethnographic, GTM approach. In this study, I used Yin’s (1993, p.5) explanatory case study approach in the case of the McKinsey Report, through which tensions were highlighted between the government’s expansionist tourism policy and some tourism stakeholders, and the descriptive case study approach in the case of the USGCD proposal, which illustrated the application of good governance.

2.5.6 **Semi-structured Interviews**

Interviews are a powerful tool to gather knowledge on participants’ perceptions and experiences. Hockey and Forsey (2014) suggest that researchers should regard, “the interview as a moment of engagement, a site of participation in the life of a person we meet and talk with” (p.160). The GTM process allows researchers to develop and ground research aims and interview questions. This is particularly useful in this study because of the constructivist paradigm that underpins the study. In order to examine tourism stakeholders’ perspectives on GNH as a development philosophy in the context of tourism, I used a semi-structured interview method with tourism stakeholders during my third fieldwork trip. The interview questions were developed through the GTM process and are discussed in Chapter 5.

During Stage II, I had observed that the Bhutanese people were sceptical of outside researchers and feared speaking up. However, an endorsement by TCB provided me with legitimacy and credibility in approaching potential participants. This endorsement was necessary because of Bhutan’s closed society. I used a purposive snowball sampling method (Sarantakos, 2005) targeted at tourism stakeholders. I approached 50 potential participants, with 36 agreeing to be interviewed. This group included 7 tour operators, 4 tour guides, 9 hoteliers, 4 TCB staff, 3 government officials, 3 non-government organisations (NGOs) and 6 public persons (see Table 2.4).

Table 2.4. Number of interview participants.

<table>
<thead>
<tr>
<th>Legend</th>
<th>Agency (Participants – total 36)</th>
</tr>
</thead>
<tbody>
<tr>
<td>G</td>
<td>Government officials (3)</td>
</tr>
<tr>
<td>H</td>
<td>Hoteliers (9)</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-government organization (3)</td>
</tr>
<tr>
<td>P</td>
<td>Public (6)</td>
</tr>
</tbody>
</table>
The Government agencies chosen were those directly involved with tourism, and a Governmental Aid Development Coordination Agency. The hoteliers represented three, four and five star hotels. The NGO’s selected were involved with the development of community-based tourism projects. The public participants were residents recruited through the snowball method, mainly those whom I met in the course of my fieldwork and who were concerned about tourism issues. Participants’ demographics are discussed in Chapter 6.

I conducted a pilot study and refined my interview questions and approach accordingly. This included rephrasing questions to reduce the use of terms such as the four GNH Pillars, and ensuring that participants understood the interview process in terms of interview consent, recordings, and that the participant could decide not to answer questions and choose to end the interview. The interviews took between an hour to an hour and half and were recorded. The interview data were locally transcribed. I justified using a local transcriber because of vernacular language and quicker transcription, which left me more time to conduct interviews. Additionally, it allowed me to give back to the local community by offering paid employment. Participants’ perspectives are presented in the dissertation in their own words.

2.5.7 Data Analysis Using Nvivo 10 Program

To support the interview data analysis, the NVivo Program (version 10) provided a centralised and easy system of search and retrieval, as well as the capacity to make links in the data. Figure 2.5 shows an example of coding done in NVivo10. According to Bringer, Johnston and Backenridge (2004), this feature allows the methodological consciousness required for GTM through, organisation, consistency checks, record keeping, comparison of categories and examination of relationships. These authors argue that, in using Nvivo software program in grounded theory,

… the built-in tools for recording decisions, conceptual and theoretical thinking, and links between memos, documents, nodes, and models assist in the development of a dynamic audit trail to meet the criterion of transparency (p.250).
However, there are also dangers in using NVivo. For example, the amount of time resource required to learn the software system and the data input; the feeling of distance between researcher and the data; an overemphasis on coding and retrieval approaches; the rigid automated analysis of the data and a reliance on hyperlinking in analysing the data (Gibbs, 2002; Weitzman & Miles, 1995). Furthermore, Dey (1993) suggests, that there are dangers in the analysis,

We tend to make more of evidence that confirms our beliefs, and pay less attention to any evidence that contradicts them. This is a particular problem in qualitative analysis, because of the volume and complexity of the data. Because the data are voluminous, we have to be selective – and we can select out the data that doesn’t suit. Because the data are complex, we have to reply more on imagination, insight and intuition – and we can quickly leap to the wrong conclusion (p.222).

Nonetheless, NVivo provides analytical capability that ensures credibility, plausibility and trustworthiness. However, it remains the domain of the researcher to, “interpret, conceptualise, examine relationships, document decisions and develop theory” (Bringer et al., 2004, p.249).

The following section discusses the conceptual framework.
2.6 Grounding the Theoretical Framework

*Foucault’s theory of Governmentality*

Following the GTM process, insights from the interview data determined the theoretical framework. In this case, a word cloud from NVivo10 of the interview question three transcript data led to me identifying the theoretical framework of governmentality. As illustrated in Figure 2.6, apart from words such as GNH, happiness and good policy, the word government is prominent. This led me to review the literature on government studies, which in turn led to Foucault’s notion of governmentality as the theoretical framework. The governmentality framework is useful to explain Bhutan’s GNH Tourism Model as a manifestation of GNH and, in particular, the country’s recent economic liberalisation strategies. More importantly, it can explicate the tensions and power relations inherent within Bhutan’s tourism policy, planning and development. I discuss the governmentality literature in Chapter 7.
2.7 Conclusion

This chapter provided an overview of how I set about selecting a qualitative research approach based on a constructivist paradigm. I have explained my use of GTM to situate this inquiry because of the processes (stages) involved in collecting and analysing data. Table 2.5 summarises the process of GTM that forms the structure of this study and of the dissertation.

Table 2.5. Methodological framework using Grounded Theory.

<table>
<thead>
<tr>
<th>Approach</th>
<th>GTM Process</th>
<th>Data Content</th>
<th>Methods</th>
<th>Research Stages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inductive (bottom</td>
<td>Coding, Memoing</td>
<td>Data from Bhutanese students and media</td>
<td>Document analysis</td>
<td>I. Media search and Socialising with Bhutanese students</td>
</tr>
<tr>
<td>to top)</td>
<td>Theoretical and Axial coding memoing</td>
<td>Sorting data</td>
<td>Participant observation</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Data sensitising with tourism stakeholders</td>
<td>Fieldwork</td>
<td>II. Scoping visit</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Participant observation</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Document analysis</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Case study</td>
<td></td>
</tr>
<tr>
<td>Deductive (top to</td>
<td>Theoretical and Axial coding</td>
<td>Data testing with tourism stakeholders</td>
<td>Fieldwork</td>
<td>IV. Interviews with tourism stakeholders</td>
</tr>
<tr>
<td>bottom)</td>
<td>Theoretical sampling</td>
<td></td>
<td>Participant observation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Memoing</td>
<td></td>
<td>Observation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Memoing</td>
<td>Knowledge production from the data</td>
<td>Data analysis</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Theoretical saturation</td>
<td></td>
<td>Document analysis</td>
<td></td>
</tr>
</tbody>
</table>

The next chapter details GTM Stage I and my research prior to visiting Bhutan. This stage entailed reviewing relevant literature and social interactions with Bhutanese students in Perth.
Stage I : Before Visiting Bhutan

Chapter 3 : Romanticising Gross National Happiness

The happiest people are those who think the most interesting thoughts. Those who decide to use leisure as a means of mental development, who love good music, good books, good pictures, good company, good conversation, are the happiest people in the world. And they are not only happy in themselves, they are the cause of happiness in others.

William Lyon Phelps (1865-1943),
American author, critic and scholar.

3.1 Introduction

As Phelps suggests, the happiest people are not only happy in themselves but cause happiness in others. The idea of causing happiness in others coheres with Bhutan’s national goal to achieve happiness through the notion of shared value development for a common good that is conceptualised as Gross National Happiness (GNH). This chapter consists of two parts. In Part I, I provide an overview of the GNH literature. I begin by briefly discussing GDP and its limitations in relation to GNH. I detail how the GNH Index functions as a screening tool in Bhutan’s policy-making, the weighting applied to the GNH indicators, and the results of Bhutan’s 2010 GNH Survey. In Part II, I describe my romanticising of the notion of GNH before visiting Bhutan. This romanticised period, from March 2010 until August 2011, began with social interactions with Bhutanese students in Perth and led to the Bhutanese Cultural Event (BCE). I also discuss some of Bhutan’s challenges as reported in the media, and the issue of the Lhotshampa Refugees. True to the process of GTM, the chapter follows the order of the research journey. I describe the research process and explain how these actions helped recast my thinking.
Part I: Engaging With the Literature

3.2 The Problematic Nature of GDP

Internationally, there are increasing doubts concerning Gross Domestic Product (GDP) (Costanza et al., 2014; European Union, 2010; K. Stewart, 2005), which measures a country’s production of goods and service, as the primary yardstick to measure a country’s development and growth. GDP is defined as “the net national income or national product of a country” and is “a measure of the money value of the flow of goods and services produced in that country in a year, less an amount for depreciation” (Livingstone & Goodall, 1970, p.3). GDP includes Gross National Product (GNP), which measures the annual output of goods and services of a nation based on ownership. This means that in the GNP measure, even though the production of goods and services may occur outside that nation but are owned by its citizens (for example overseas investment), the externally produced revenue is included in that nation’s GDP measure. GDP has shortcomings as a measure of a country’s development, growth and success. One of the founding fathers of the national accounting system in the US, Simon Kuznets (1901-1985), was critical of the use of GDP and argued that,

The welfare of a nation can scarcely be inferred from a measurement of national income (cited in Hamilton & Denniss, 2000, p.ix).

The problematic nature of GDP (including GNP) is that whilst GDP measures economic production of goods and services, GDP does not reflect the quality of societal growth in terms of wellbeing and happiness. Successive authors have arguably challenged the norm that GDP should be the primary measure of a country’s growth and success based on its economic outputs of goods and services (Aslanbeigui & Naples, 1996; Barro, 1997; Beinhocker, 2006; Brahm, 2009; Chambers, 2005; Cowen & Shenton, 1996; Currie, 1967; Daly, 1991; Dixon, 2004; Haq, 1995; Krueger & National Bureau of Economic Research, 2009; Meadows, Club of Rome, & Project on the Predicament of Mankind, 1972; Milanovic, 2005; Sachs, 2009). Dixon (2004) suggests that,
Western economic theory holds that economic growth will enhance social wellbeing. In some ways this is true, for example when basic needs are better met. However GNP is an incomplete measure. It does not account for the environmental and social degradation that often accompany economic development. Economic growth is intended to be the means to the end of social wellbeing. However, as society focuses on what is being measured, the means become the end. In other words, Western nations make the mistake of equating economic growth to social wellbeing (p.111).

Economists and non-economists alike have critiqued GDP to be only partially responsible for societal happiness and wellbeing. GDP fails to capture the production of goods and services that has non-monetary value but significant social contributions towards happiness and wellbeing. Notably absent in GDP measures are domestic activities such as “unpaid cleaning, cooking, and child care” (Krueger & National Bureau of Economic Research, 2009, p.10). Arguably, “relying on GDP to measure progress is not only disastrous for our natural wealth but also for our social wealth and our human wealth” (Coleman cited in McDonald, 2010, p.14).

McDonald (2004) further argues that,

… it is becoming clear that modern economic thinking, with its singular focus on maximizing material consumption, is creating lamentable outcomes for many in the poorer world, for the generations who will follow us and for our fellow creatures on this earth (p.271).

McDonald suggests that modern economic thinking focuses too narrowly on material consumption that is detrimental to collective wellbeing (McDonald, 2004a). Yet in general, despite its myopic nature, Western economic thinking relies on GDP (and GNP) as the primary national accounting system to measure development, growth and success, despite GDP’s exclusion of non-monetary social contribution that is so central to societal happiness and wellbeing. An exception is Canada (Coleman & Sagebein, 2004; Pannozzo & Coleman, 2009), who has been practicing the alternative development paradigm promoted by the UN (UN Millennium Project, Sachs, & United Nations Development Programme, 2005; United Nations, 1995).

GNH, on the other hand, offers a supplementary measure to a country’s development and growth based on the happiness or wellbeing of its people. GNH is a development philosophy influenced by Buddhist values that features a more holistic approach to development, consisting of four Pillars: (1) equitable and sustainable socio-economic development, (2) conservation of the natural environment, (3) preservation and promotion of cultural values, and (4) establishment of good governance (Ura & Zangmo, 2008).
3.3 What is GNH?

It's tricky for foreigners to grasp, but most Bhutanese instinctively understand GNH. In keeping with our ethos, the traffic signal at Thimphu's busiest junction was replaced by a policeman because everyone complained that lights were too impersonal (Beda Dago, a successful businesswoman in Thimphu, cited in Mohan, 2012).

Figure 3.1. The only traffic signal in Bhutan.

Source: Photographed by Author, October 19, 2011.
The notion of GNH is attractive to foreigners who visit Bhutan although it is often difficult for them to understand. GNH is a shared value based on a multidimensional approach that is based on Buddhist teachings. There was no terminology for GNH in Dzongkha, the national language, because it is a relatively new concept. Rather, it is embedded in Buddhist philosophy and is therefore part of the Bhutanese worldview that is not necessarily articulated. According to the eminent Bhutanese historian, Karma Phuntsho, “Gyalyong Gakyi Pelzom was coined only at the turn of this century” (Phuntsho, 2013, p.596). Most Bhutanese were confused and thought that the term was a new government department with a feminine sounding name. A radio journalist reported an interviewee as saying of GNH, “From what I hear, she seems beautiful but I have not yet seen her” (Phuntsho, 2013, p.596). Although there is no official definition of GNH, one commonly used description is that GNH,

… measures the quality of a country in a more holistic way [than GDP] and believes that the beneficial development of human society takes place when material and spiritual development occurs side by side to complement and reinforce each other (Ura, Alkire, et al., 2012b, p.7).

The notion of GNH, it appears, is still evolving.

3.3.1 An Enabling Environment for GNH

It is the responsibility of the Bhutanese government to create the enabling environment for GNH to flourish. Individuals and the society collectively must be provided with the means to achieve the ends (the goal of happiness and wellbeing). One GNH definition, provided by Ura (2003) in Vision of development in a GNH society, states that,

In the Bhutanese cultural context, the original meaning of development of the state, and the individuals within it, meant observance largely of enlightenment education with respect to ethics, intellect and wisdom by its population in order to reach happiness (dewa). And the function of the GNH state is to remove conditions and constraints, both physical and mental, to achieving it (p.1).

---

1 Dewa means without problem or peaceful.
Thus, the Bhutanese government is responsible for ensuring that physical and mental constraints to achieving happiness are removed. The removal of these constraints is linked to the Bhutanese concept of deljor. According to Ura (2003, p.2), deljor comes from two words delwa (freedom) and jorpa (wealth). Jorpa, or wealth, is necessary only to the degree that it helps to attain delwa, or freedom from want. In this way, wealth allows for personal fulfilment while avoiding inflated expectations; happiness thus results from the physical and mental freedom from want. As Dago Beda argues, “we believe development of human society can take place only when material and spiritual development reinforce each other” (cited in Mohan, 2012).

3.3.2 The GNH Index

The Bhutanese government has developed the GNH Index to “orient the people and the nation towards happiness, primarily by improving the conditions of not-yet-happy people” (Ura, Alkire, et al., 2012b, p.1). This required a robust and rigorous method of assessing peoples’ happiness and wellbeing. The GNH Index, based on the 9 domains and 33 indicators (see Table 1.2 and Figure 1.4) was devised from the data of periodic surveys (the first GNH survey was conducted in 2008, the second in 2010) of Bhutanese nationals represented by district, gender, age, rural-urban residence, and income. The data is further analysed at various sub-national levels. GNH is a policy-making tool that allows the government to set the conditions to achieve happiness (Ura, 2003). This is done by either increasing the percentage of those who are happy or decreasing the insufficiencies of those who are not-yet-happy\(^2\). For example, in rural Bhutan, there are not-yet-happy people who lack opportunities for education, have poor living conditions and an imbalance in time use. In urban areas, the insufficiencies for not-yet-happy people correspond to non-material domains such as community vitality, culture and psychological wellbeing (Ura, Alkire, et al., 2012b, pp.18-29). The key intervention in achieving GNH is to mitigate these areas of insufficiencies (Ura, Alkire, et al., 2012b).

\(^2\) For full methodology of the GNH Index calculations, see Ura, Alkire, et al., 2012b, pp.94-96).
3.3.3 The Weighting of Indicators

In order to measure GNH, the indicators are balanced in the nine domains using a weighting mechanism. Weighting is necessary because light indicators are subjective and self-reported whilst heavy indicators are objective and more reliable. The subjective indicators such as a self-reported positive emotion or a self-reported health status are given light weightings, while objective and/or reliable indicators such as how many hours of work is done or the number of hours of sleep have a heavy weighting. Light and heavy indicators, “are of equal importance, none can be permanently ranked as more important that others but each might be particularly important to some person or some institution at a given point in time” (Ura, Alkire, et al., 2012b, p.41). The function of weighting these indicators is to preserve accuracy and to prevent future GNH indices being too affected by changes in the frame of reference or changes in the aspirations of people that might affect their subjective or self-reported indicators (Ura, Alkire, & Zangmo, 2012, p.26). In other words, it is the process in which, “the contribution of an element is adjusted” (De Vaus, 2002, p.366).

As shown in Table 3.1, three dimensions have equal weighting: psychological wellbeing, time use and living standards. In health, good governance and ecological diversity and resilience, the subjective indicators receive 10% of the weighting, whereas the objective indicators within these dimensions have equal weighting. The dimensions are given equal weighting because each dimension is considered to be relatively equal in terms of its intrinsic importance as a component of GNH (Ura & Zangmo, 2008).

Table 3.1. The GNH Index- weightings on the 33 indicators.

<table>
<thead>
<tr>
<th>Domain</th>
<th>Indicators</th>
<th>Weight</th>
<th>Domain</th>
<th>Indicators</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Psychological wellbeing</td>
<td>Life satisfaction</td>
<td>33%</td>
<td>Time use</td>
<td>Work</td>
<td>50%</td>
</tr>
<tr>
<td></td>
<td>Positive emotions</td>
<td>17%</td>
<td>Good Governance</td>
<td>Sleep</td>
<td>50%</td>
</tr>
<tr>
<td></td>
<td>Negative emotions</td>
<td>17%</td>
<td></td>
<td>Political participation</td>
<td>40%</td>
</tr>
<tr>
<td></td>
<td>Spirituality</td>
<td>33%</td>
<td></td>
<td>Services</td>
<td>40%</td>
</tr>
<tr>
<td>Health</td>
<td>Self reported health</td>
<td>10%</td>
<td>Community vitality</td>
<td>Government performance</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td>Healthy days</td>
<td>30%</td>
<td></td>
<td>Fundamental rights</td>
<td>10%</td>
</tr>
<tr>
<td>Education</td>
<td>Disability</td>
<td>30%</td>
<td></td>
<td>Donation (time and money)</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td>Mental health</td>
<td>30%</td>
<td></td>
<td>Safety</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td>Literacy</td>
<td>30%</td>
<td></td>
<td>Community relationship</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td>Schooling</td>
<td>30%</td>
<td></td>
<td>Family</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td>Knowledge</td>
<td>20%</td>
<td></td>
<td>Wildlife damage</td>
<td>40%</td>
</tr>
<tr>
<td></td>
<td>Value</td>
<td>20%</td>
<td></td>
<td>Urban issues</td>
<td>40%</td>
</tr>
<tr>
<td>Domain</td>
<td>Indicators</td>
<td>Weight</td>
<td>Domain</td>
<td>Indicators</td>
<td>Weight</td>
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<td>-------------------------------</td>
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<td>--------</td>
</tr>
<tr>
<td>Cultural diversity and resilience</td>
<td>Zorig chusum skills (thirteen arts and crafts)</td>
<td>30%</td>
<td>and resilience</td>
<td>Responsibility towards environment</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td>Cultural participation</td>
<td>30%</td>
<td></td>
<td>Ecological issues</td>
<td>10%</td>
</tr>
<tr>
<td>Speak native language</td>
<td>Living standard</td>
<td>20%</td>
<td>Per capita income</td>
<td>Assets</td>
<td>33%</td>
</tr>
<tr>
<td>Driglam Namzha (etiquette)</td>
<td></td>
<td>20%</td>
<td>Assets</td>
<td>Housing</td>
<td>33%</td>
</tr>
</tbody>
</table>


In response to increasing worldwide inquiries concerning GNH, the Bhutanese government set up The Centre for Bhutan Studies (CBS) in 1999\(^3\), with the mandate to direct and publish research on GNH. This led to the development of the measurement of GNH through the GNH domains and indicators. The resulting GNH Index has an aggregation method that follows the Alkire-Foster Method which is a multidimensional measure (See Alkire, 2002, 2008; Alkire & Foster, 2009, 2011a, 2011b; Alkire & Roche, 2011). The purpose of the Gross National Happiness Commission (GNHC)\(^4\) is “to ensure that GNH is embedded firmly into policies and that proper coordination is undertaken to ensure proper implementation of plans and programs” (Gross National Happiness Commission, 2011).

### 3.3.4 The GNH Policy Screening Exercise

**Policy and project screening**

GNH is operationalised through and the 9 domains, 33 indicators (shown in Table 3.1). The CBS further operationalised the 9 GNH domains using 124 variables\(^5\). The GNHC uses these to conduct the policy screening exercise, which can be applied in two phases: at a project level and at a policy level. Generally, this consists of three divisions of government:

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\(^3\) The Council of Ministers, the highest executive body in the Royal Government of Bhutan approved the establishment of The CBS. The Chairman of the Council of Ministers, Lyonpo Jigmi Y. Thinley issued a government order No. Com/02/52 dated 11 November 1998, commanding the establishment of the Centre, which was officially inaugurated on March 25, 1999 (Source: http://www.bhutanstudies.org.bt/about-us/ accessed August 10th, 2011).

\(^4\) On January 24 2008, in line with the Executive Order PM/01/08/895 the Planning Commission was renamed the Gross National Happiness Commission (GNHC). In addition to its existing responsibilities, the body also assumed the responsibilities of the Committee of Secretaries (Source: http://www.gnhc.gov.bt/about-us/ accessed August 10th, 2011).

\(^5\) The variables are survey questions related to the indicators. The author has attempted to obtain a list of the 124 variables but the CBS did not respond to the request.
1. For all ministries and sectors (e.g. in the domain of good governance)
2. For specific ministries (e.g. in the portfolio of education and health)
3. For individual sectors (e.g. in the area of youth and employment)

The calculations are the same for all three aspects of the screening exercise.

Below is an example to illustrate how this functions. All policies and projects are reviewed using the screening exercise with variables to test their applicability in enhancing the values of GNH. Each policy is screened using a scale ranging from 1 to 4. This 4 point scale is ranked from the most negative to the most positive score. For the given example below, 1 denotes a negative score, 2 uncertain, 3 is a neutral score and 4 denotes a positive score.

For example: Policy A is being screened for its impacts on variables such as stress levels, culture and physical exercise.

1. Stress

<table>
<thead>
<tr>
<th>Will increase levels of stress in the population</th>
<th>Do not know the effects on levels of stress in the population</th>
<th>Will not have any appreciable effects on levels of stress in the population</th>
<th>Will decrease levels of stress in the population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Negative</td>
<td>2 Uncertain</td>
<td>3 Neutral</td>
<td>4 Positive</td>
</tr>
</tbody>
</table>

2. Culture

<table>
<thead>
<tr>
<th>Will 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</th>
<th>Will have no effect on opportunity to learn about or participate in cultural practices and traditions</th>
<th>Will increase opportunity to learn about or participate in cultural practices and traditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Negative</td>
<td>2 Uncertain</td>
<td>3 Neutral</td>
<td>4 Positive</td>
</tr>
</tbody>
</table>

3. Physical exercise

<table>
<thead>
<tr>
<th>Will discourage physical exercise</th>
<th>Not sure if it will discourage physical exercise</th>
<th>Will not discourage physical exercise</th>
<th>Will encourage physical exercise</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Negative</td>
<td>2 Uncertain</td>
<td>3 Neutral</td>
<td>4 Positive</td>
</tr>
</tbody>
</table>
A positive score = 4 X Number of screening questions = 4 X 3 = 12
A neutral score = 3 X Number of screening questions = 3 X 3 = 9

Policy A has to score at least 9, which is the average neutral score to be accepted. If it scores below 9, then the GNHC calls for either review or rejection of the policy. In this example, Policy A scores 4 in stress, and 3 in culture and physical exercise. The combined score is 4+3+3 = 10. Since the combined score is above 9 (neutral score), Policy A is accepted because it has no negative impacts on culture, physical exercises and it does not increase stress levels.


A further example details the GNH policy screening exercise of a Mineral Development Policy by the GNHC.

Box 3.1. Mineral Development Policy Screening exercise.

The Mineral Development Policy was assessed using 22 indicators, which would result in a neutral score of (22 x 3) 66 for a favorable policy to be passed. The results of the GNH screening showed that the policy had scored below the required threshold of 66 and in fact scored 62.7. This was mainly because of low scores on variables such as equity, environment, public health, and spiritual pursuits. The Mineral Development Policy had positive scores for variables such as economic security, material wellbeing, and engagement in productive activities. The screening team felt that while everyone had the right to mine, only the rich would have the ability and resources to do it. Further, mining is never clean so it would have negative impact on public health and the environment. The mining sector was asked to review the policy and address the issues related to the variables of concern. Two screening exercises were conducted: one by the sector proposing the policy, and the other by the GNHC Secretariat. It must be noted that even if a policy crosses the threshold through an aggregate score and is considered GNH favorable, the scores awarded to the variables are also considered in isolation. So a policy may be considered GNH favorable, but may have to be reviewed if a variable has been awarded a score below 3. The GNHC does not reject or accept policies based on the GNH policy-screening exercise. Rather, it uses the exercise to determine whether the policy is GNH favorable or not, based on the policy’s perceived impact on 22 indicators. This allows for a holistic view on the policy, instead of the sectorial point of view of individual Ministry. Based on the screening exercise results, the GNHC then submits the policy to the Government for endorsement and policy approval.

Source: Gross National Happiness Commission, e-mail correspondence, September 18, 2013).
Although the GNHC has provided an example of the Mineral Development Policy screening exercise, there is disjuncture between theory and in practice. Media reports exposed loopholes in the Economic Development Policy (EDP) that favoured mining (Bhutan Observer, April 10, 2010, refer to Appendix 3.1), and raised awareness of the impacts of mining on Bhutan’s fragile eco-system (Kuensel, May 21, 2011, p.4, refer to Appendix 3.2). Furthermore, it was reported that the Department of Geology and Mines and the Gross National Happiness Commission (GNHC) were trying “to find a happy medium between the practical and the ideal” (Kuensel, July 19, 2011, pp.1-2, refer to Appendix 3.3), in terms of the mining policy and the rise in indiscriminate mining (Kuensel, October 28, 2013, p.8, refer to Appendix 3.4). Additionally, a report disclosed that mining was privatised with 81 mines and quarries in operation (Kuensel, September 26, 2013, p.3, refer to Appendix 3.5).

3.4 The 2010 GNH Survey

The 2005 happiness survey carried out by the Bhutanese government with 126,115 participants, reported that 45.2% of people were very happy, 51.6% happy and 3.2% unhappy (Royal Government of Bhutan, 2006 cited in Shrotryia, 2009, p.541). The first GNH Survey in 2008 was pilot tested in 2006 with a sample of 350 participants. Each questionnaire took between 7 to 8 hours to complete. The first GNH Survey of 950 participants was conducted between December 2007 and March 2008. There were 188 questions and the survey was conducted in 12 out of 20 Dzongkhags (Districts) involving a four hour interview (Ura, Alkire, et al., 2012a). The findings highlighted gender inequality, income dissatisfaction and lower community vitality in urban areas, and the lack of basic needs and infrastructure in rural communities. In reporting the survey, Tshoki Zangmo (cited in Adler Braun, 2009, p.33) states that,

There were huge and consistent gender differences. Females in Bhutan have lower psychological wellbeing, more working hours, and overall lower life satisfaction. Another interesting finding is that even though Thimphu [the capital city of Bhutan] has the highest income of all districts, in terms of subjective perceptions of income, whether they have enough or not, they are lower than rural Bhutan. Even though they are making more money in absolute terms, urban people feel less satisfied with their income. We also found that community vitality is lower in urban areas. Although urban areas are lower in some subjective measures, they are higher in net income, health, and education. So the first priority for rural communities is basic needs and infrastructure.

The second GNH Survey occurred in 2010 with 7142 participants from all 20 Dzongkhags (Ura, Alkire, et al., 2012b, p.10). The authors of the 2010 GNH Survey suggested that,
… it is important to acknowledge that this approach is an experiment. Happiness is a very deeply personal experience and any measure of it is necessarily imperfect. The index is offered to the people of Bhutan for understanding, discussion and debate to see if it frames and captures their understanding as and how this might change or be improved (Ura, Alkire, & Zangmo, 2012, p.27).

One compelling aspect that makes this survey qualitatively robust is the amount of time taken by the enumerators working in remote rural areas to explain the purpose of the index and to enable respondents to share their thoughts on the survey questions (Ura, Alkire, et al., 2012b, p.11).

In the GNH Index, there are three cut off points at 50%, 66% and 77% in the happiness measurements (see Table 3.2). This allows the GNH Index to identify four groups of people: the unhappy, narrowly happy, extensively happy and deeply happy. The results show that:

- 10.4% of people have achieved sufficiency in less than 50% of the domains and are called unhappy
- 48.7% of people have achieved sufficiency in 50-65% of the domains and are called narrowly happy
- 32.6% of people have achieved sufficiency in 66-76% of the domains and are called extensively happy
- 8.3% of people have achieved sufficiency in 77% of the domains and are called deeply happy (Ura, Alkire, et al., 2012b, p.2).

### Table 3.2. The 2010 GNH Index Results in Happiness Sufficiency.

<table>
<thead>
<tr>
<th></th>
<th>Definition of groups – Sufficiency in: (%)</th>
<th>Percent of population who are: (%)</th>
<th>Average Sufficiency of each person across domains (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Happy</td>
<td>66-100</td>
<td>40.8</td>
<td>72.9</td>
</tr>
<tr>
<td>Deeply Happy</td>
<td>77-100</td>
<td>8.3</td>
<td>81.5</td>
</tr>
<tr>
<td>Extensively Happy</td>
<td>66-76</td>
<td>32.6</td>
<td>70.7</td>
</tr>
<tr>
<td>Not-Yet-Happy</td>
<td>0-65</td>
<td>59.1</td>
<td>56.6</td>
</tr>
<tr>
<td>Narrowly Happy</td>
<td>50-65</td>
<td>48.7</td>
<td>59.1</td>
</tr>
<tr>
<td>Unhappy</td>
<td>0-49</td>
<td>10.4</td>
<td>44.7</td>
</tr>
</tbody>
</table>

Source: Ura, Alkire et al., 2012b, p.5.
To determine the overall index, the 2010 GNH Index uses the middle cut off set at 66% of variables with a value of 0.743. This means people are considered happy when they attain sufficiency in 66% of the weighted indicators or more. The sufficiency levels are all self-set as there are no appropriate international standards. This is done through normative judgements through consultative sessions and participatory meetings. Overall, the 2010 GNH Survey showed that 41% of Bhutanese are happy (extensively and deeply happy), and 59% are not-yet-happy (narrowly happy or unhappy).

The speed of Bhutan’s transition from servitude to freedom and the transition to democracy has challenged Bhutan’s developmental progress. Ugyen Wangdi, a documentary filmmaker remarks that,

Moving away from an agrarian to a consumer society has widened the gap between the haves and the have-nots and is the greatest challenge to GNH. When we were agrarian, a rich farmer would have a few more cows and yaks than the ordinary farmer. GNH was more achievable due to a strong Buddhist psyche. But with the coming of satellite television, there is more consumerism (cited in Mohan, 2012).

The GNH Index aims to include important social, cultural and ecological factors that determine human happiness, which are not necessarily reflected by GDP or covered by the UN’s Human Development Index (Phuntsho, 2013, p.597). Consequently, achieving GNH is a challenge and remains an aspirational form of development. The next section describes the Bhutanese Cultural Event as the research journey evolves.
Part II: The Research Journey Before Visiting Bhutan

3.5 The Bhutanese Cultural Event

The Bhutanese Cultural Event (BCE), held in Perth in 2010, was a result of my initial research direction. I discovered that many people had not heard of Bhutan, or the concept of GNH. As a result, I organised a cultural event with the help of the Bhutanese student community. The BCE was held at Murdoch University on 29th August 2010 (see Figures 3.1-3.5). The idea was to expose a group of Western Australians to the concept of GNH as a development philosophy and to the features of the GNH Tourism Model. The aim was to understand participants’ perspectives on Bhutan as a valued tourist destination (Teoh, 2012b), and to discover if participants: (1) believed that GNH is the best measure of a nation’s development, (2) believed that happiness is important for the well-being of a nation, and (3) were more likely to visit Bhutan after attending the cultural event (Teoh, 2012b, p.36).

At the BCE, an audience of around 200 people consisting of students, academics, and the public were introduced to the notion of GNH and Bhutan as a tourist destination (Bhutan Observer, September 3-10, 2011, p.15, refer to Appendix 3.6). This included a fifteen-minute DVD on Bhutan’s main tourist attractions. Then two experienced Australian tour guides related their Bhutanese tourist experiences to the audience, followed by a performance of two cultural dances by ten Bhutanese students (see Figure 3.2). The audience then watched a documentary about Bhutanese values and how these are challenged in modern times. A half hour intermission with Bhutanese food and drinks was also provided (see Figure 3.3). Some of the audience participated in a survey questionnaire (Teoh, 2012b, pp.52-53).

The BCE was useful as a starting point in the research design for two significant reasons. First, it provided insights to potential tourist values attached to GNH as a development philosophy and the GNH Tourism Model. Second and more importantly, the BCE provided the opportunity to establish social ties with the Bhutanese community in Perth. The latter outcome was especially significant as I gained the trust of the Bhutanese students, which led to deeper insights into GNH and paved the way for Stage II of the research design: the preliminary scoping visit (refer to Chapter 4).
Figure 3.2. Bhutanese Cultural Event.


Figure 3.3. Bhutanese students performing cultural dance.

Figure 3.4. Bhutanese food prepared for the audience.


Figure 3.5. Bhutanese students in their national costume.

3.6 Social Interactions With Bhutanese Students

The BCE provided me the opportunity to connect and form closer relationships with a group of Bhutanese students in Perth (see Figure 3.6). I also assisted these students at the Murdoch University Multicultural Day on 19th April 2012 (see Figures 3.7 and 3.8). This relationship with the Bhutanese students was significant as the trust gained resulted in further outcomes such as meetings with tourism stakeholders and governmental agencies in Bhutan (to Chapter 4). Thus, laying the groundwork to establish myself as a researcher amongst these students was important, especially in a closed society like Bhutan.

Figure 3.6. Cultural dance with Bhutanese students at Kings Park.

Source: Photographed by Author December 19, 2010.

Figure 3.7. Author with Bhutanese Students at Multicultural Day.

Source: Photographed by Author, April 19, 2012.
Students’ conception of GNH

Socialising with the Bhutanese students provided me with an opportunity to understand their perceptions of GNH. I used participant observation and engaged listening in my social interactions with the student community. I was invited by TP (codes used to protect identity) for dinner on 18th September 2010. There were fifteen of us: four couples each with one child, two single male students and myself. I was first given suja (a salted buttered tea with milk,) which I found challenging as I am accustomed to sweetened milk tea. Then, I was offered a special home brew ara (made from wheat). The ara was first heated and an egg added, stirred and served hot. It has a high alcohol content of around 70 percent. Within minutes I was drunk. I later learnt that it was customary to offer ara to a guest, especially in Eastern Bhutan, and to refuse the drink would be disrespectful to the host. For dinner, we had momos, a Tibetan dish made of steamed rice flour dumplings filled with minced beef and cheese accompanied with chilli sauce.

Subsequently, I was invited to KD’s home on October 2nd 2010. Like most Bhutanese students, KD shared a home in which one room per family was allocated. Most Bhutanese homes had a Choesham or a prayer altar (see Figure 3.8 and 3.9). This reflects their strong Buddhist beliefs.
Figure 3.9. *Choesham* or Prayer altar in TP’s room.

![Image of Choesham or Prayer altar in TP’s room.](source)

Source: Photographed by Author, October 2, 2011.

Figure 3.10. Common *Choesham* in KD’s home.

![Image of Choesham in KD’s home.](source)


On December 4\textsuperscript{th} 2010, there were eight of us for dinner at TP’s home. TP cooked Bhutanese food: *ema datsi* (a typical Bhutanese dish made of yak cheese and green chillies), fried pork and Chinese radish, lentil soup, fried vegetables and fried whole boiled eggs in curry paste and rice. Our discussions again revolved around the notion of GNH. The key outcome was the revelation that, from their perspective, GNH was used as a marketing tool in a branding exercise to sell Bhutan. It was of great surprise and interest to me to hear that this student cohort regarded GNH very differently than I expected.
From the 53 social interactions with Bhutanese students during Stage I, I learnt of inequalities, differences in social class, a divide between the Northerners and Southerners (Nepali descent), that women are second in public life and that there are many hardships in life. Further, I found that students had limited knowledge of GNH as a policy. On 18th December 2010, I spoke to a Bhutanese student who was an account officer at the Health Ministry, and who did not know that the tourism Royalty Fee contributes to the Health portfolio to provide for free universal health services. What is important to many of these students is food, clothing and shelter. I also found media reports suggesting that GNH over promises (Kuensel, June 28, 2012, p.4) and under delivers in providing free universal health services (Bhutan Observer, June 25, 2010, refer to Appendix 3.7).

For the majority of Bhutanese students who come to Perth, postgraduate studies represent an opportunity to earn money (Personal communications, March 03, 2011) to buy property, cars and electronic goods such as laptops, mobile telephones, and large screen televisions when they go home. The media similarly reported that, “Many Bhutanese prefer working abroad to fulfil their dreams and aspirations. It is indeed unfortunate that Bhutanese have to look for opportunities abroad as Bhutan lacks such opportunities” (Kuensel, October 31, 2014, p.4). An estimated 96% of the student cohort was on post-graduate government scholarships and almost every student had a part-time job in Perth. Some students came alone, whilst an estimated 85% came with their spouse, who was able to work full time. Some couples were both students and they either both worked part-time or one spouse worked full time. Some couples were childless; some came with one child, whilst others left their children behind to be looked after by extended families.

Subsequent discussions suggested that GNH is difficult to achieve, as many of the students do not believe in GNH, citing poverty in the rural areas that leads to a rural-urban migration (Personal communications, July 23, 2011). Our social conversations led to various discussions about Bhutanese culture and GNH. I discovered the students’ perspectives on the GNH development model was that most did not believe in GNH and that happiness means money. I also discovered that many students come to Perth for further study as a way to earn money. Most students come with a spouse who works full time whilst the student works part time. This challenged my romanticised view of GNH.
3.7 Bhutan’s Challenges

Bhutan faces social ills that are reported frequently by local media including, “suicide, drug abuse, gang violence, and homelessness” (Bhutan Observer, October 28, 2011, refer to Appendix 3.8). Younger villagers often migrate to urban centres resulting in unemployment (Bhutan Observer, November 11, 2011), crime and violence (Bhutan Observer, November 11, 2011), and drug abuse (Bhutan Observer, June 17, 2011). Child and spouse abuse, alcoholism, political corruption, economic insecurity, and environmental degradation are also reported in the local media (Bhutan Observer, 2012). Furthermore, the porous southern boundary with India leads to the destruction of farmlands by wild life. In Bhutan,

The farming community still faces challenges of connectivity and basic infrastructure like irrigation, farm mechanisation and soaring food prices (Kuensel, July 29, 2013, p.9).

Together with a general lack of infrastructure (Cornell & Flinner, 2013), and poverty (Mehta, 2007), these challenges are not uncommon to those in other developing countries; Bhutan faces a plurality of challenges. Approaching these challenges using the GNH philosophy has attracted world attention. The next section provides a Bhutanese student’s perspective of GNH based on his life story.

3.8 Another Side of GNH: “An orphan of the 1990’s problem”

Raju was one of the BCE organisation team. To thank Raju for his contributions, I took him out with another Bhutanese student, SR, on three separate social outings. On the first outing on 25th September 2010, and when SR was not with us, Raju mentioned very quickly in passing about his family being Lhotshampas. On our fourth outing on 22nd July 2011, there was only Raju and myself. This was when Raju revealed, what was to me, another side of GNH and told me in detail about his family being stripped of their citizenship. The following excerpt also served to challenge my romanticised view of GNH.
Box 3.2. Excerpt from Raju’s account of the 1990’s problem.

I was born in southern Bhutan. My father was the eldest among his siblings, made of a brother and 6 sisters. My father had to help his father with his cattle and buffaloes. My father and mother married when they were 13 and 19 years old. I am the eldest son. My school was just 5 minutes walk from my house. After school I had to fetch fodder for goats, cows for my parents. My grandparents sold butter to fund their children’s education.

When the problem occurred in 1990, the school was closed and I was just 10 years old. I was sent to forest pastureland to help my father with the herd we had. I was in the jungle for over a year.

Two years later my uncle brought me to a remote school in western Bhutan. My grandfather was arrested in 1992, and was asked to leave the country. He was taken to Damphu in the south with those arrested and the King asked them not to leave the country. There were rumors that these people would be brought back very soon as without their numbers Bhutan would disqualify as UN member. Since they had to leave in rush, they left me behind.

The whole of my teenage life I stayed in the school hostel and studied. After I completed class 12, I didn’t have No Objection Certificate (NOC) to study further. I met the King and asked for Kidu*. It didn’t work. So after a year of struggling after class 12, I secured some loan from my relatives to study in India. After I graduated I had no NOC to get a government job. So I joined the private sector.

The government then started issuing new identity cards (ID) but we were not given one. I struggled for 2 years and later was able to produce tax receipts from 1958** and before.

Finally in mid 2009 I got the ID card. In the same year the DPT government gave security clearance if individuals were not involved in any way with the uprisings in 1990. I got the NOC. I immediately applied for a Bhutanese passport. I got it.

I applied for scholarship I got it. Then I came to study here. In the same year my parents migrated to US. My grandmother died in the camp. My grandpa’s elder brother also died there too. My parents, together with my sister and grandpa migrated to the US along with my brother’s family. All my mom’s relatives too live in the US.

So somehow, I was the orphan of the 1990’s problem. Even today there are thousands without an ID. I feel sad for them, as I have gone through it myself and know how it feels to be citizenship-less. This is the other side of GNH.

*Kidu refers to a favor the King grants free to his people. This could be free education (scholarships), medical treatment, land, national identity card, etc.

**1958 - the year serfdom ended in Bhutan


At that time, I did not understand the significance of what he said. We stayed in touch after his return home and I met Raju during my subsequent fieldwork in Bhutan. Some years later, Raju reminded me of the conversation we had. I then asked him for the full detail by e-mail that is given in Box 3.2.
Gita is also a *Lhotshampa* who came on an outing with TP and family on 24th December 2010. We had visited Caversham Wildlife Park and were having lunch at a vineyard in the Swan Valley. When TP was absent after lunch, Gita quickly informed me about the conditions in the 1990’s in southern Bhutan during the civil unrest, when she and her family were subjected to military searches and her schooling was interrupted. Gita spoke about how discriminated she and her family felt at the time, but changed the subject upon TP’s return. I was not able to follow up on Gita’s case as she left Perth for Bhutan shortly afterwards. When I did eventually meet up with Gita on my first visit to Bhutan on 15th October 2011, we were amongst the same student cohort who had by then returned home to Bhutan. It was not conducive to discuss the issue and that was the last time I met Gita. Both Raju’s and Gita’s accounts of their lives and reflections in terms of GNH differs from my more sanitised notion of Bhutan’s GNH (see Subba & Mishra, 2010).

Some *Lhotshampas* have settled in Australia through the United Nations Refugees Settlement program. In 1998, it was estimated that there are 100,000 Bhutanese refugees of Nepali origin (South Asia Human Rights Documentation Centre, 1998). The *Lhotshampas* were brought into Bhutan to meet labour needs in the middle of the 20th century (Basu, 1996), and settled in the southern belt of the country, where the rich fertile soils allowed for intensive farming. When serfdom ended in Bhutan in 1958, the *Lhotshampa* population was about 20% of Bhutan’s overall population (Phuntscho, 2013, p.568).

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The *Lhotshampa* refugee issue requires examination and understanding. Hutt (2003) is a strong critic of Bhutan’s refugee issue, in his work *Unbecoming Citizens* argues that Bhutan excluded a minority group that threatened its ethnic balance. Hutt (2003) suggests that *Lhotshampas* were deported “ostensibly in order to protect and preserve the culturally distinct identity of Bhutan” (p.270). Hutt (2003) claims that the *Lhotshampas*’s culture is seen as “a threat” to the “continued existence” of Bhutan’s majority Drupka Buddhist culture (p.271). Hutt gave voice to the Nepalese refugees, by recording their stories in Beldangi, Sanishchare and Goldhap refugee camps in Nepal between 1995 and 2001. In my view, what is missing in Hutt’s recordings are accounts from those Bhutanese citizens of Nepalese origin who chose to stay in Bhutan.

The Bhutan’s People Party, a Democratic Socialist political party established in 1990 consisting largely of Bhutanese Nepalese, holds that, “the real motive of the Royal Government of Bhutan was to destroy the economic, social, culture and political unity of the southern people” 7. Whether this move is regarded as a unification drive or a cultural invasion is both challenging and disturbing.

**Box 3.3. The *Lhotshampa* issue.**

| The Bhutan People’s Party, which is a democratic socialist party established in 1990 by exiled Bhutanese of Nepali origins (known as Lhothshampa located mainly in the southern lowlands), paints a different side to the notion of GNH on their website. It claims that Bhutan’s propaganda of Gross National Happiness as a measure of its population’s overall wellbeing is a naked lie to the international community when one-sixth of its citizens are forced into exile and those of their kith in Bhutan are systematically oppressed and uprooted from their birth place. This appears to be a chilling perspective by a group of exiled Bhutanese people, who further claim that, cultural diversity enriches a nation, but that ‘One Nation One People’ was blatantly enforced upon multi-cultural, multi-ethnic and multi-religious communities. With its implementation, cultural pluralism in Bhutan was banned and the language, dress and culture of the western Bhutanese ruling elite was made mandatory and imposed on all the citizens. |

Source: www.bhutanpeoplesparty.org accessed on February 26, 2010).

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The refugee issue has also been problematic because it was an agenda that was driven by Bhutanese politicians who were of Nepali descent (Jigme Thinley, 1994). These politicians were significantly influenced by the concept of a Greater Nepali Himalayan State or Gorkharland that stretches across the entire foothill of the Himalayan plateau from Nepal, across Sikkim (which was absorbed into India as a direct result of Nepalisisation) and encroaching into Bhutan (Basu, 1996). The interactions with Raju and Gita provided first hand insights into the Bhutanese refugee issue and its significance. However, this issue is too complex to discuss in detail and is beyond this dissertation.

3.9 Conclusion

In Part I of this chapter, I highlighted the problematic nature of GDP in order to situate GNH as an alternative development philosophy and examined how the GNH Index is operationalised through the GNH policy screening exercise. The subjective nature of the GNH Index required weighting to the GNH indicators for balance as a screening exercise in Bhutan’s policy-making. The 2010 GNH Survey results revealed the experimental nature of the survey and that GNH is an aspirational development philosophy.

In Part II, I described the challenges to my initial and romanticised understanding of GNH. I began with social interactions with Bhutanese students that resulted in the Bhutanese Cultural Event (BCE). The BCE was a helpful introduction to the Bhutanese values associated with the notion of GNH as attraction for foreign visitors to Bhutan. More importantly, further social interactions with the Bhutanese students provided me with deeper insights into their views of GNH: that happiness means having enough money to pursue their dreams; and that GNH is a branding exercise by the government to attract foreign visitors to Bhutan. These insights led me to reflect upon what happiness means to others in Bhutan. I highlighted some of Bhutan’s challenges that suggested that Bhutan is no different from other developing countries. The Lhotshampa Refugee issue also challenged my romantic view of GNH.

Stage I of the GTM process produced two significant outcomes: a deeper understanding of GNH; and the establishment of trust with the Bhutanese students that led to my first fieldtrip to Bhutan. In the following chapter, I examine the Western literature on development in the context of GNH as an aspirational philosophy, review tourism development in Bhutan, and narrate some of my tourism experiences in Bhutan.
Stage II : Preliminary Scoping Visit

Chapter 4 : GNH - The Realities in Bhutan

To get the truth, the realities must be grappled with. You may not like what you find.

Bernard M. Baruch (1870-1965),
American Financier and Statesman

4.1 Introduction

The truth may be confronting, as Baruch suggests in the above epigram. This chapter consists of three parts, aimed at presenting some realities of tourism experiences based on my first visit to Bhutan. Methodologically, the three parts represent Stage II of the Grounded Theory Methodology (GTM). Even though GTM suggests that a literature review be done after data collection (Glaser, 1992), institutional requirements demand that substantial literature review be completed in the first six months of candidature. Hence, Parts I and II are essentially literature reviews carried out before my visit to Bhutan.

In Part I, I discuss the influence of modernity on the GNH philosophy. I then explore Western perspectives on development, modernisation and the Human Development Index, in order to understand and contextualise GNH as an aspirational development philosophy within a Bhutanese context. In Part II, I discuss tourism as a catalyst for development, followed by a detailed examination of the GNH Tourism Model and three key tourism issues. In Part III, I describe my tourism experiences in Bhutan on my first fieldwork trip in October 2011. I present some observations on the tourism challenges in Thimphu and discuss my visit to the iconic Taktsang Monastery and to the Punakha Dzong to illustrate the personal apprehension faced regarding the policy of high value, low impact.

I discuss the use of participant observations, photo taking and engaged listening when immersing myself in social interactions with a range of tourism stakeholders and government officials as I negotiated permission to carry out the research project. Finally, I present two significant outcomes from this initial visit: my spiritual enlightenment, and an invitation to participate in a Strategic Tourism Destination Management Workshop (STDMW). To proceed on this journey, the next section discusses the influence of modernisation on the GNH philosophy.
Part I: Development Literature

The GNH philosophy has arguably been influenced by prevalent ideas encountered by Bhutan’s fourth King during his formative years of international experience. Seligman (1925) suggests that,

… it is given to no man to be entirely original; every one is the product of the times, of the Zeitgeist; and the ideas of the period are unconsciously reflected in the individual (p. 9).

In this sense, the 1989 declaration of GNH by Bhutan’s fourth King Jigme Singye Wangchuck (reign 1972 to 2006) is also a consequence of the prevalent ideas, or the Zeitgeist, during his reign. The fourth King was a product of modernity. Beginning with an early childhood of traditional Buddhist education in Bhutan, his modern education included St. Joseph’s College in Darjeeling, India between 1961 and 1964 and the Summerfield and Heathersdown Schools in England between 1964 and 1969 (Ura, 2010, p.80). His education was abruptly cut short upon the demise of his father, on July 21st 1972 in Nairobi. Despite a relatively short international education, at 17 years of age the fourth King ascended the throne to be the world’s youngest monarch (L. Dorji, 2008, p.86), at that time.

A cursory examination of the evolution of Western development theory since the 1950’s is necessary in the context of this study. Welsh and Butorin (1990) defines development as,

… the process of economic and social betterment resulting from increased production, more rational or equitable distribution of benefits from this activity, the adoption of principles of national and individual conduct more conducive to economic growth (p.310).

---

1 For a more comprehensive account of the Bhutan Monarchy see Michael Aris (1994), The Raven Crown: The origins of Buddhist Monarchy in Bhutan.
The assumption of the development process is that it leads to higher living standards including increased income, nutrition intake, health, education, housing, freedom of choice and consumption (Akhand & Gupta, 2006; Atkinson, 1997; Badgley, 1971; Hettne, 1990). Sharpley (2009, pp.38-45) suggests that the decade 1950 to 1960 was dominated by modernisation development process based on Western economic growth (see Table 4.1). The decade 1960 to 1970 decade reflected a dependency approach resulting from the dominance and exploitation of underdeveloped countries by the developed countries. The decade 1970 to 1980 was characterised by the onset of neo-liberalism and the promotion of the free-market. During the decade 1980 to 1990 governments began to recognise the impacts of development on societies, which led to alternative and sustainable development paradigms. The decade 2000 to 2010 raised post-development issues and calls for a new paradigm due to the impacts and implications development brought. Since 2010, human development for happiness and wellbeing has dominated development theory.

Table 4.1. Development theory from the 1950’s.

<table>
<thead>
<tr>
<th>Timeline</th>
<th>Development Process</th>
<th>Key concepts and strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950s-1960s</td>
<td>Modernisation theory</td>
<td>Dominance of Western economic growth based models</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Stages of growth</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Structural theories</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Diffusion: growth poles and trickle down</td>
</tr>
<tr>
<td></td>
<td></td>
<td>State protection; regulation/protectionism</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Underdevelopment the result of dominant/exploitation by developed countries</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Economic restructuring: import substitution, protectionism, development of domestic markets</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Limits to growth: non-Malthusian theories in response to environmental concerns</td>
</tr>
<tr>
<td>1960s-1970s</td>
<td>Modernisation/dependency theory</td>
<td>Domination of Western economic growth based models</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Stages of growth</td>
</tr>
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<td>Structural theories</td>
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<td>Diffusion: growth poles and trickle down</td>
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<td>Underdevelopment the result of dominant/exploitation by developed countries</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>Limits to growth: non-Malthusian theories in response to environmental concerns</td>
</tr>
<tr>
<td>1970s-1980s</td>
<td>Neo-liberalism</td>
<td>Promotion of free-market</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Limits to government intervention in economic activity</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Deregulation/privatisation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Structural adjustment programs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>New economic order: one world</td>
</tr>
<tr>
<td>Timeline</td>
<td>Development Process</td>
<td>Key concepts and strategies</td>
</tr>
<tr>
<td>---------</td>
<td>-------------------------------------</td>
<td>---------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>1980s</td>
<td>Neo-liberalism/alternative development</td>
<td>Awareness of effects of development on different cultures/societies Grassroots/people-centred development Basic needs: food, housing, education, health Local context/indigenous knowledge Environmental sustainability</td>
</tr>
<tr>
<td>1990s</td>
<td>Alternative/sustainable development</td>
<td>Dominance of sustainable development paradigm, but emergence of post-development school Grassroots/people centred development Environmental management Engagement with globalisation The development 'impasse'</td>
</tr>
<tr>
<td>2010s</td>
<td>Human development</td>
<td>Happiness, wellbeing</td>
</tr>
</tbody>
</table>


### 4.2 Modernisation Theory

Modernisation theory purports that urbanisation, industrialisation and educational attainment are the three key measures for achieving development (Haynes 2008). According to Rostow (1960), the modernisation process includes five development stages: a traditional stage of pre-science and technology with reliance on an agricultural economy; a precondition for take off stage induced by external forces to stimulate trade and the move from self-sufficiency and localisation; the take off stage in which the manufacturing and transport industries bloom; the drive toward maturity stage reliant on entrepreneurial and technical skills; and the age of mass consumption where consumption of goods and services exceeds needs (cited in Haynes 2008, p.23-24). These five stages theoretically lead to modernisation.
Modernisation theory however, has its challenges. There is an assumption that modernisation through industrialisation and economic development results in positive social and political change (So, 1990). In *Political Man*, a foundational text on theories of modernisation Lipset (1963) suggests that, “the more well-to-do a nation, the greater the chances that it will sustain democracy” (p.48). Lipset’s claim is that economic development triggers social changes that produce democracy. Lipset argues that wealthier societies usually have higher educational levels alongside urbanisation, resulting in a larger middle class enhanced with better communications and greater social equality and mobility, all of which are conducive to the functioning of democracy. However, the challenge is that development through modernisation is never balanced (Hayami & Godo, 2005; Hettne, 1990, 2009; Kingsbury, Remenyi, McKay, & Hunt, 2004), with some parts of society benefitting more whilst others less fortunate are left out (Kothari & Minogue, 2002; Larraín, 1989). Hence, modernisation comes at a cost.

The costs of modernisation are both internal and external to a country (Haynes, 2008). Corbridge (1995) notes that developed countries take raw material from developing countries (by trade or by force) for their own industrialisation and hence modernisation themselves, leaving the resource rich country depleted of those resources and undeveloped. Examples include resource rich countries in South-East Asia being exploited by colonisation (James, Naya, & Meier, 1989). Raul Prebisch (1984) argues that, “the problem of underdevelopment in the developing world lay squarely in its relationship with the developed countries” (cited in Haynes, 2008, p.67). This relationship remains unbalanced as the cost of modernisation is born by the underdeveloped or developing countries.

4.2.1 Bhutan’s Entry Into Modernisation

Bhutan joined the Colombo Plan in 1962 as part of its modernisation and development process. Through the Colombo Plan, Bhutan sought “to receive technical assistance, and have access to vast financial resources for the socio-economic development of the kingdom”, and in particular “to secure support for the development of modern education and healthcare” (T. Tashi, 2012, p.23). While the Colombo Plan benefitted Bhutan, it was also a step towards Bhutan’s dependency on Foreign Aid.

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Bhutan learnt lessons from the modernisation of other nations. Bhutan has taken its cue from neighbouring countries and acts on its own national priorities, including national security (Karan, 1990). In Bhutan’s 8th Five Year Plan, it is noted that,

… the Royal Government has welcomed external assistance on a selective basis to support its successive development plans, while seeking to ensure that such aid promotes self-reliance on a sustainable basis, rather than dependence. As with all countries, the preservation of national security is seen as a prerequisite for a meaningful development (Bhutan’s 8th Five Year Plan, 1997-2001, p.15).

Since the early 1960’s Bhutan has steered its own sustainable development path through GNH. Bhutan’s approach to sustainable development was articulated in The Paro Declaration of 1990, in which Buddhism plays a key role. The goal is to,

… find a development path that will allow the country to meet the pressing needs of the people, particularly in terms of food, health care and education, without undermining the resource base of the economy. New industries, new agricultural markets, and new forestry products need to be carefully developed, with respect to their broader environmental ramifications … Sustainable development, we believe, is a concept that is in harmony with the cultural and religious traditions of Bhutan. Our nation already has a strong conservation ethic, and indeed, respect for the natural world is a central tenet of Buddhism. It is therefore essential that the traditional culture be kept strong so that its values can guide our sustainable development path (Bhutan’s 7th Five Year Plan 1992-1997, section 4.7).

Sustainable development in Bhutan is therefore based on Buddhist values.

Bhutan was admitted to the United Nations (UN) in 1971. In 1977, Bhutan reflected the UN Millennium Development Goals (MDG) in its Five Year Plans (FYP). Bhutan has made positive moves in reducing poverty, improving gender equality, achieving universal education, reducing child mortality, and promoting environmental sustainability, all of which are the UN MDGs and are reflected in the key development objectives in Bhutan’s Five Year Plans (see Table 4.2). Tourism development was first mentioned in the 3rd FYP and became the focus in the 9th FYP.

Table 4.2. Key development objectives in Bhutan’s Five Year Plans.

<table>
<thead>
<tr>
<th>Bhutan’s Five Year Plans (FYP)</th>
<th>Identified Key development objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>11th 2013-2018</td>
<td>Achieve self-reliance and inclusive green socio-economic development, through the Economic Stimulus Plan in infrastructure development (urban, transport, industrial estates, energy, strengthen cottage, small and medium industry and financial sector</td>
</tr>
<tr>
<td>10th 2008-2013</td>
<td>Develop hydro-electricity power, poverty alleviation, promote gender equality</td>
</tr>
</tbody>
</table>
Bhutan’s Five Year Plans (FYP) | Identified Key development objectives
--- | ---
9th 2002-2007 | Improve quality of life and income, especially of the poor, - Ensure good governance - Promote private sector growth and employment generation, - Preserve and promote cultural heritage and environment conservation, and - Achieve rapid economic growth and transformation (Tourism focus began)
8th 1997-2002 | Achieve self-reliance, expansion and improvement of education and technical training, and Human Resource Development, provide essential infrastructure (roads, telecommunications, electrification)
5th 1981/82-1986/87 | Economic self-reliance with technical assistance from ABS and World Bank, Dzongkhag Yargye Tshogde (decentralisation at district level)
4th 1976/77-1980/81 3rd 1971/72-1975/76 | Increase economic and living standards, with focus on agriculture, livestock, forests, small industries, expansion of basic facilities in education, health, nutrition, drinking water supply Increase agriculture, improve living standards, introduce tourism (tourism mentioned for the first time)
2nd 1965/66-1970/71 1st 1961/62-1965/66 | Education, medical facilities, irrigation, extension activities Infrastructure, roads, power, communication system, transport, agricultural and animal husbandry

Source: (Gross National Happiness Commission, nd).

Through the GNH development philosophy Bhutan applies a Buddhist ethical approach to post-market economics (Herschock, 2004), in its attempt to avoid unsustainable Western economic systems (Dixon, 2004). The GNH development philosophy proposes a sustainable and inclusive form of development that focuses on, “the happiness or wellbeing of the individual, based on man's [sic] (unquantifiable) spiritual and emotional wellbeing” (Ura, 1997, p.241). The GNH development philosophy reflects the traditional Bhutanese way of life embedded with Buddhist values with its relatively late entry into modernisation and development as understood in the Western context. Most importantly, Bhutan does not subscribe to a development paradigm in which GDP is the primary measure of a nation’s development, but rather emphasises the need for coexistence of both GDP and GNH.

**Bhutan’s dependency on Foreign Aid**

Since 1962, Bhutan has depended on Foreign Donor Aid to help fund its development programs. Bhutan sought self-reliance to lessen dependency on Foreign Aid since the 5th FYP. However, external assistance remains necessary.
As most of the population have been subsistence farmers until recently, the level of monetisation has remained low. This has restricted the Government’s ability to raise domestic revenues, and Bhutan has relied on external assistance for the funding of development programs (Bhutan’s 7th Five Year Plan, 1992-1997, p.8).

Bhutan’s biggest Foreign Aid Donor is India. This is evidenced by the first two FYPs (1961-1971) in which India provided 100% of Donor Aid and expertise, and the third FYP (1971-1976) in which India provided 97% of the Donor Aid and expertise (Basu, 1996). In 1949, Bhutan signed a Treaty of Friendship with India that restricted Bhutan’s autonomy on its own foreign policy, defence and commerce (Basu, 1996; Parmanand, 1992; Rahul, 1997; Ramakant & Misra, 1996). The subsequent Indo-Bhutanese treaty renewed in 2007 loosened Bhutan’s need to consult India on its foreign policy and prioritises mutual national security issues (Bhutan Observer, 2012, p.209). However, Bhutan continues to depend heavily on India particularly for food aid (The World Bank, 2014). Figure 4.1 shows India’s significant Aid contribution in the period 2002/03 to 2012/13 in relation to Bhutan’s other Foreign Aid Donors. Note that India contributes more than half of all Foreign Aid to Bhutan, except from 2012 to 2013. And India remains a significant Aid contributor to Bhutan agreeing to meet Bhutan’s 11th FYP (Kuensel, September 2, 2013, p.1, refer to Appendix 4.1).
Historically, Bhutan is reliant on India’s Aid. Further, Bhutan is reliant on Indian military protection as well as Indian expatriate labourers who work mainly in the construction of buildings and infrastructure. Moreover, the Bhutanese currency, Ngultrum, is pegged to the Indian Rupee, and Bhutan continues to rely heavily on food imports from India. This mutually beneficial and close relationship between Bhutan and India is also in India’s national interest as Bhutan serves as a strategic buffer zone between India and China. Furthermore, India requires hydropower from Bhutan (K. Dorji, 2013). Hence, in my analysis, it is correct to suggest that that there is a symbiotic relationship between Bhutan and India; a relationship that impacts on Bhutan’s socio-economic, political and national security developments.
4.2.2 Human Development Index (HDI)

According to the United Nation Human Development Report (UNHDR) (2006), the basic objective of human development is to create an enabling environment for people to live a long, healthy and creative life. This requires creating the enabling conditions for the human potential to flourish. Political freedom, peace and guaranteed human rights and self-respect contribute to those enabling conditions (UNHDR, 1990). The key argument is that development should not be void of its human focus rather, human development is development for “opportunities for a full life” (Haq, 1995, p.ix). According to Haq (1995), the human development paradigm features:

- People at the core of its development concerns.
- The key purpose of development is to enlarge all human choices, not limited to income.
- Building human capabilities by way of investment in people, and utilising these human capabilities through an enabling framework for growth and employment.
- Regards economic growth as essential, but directs the need to focus on quality and distribution.
- Concern with the ends of development and how to achieve these sensibly (p.21).

Although free market liberalism advocates economic efficiency, the benefits of income distribution remain socially unjust. The United Nation Development Human Development Index (UNHDI) heralded in a new era of analysing development by confirming that, “economic growth seldom trickles down to the masses” (United Nations Development Plan, 1990, p.3). The UNHDI measures a country’s overall achievement in three categories of human development: longevity, knowledge and economic resource. The HDI provides a detailed picture of society, which reflects the level of education, health and poverty. The UNDP’s notion of “enlarging people’s choices”, is taken to mean people’s access to knowledge, nutrition and health services, security, leisure, and political and cultural freedoms. Human development has taken centre stage in post-modern and post-developmental approaches through understanding that unless basic needs such as security, safety, wellbeing, and human respect are met, social security will be lacking.
The Australian Genuine Progress Index

The purpose of this section is to show that there is a range of ways to measure human development and that Bhutan has derived its own. One useful HDI is The Australian Genuine Progress Index (AGPI). The AGPI was developed by Hamilton (1997), building on the works of Daly and Cobb (1990), Cobb, Halstead and Rowe (1995), in an attempt “to construct indicators of changes in wellbeing that are more comprehensive than GDP” (p.3). It consists of 25 components ranging from consumption, expenditure, labour, health, education and environment. It is complex in nature and takes on a broad representation of various wellbeing indicator measures. The AGPI is comprehensive with several notable indicators, including the distribution of income; however, this comprehensive index has received little attention and has not been further developed since 2000 (Personal communications by e-mail with The Australian Institute, July 25 2012).

What this potentially means is that the plurality and complex range of indicators used to measure human development may be too cumbersome for measurement and that there has been no consensus for a model that fits all contexts. Similarly, in the case of the GNH Index, the Bhutanese have developed their own wide set of human development indicators to measure wellbeing.

In the context of Bhutan, human development is a key focus. Bhutan’s 8th Five Year Plan (1998-2003) stated that,

Economic growth is not the goal of development; human development is. What matters most is how secure people feel, the peace and comfort they enjoy, the richness of human lives (Gross National Happiness Commission, nd, p.13).

Accordingly, Bhutan’s 4th King asserted GNH as a slow-paced and value-led development, as an aspirational development to augment GDP, and as a signal to modernise his Kingdom (Burns, 2011).

3 Other measures of well-being include The Genuine Progress Indicator (GPI), the Index of Sustainable Economic Welfare (ISEW) and the Index of Social Health (ISH), refer to the OECD Report The Wellbeing of Nations: The role of human and social capital (2001).
4.2.3 The Capabilities Approach to Development

One form of development is the capabilities approach that focuses on individual freedom. Sen (1999) identifies freedom as the provision by the government for emancipatory capabilities in development. He argues that these opportunities must be present in order for basic needs to be met before happiness can be achieved (Sen, 1973, 1981, 1999), since anyone without basic shelter, food and clothing cannot be happy (Sen, 1981). Thus for Sen’s development has the potential for individuals “to be able to do and to be” (p.75). Attaining individual freedom developed through the capabilities approach, “involves structural transformation which implies cultural, political, social and economic changes” (Hettne 1990, p.3).

One important structural transformation in the capability approach in development is gender equality. Women’s freedom to choose has often been limited, especially in underdeveloped countries (Chant, 2010; Scott, 1995). It can be argued that development itself is patriarchal in origin (Peet & Hartwick, 2009, p. 267). Women in development, and women and development, were often considered to be peripheral in development theory (Kothari & Minogue, 2002). Nussbaum (2000, 2011) argues for the capabilities approach for women, alongside Sen’s (1999) development as freedom. Nussbaum reminds us that true development and growth must also consider gender distributive justice.

The capability approach relates to GNH through the centrality of Buddhist spiritual achievement (Lokamitra, 2004), that is, developing self-capability in achieving happiness through freedom from greed, ignorance and anger (Saddhatissa, 1970). One of the key objectives of Bhutan’s FYPs is to develop self-reliance, that is, to be less dependent on Foreign Donor Aid, in order to provide enabling conditions for its citizens to develop self-capability to achieve happiness. Self-reliance is a key focus, and tourism offers such a development opportunity because of the foreign income it brings. The next section examines tourism development in Bhutan.
Part II: Tourism Development in Bhutan

4.3 Tourism as a Catalyst for Development

Globally, tourism is regarded as a promising tool for development and modernisation because of its significant economic contributions and the opportunities to enhance human capabilities through employment, the preservation of culture, and social development (Li, 2008; Moscardo, 2008; Warburton, 1998). As such, tourism is widely regarded as a catalyst for strategic development (Morrison, 2013; Sharpley, 2009; Tsiotsou & Goldsmith, 2012). In order to cater to the needs of tourists, developing countries are encouraged by developed countries to try to adopt Western hospitality practices and standards in order to emulate the tourism conditions found in developed countries (Liu, 2003; Markwick, 2000; Singh & Singh, 1999). This includes high standards of roads, personal safety, law and order, and hygiene (United Nations. Economic and Social Commission for Asia and the Pacific, 2003). Tourism is a growth industry with global international tourist arrivals in 2014 increasing by 4.7% over 2013 and reaching 1,135 million (World Tourism Organisation, 2015, p.11). According to the UNWTO Secretary-General Taeb Rifai,

… for a sector directly responsible for 5% of the world’s GDP, 6% of total exports and employing one out of every 12 people in advanced and emerging economies alike these results are encouraging, coming as they do at a time in which we urgently need levers to stimulate growth and job creation (World Tourism Organisation UNWTO, 2012).

Accordingly, tourism is promoted as an effective instrument to spread wealth creation through direct tourist expenditure and international investments in the development of tourism infrastructure and facilities (Sharpley, 2009). Many governments turn to tourism as a source of economic development (Coopers & Lybrand. & Western Australia Tourism Commission., 1997; Dieke, 2011; Freitag, 1994; Inskeep, 1992; Singh & Singh, 1999; Smith & Duffy, 2003; United Nations. Economic and Social Commission for Asia and the Pacific, 2003; Zeng, 2006), and as such, tourism development is political (Hall, 1994).
Retaining tourism revenue within the local economy is vital if a nation is to benefit from tourism wealth creation, and government intervention through policy-making can be useful in this respect (Hartley & Hooper, 1992). Riddell (1981) considers that, “the important central element in tourist policy is for a nation to have tourism on their own terms and for their own direct benefit” (p.188). Economic leakage occurs when tourist expenditures finance the import of goods to meet tourists’ needs such as imported food, construction material, accommodation furnishings (Butler & Aramberri, 2005; Liu, 2003). This results in a lower net retention of tourism revenue (Sharpley 2009, p.15), and is most likely to weaken the government’s treasury. Hence, a nation owning and managing tourism development, providing transportation, and controlling the issue of entry permits can maximise public benefits whilst safeguarding environmental and cultural values. Bhutan seeks to utilise tourism for the nation’s benefit. The GNH Tourism Model is a controlled tourism through a regulated tariff system featuring a Royalty Fee that provides a mechanism to retain tourism revenue for the benefits of the people. Bhutan’s tourism revenue is the nation’s largest foreign income earner (Sithey & Centre for Research Initiative, 2013).

4.3.1 Bhutan’s Tourism Development

Tourism in Bhutan began as a direct consequence the 4th King’s coronation in 1974. From 287 international tourists\(^4\) in 1974, the figure reached 116,209 in 2013 (Tourism Council of Bhutan, 2014). The Bhutan Tourism Council (BTC) was established in 1983, functioning under the Trade Ministry. Tourism was nationalised when it began but privatised in 1991, with 33 tour operators and the establishment of the Tourism Authority of Bhutan (TAB). In 2000, the Tourism Development Committee, the Tourism Development Fund (TDF) and the Association of Bhutanese Tour Operators (ABTO) were established. In 2008, the Tourism Council of Bhutan (TCB) was established as an autonomous body with government funding, and in 2012, a Tourism Bill was proposed to separate tourism from the government to allow it further autonomy especially with regards to managing its human resources (Kuensel, July 14, 2012). The primary objective in promoting tourism is to generate revenue through foreign currency, promote culture and traditions, and provide socio-economic development (Tourism Council of Bhutan, 2009).

\(^4\) The 287 international tourists were invited guests of the 4th King for his coronation.
As seen in Table 4.3, positive growth earnings occurred in 2008, and from 2010 to 2013. In 2012, tourism revenue grossed at US$62.80 million, an increase of +31.71% from 2011 and the Tourism Royalty Fee contribution to the government peaked at US$16.63 million (Tourism Council of Bhutan, 2013). The tourism sector provided 22,045 jobs at the end of 2011 (Bhutan Observer, July 13, 2012). It is noted that despite a slight drop in tariff paying tourist arrivals in 2013 compared to 2012, the growth earnings was +1.09%, despite a slight drop in the Royalty Fee of -0.60%.

Table 4.3. Gross earnings of tariff paying tourist 2008 -2013.

<table>
<thead>
<tr>
<th>Year</th>
<th>Arrivals</th>
<th>Gross Earnings in USD (million)</th>
<th>Growth Earnings in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>27,636</td>
<td>38.83</td>
<td>+30.10%</td>
</tr>
<tr>
<td>2009</td>
<td>23,480</td>
<td>31.88</td>
<td>-17.90%</td>
</tr>
<tr>
<td>2010</td>
<td>27,196</td>
<td>35.98</td>
<td>+12.86%</td>
</tr>
<tr>
<td>2011</td>
<td>36,765</td>
<td>47.68</td>
<td>+32.53%</td>
</tr>
<tr>
<td>2012</td>
<td>54,685</td>
<td>62.80</td>
<td>+31.71%</td>
</tr>
<tr>
<td>2013</td>
<td>52,783</td>
<td>63.49</td>
<td>+1.09%</td>
</tr>
</tbody>
</table>


Tourism in Bhutan is the highest foreign income earner, assisted by the tourism tariff being paid in US dollars. As such, tourism revenue contributes to the government’s income and tourism development has an important position in Bhutan’s Economic Development Policy 2010 (to Appendix 4.2). The Prime Minister specifically addressed the expansion of the tourism sector in his State of the Nation 2009-2010 Address (refer to Appendix 4.3). Subsequently, there was another announcement of the nation’s tourism achievements in the State of the Nation 2012 Address to Parliament (refer to Appendix 4.4). These two announcements signify tourism’s significance for the government. Figure 4.2 provides a perspective on the gross earnings from tariff paying tourists and the Royalty Fee collected for 2008 till 2013.

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5 With the exception of 2009, when there was a drop in tariff paying tourist arrivals attributed to the impacts of the 2008 Global Financial Crisis (Tourism Council of Bhutan, 2010).
4.3.2 Development Through Slow-paced and Value-led Tourism

Bhutan’s GNH tourism paradigm is unique because of its slow-paced and value-led development ideology based on the principles of GNH. Bhutan’s tourism policy began as high value, low volume. As Karan (1990) highlights, Bhutan’s GNH Tourism Model is distinguished by its controlled nature, in that,

Although tourism is the major source of hard currency earnings, the government has chosen to develop it slowly to minimize the negative impact of tourism on tradition, culture and the natural environment. In keeping with this policy, tourism is strictly controlled. The government has sought to maximize the earnings from tourism by pursuing a high-priced all-inclusive package tour (p.113).

Furthermore, Karan (1990) adds that,

In order to minimize any negative impact from the outside world, Bhutan strictly controls tourism and travel in the country. The foreigners who do come must travel in controlled groups, and are confined to particular itineraries, which are set by the government (p.122).
This policy targets low numbers of affluent high spending tourists, who can pay the minimum fixed rate of $US250 per person per day\textsuperscript{6}. The media reports that, “high value, low volume tourism must be maintained to prevent any negative consequence on our society and culture” (Best of Bhutan Observer, Editorials 2012, p.25). Keeping tourist numbers low has also assisted in preventing the acculturation of locals to Western values. Rogers (2002, p.16) contends that, “many tourists come to Bhutan, first and foremost, because it is Bhutan” and the GNH philosophy is inherent to this attraction.

However, the first term democratically elected government changed the tourism policy to high value, low impact (to Appendix 4.5) and with this new policy, increased tourist numbers. The basic premise is that tourist numbers are well,

\ldots within the capacity of our socio-cultural and natural environment to absorb visitors with negative impacts, while ensuring that the experience we provide to the visitors are of high quality. This way, we target our markets based on the principle of ‘high value, low impact’ (Tourism official, personal communications, October 20, 2011).

Furthermore, the tourism official adds that, “we intend to use tourism and not to be used by it” (Tourism official, personal communications, October 20, 2011). It is the consequence of the change in tourism policy from high value, low volume to high value, low impact that frames the dissertation’s research question.

4.3.3 The Tariff System

A feature of the GNH Tourism Model is its unique tariff system. This tariff system began in 1974 with a daily fee per person per night (see Table 4.4), and an all inclusive tour package. The tour package consists of a minimum of a 3-star hotel accommodation, a pre-set tour itinerary, the provision of a tour guide, all transportation undertaken, three meals, and entrance fees to cultural sites or trekking routes (Tourism Council of Bhutan, 2009). This amount was raised to US$200 in 1989, and to $250 in 2012 (refer to Appendix 4.6 for Tourism Tariff Supplements).

\textsuperscript{6} National Tourism Policy, Tourism Council of Bhutan, 2013.
Table 4.4. Tariff System since 1974.

<table>
<thead>
<tr>
<th>Date</th>
<th>Type of change</th>
<th>Culture (price in US$)</th>
<th>Trekking (price in US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>High season</td>
<td>Low season</td>
</tr>
<tr>
<td>1974</td>
<td>Introduction of the system</td>
<td>130</td>
<td>130</td>
</tr>
<tr>
<td>1986</td>
<td>Seasonality adjustment</td>
<td>130</td>
<td>90</td>
</tr>
<tr>
<td>1989</td>
<td>Tariff raised to US$200 for the first time</td>
<td>200</td>
<td></td>
</tr>
<tr>
<td>July 1994</td>
<td>Differentiation by Dzongkhag and activity:</td>
<td>220</td>
<td>130-175</td>
</tr>
<tr>
<td></td>
<td>1. Thimpu, Paro, Phuntsholing</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. Wangde Phodrang, Punakha, Tongsa, Bumthang and Samdrup Jongkhar</td>
<td>150</td>
<td>100-130</td>
</tr>
<tr>
<td></td>
<td>3. Phobjikha, Mongar, Tashigang, Tashi Yangtse and Lhuntshi</td>
<td>130</td>
<td>90-120</td>
</tr>
<tr>
<td></td>
<td>4. Trekking</td>
<td></td>
<td></td>
</tr>
<tr>
<td>July 1995</td>
<td>Simplification of existing rules; amendments to discounts and surcharges</td>
<td>200</td>
<td>120</td>
</tr>
<tr>
<td>Jan. 1997</td>
<td>Levelling of fee</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>Jan. 1999</td>
<td>Re-introduction of low-season pricing; amendments to discounts and surcharges</td>
<td>200</td>
<td>165</td>
</tr>
<tr>
<td>Jan. 2001</td>
<td>Amendments to surcharges and introduction of the Tourism Development Fund</td>
<td>200</td>
<td>165</td>
</tr>
</tbody>
</table>


Importantly, Bhutan’s tariff system may be regarded as a demarketing strategy. Demarketing is a strategic marketing tool applied to control the types and origins of potential revenue sources. For example, destinations like Bermuda, Tahiti and Vail (Colorado) discourage mass tourism and attract quality, high-end, well-educated and high-spending tourists that have large disposable incomes (Weaver, 2006, p.187). Similarly, the tariff system strategically positions Bhutan to attract highly educated and well-seasoned travellers.

4.3.4 Tourism Royalty Fee

The interesting feature of the GNH Tourism Model is the Royalty Fee of US$65 per night. The RGoB uses this Royalty Fee to fund free education (up to secondary school) and health services for Bhutanese citizens (see Table 4.5). The direct contribution of tourism revenue to improving the quality of life for the Bhutanese people is a key aspect of Bhutan’s values-led tourism policy. In his comprehensive review of the Tariff Review, Rogers (2002) concludes that,

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7 Over 70% of international tourists have a minimum of a Tertiary Degree (39.26% Masters Degree and 34.39% Bachelors Degree) source: Tourism Council of Bhutan, 2013.
8 Until 2012, the Royalty Fee was US$65 in the high season and US$55 in the low season.
In general the tariff system is efficient and well managed and distributes good profits to the RGoB and tour operators (p.28).

Furthermore, US$10 per tourist per visit is paid into the Tourism Development Fund (TDF), which was established in 2000 to assist with financing the tourism development initiatives of tour operators.

Table 4.5. Daily Tariff Fee Break down (in $USD).

<table>
<thead>
<tr>
<th>Season</th>
<th>High</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tourist pays per day</td>
<td>250.0</td>
<td>200.0</td>
</tr>
<tr>
<td>Less 10% agent commission</td>
<td>25.0</td>
<td>20.0</td>
</tr>
<tr>
<td>Net received in Bhutan</td>
<td>225.0</td>
<td>180.0</td>
</tr>
<tr>
<td>Tourism Royalty to RGoB</td>
<td>65.0</td>
<td>65.0</td>
</tr>
<tr>
<td>Less 2% withheld tax to RGoB</td>
<td>3.2</td>
<td>2.3</td>
</tr>
<tr>
<td>Tour operator receives</td>
<td>156.8</td>
<td>112.7</td>
</tr>
</tbody>
</table>


4.3.5 Route Restriction

Another feature of the GNH Tourism Model is that many parts of Bhutan are still out of bounds for tourists. Only Thimphu, Paro and Haa (see Figure 4.3) have permit free zones. There are security guards stationed at security checkpoints, for example at Chuzom and at the Thimphu Gate. Tourists must obtain route permits from the immigration office in Thimphu through local tour operators, who are required to submit an itinerary plan to the TCB for approval. The route permits are issued with the visa. Visits to religious places also require special permits. Tourists’ own vehicles are discouraged due to narrow and winding roads.
Figure 4.3. Map of Bhutan.

4.4 Tourism Issues

This section explores some of the tourism issues experienced by tourists as reported by the media in Bhutan. The purpose is to provide some perspectives on prevailing tourism issues before my visit to Bhutan.

Box 4.1. Bhutan’s Tourism Industry: The bottom line to the top dollar.

“Dead flies on table, smell of rotten meat and poor cleanliness” is how an Austrian tourist described a top-notch hotel in Punakha. “Garbage and dogs in Paro” was a UK tourist’s complaint. “Too expensive – we got taken advantage of” was from a couple from the United States. “The first guide was incompetent, the second did not know proper English,” said another foreign couple. These are some of the views of the 2,013 tourists in a survey by the Tourism Council of Bhutan (TCB) last year.

Most complaints were infrastructure related. Frequent ones were on bad public toilets, roads, Internet connectivity, food, dog care, garbage control, lack of souvenir shops, ATM facilities, information counters and poor Druk Air services. “The main complaints against hotels were on poor hygiene, plumbing, hot water supply, food, mattresses, showers in bathroom and bathroom facilities,” said a TCB official. Many tourists have found themselves lodged in sub standard hotels while paying for better facilities. Around 9.6 percent of tourists felt that they did not get value for money while 20.8 percent had no opinion.

Source: 

Tourists' comments in Box 4.1 reveal some of the tourism issues in Bhutan. To further understand tourism in Bhutan, it is necessary to highlight three key tourism issues: the two types of tourists\(^1\), hotel accommodation issues, and seasonality issues.

\(^1\) Note that there was an absent of literature on Bhutan’s domestic tourism, it is not acknowledged or given any significance, nor were there any mention of it in any of the interview fieldtrip data.
4.4.1 Regional and Tariff Paying Tourists

There are two types of tourists in Bhutan: regional tourists and tariff-paying international visitors. Regional tourists (see Table 4.9) are from the neighbouring countries of India, Bangladesh and the Maldives. They are not subjected to the tariff conditions imposed on international tourists. This is due to the, “open-border policy, whereby visitors do not require a visa” (Tourism Council of Bhutan, 2009, p.19), reflecting the close geographic, political and economic ties between Bhutan and these countries (Nyaupane & Timothy, 2010). Indian high-end visitors (24%) who tend to fly and use tourist-accredited accommodation are regarded as a potential resource to mitigating seasonality and providing market resilience to the global economic crisis. As a result of the non-requirement for a visa, and their mode of arrival mainly by road (76%), these regional tourists are not included in the Tashel System\(^2\), and hence are not included in the Bhutan Tourism Monitor Annual Reports. This is problematic, as it has resulted in a heavy focus on international tourists. Table 4.6 shows that regional tourist numbers have increased significantly since 2011.

Table 4.6. Regional tourists growth numbers 2008-2013.

<table>
<thead>
<tr>
<th>Year/Tourists</th>
<th>Regional</th>
<th>Growth in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>32285</td>
<td>-6.36%</td>
</tr>
<tr>
<td>2009</td>
<td>20847</td>
<td>-35.42%</td>
</tr>
<tr>
<td>2010</td>
<td>13677</td>
<td>-34.39%</td>
</tr>
<tr>
<td>2011</td>
<td>27263</td>
<td>+99.33%</td>
</tr>
<tr>
<td>2012</td>
<td>50722</td>
<td>+86.04%</td>
</tr>
<tr>
<td>2013</td>
<td>63426</td>
<td>+25.04%</td>
</tr>
</tbody>
</table>


Whilst the Bhutanese policy of high value, low impact tourism has some effect in preserving the natural environment and socio-cultural integrity by limiting the impacts from Western tourists, regional tourists are unrestricted and have a direct impact on Bhutan’s socio-cultural and environmental carrying capacity. This is uncontrolled tourism as there is no minimum spending requirement or limit on the length of stay.

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\(^2\) The Tashel-Online system of the Tourism Council of Bhutan only captures data on international leisure visitors and therefore do not have in-depth data on regional, official and business visitors. Information that is generated from this system pertains to the data that tour operators provide while applying for tourist visas online.
4.4.2 Hotel Accommodation

The hotel situation in Bhutan also poses challenges. There are discrepancies in the provision and spread of hotel accommodation. As stated earlier, the all inclusive tour package states that a minimum 3 star hotel accommodation is offered. However, this is often not the case. International tourists are put into lower categories of hotel accommodation due to the lack of 3 star hotels, especially during the high season. In 2009, the Bhutan Tourism Monitor Annual Report stated that,

... there is also discordant growth of accommodation providers in different areas. The number of hotel rooms built in the last three years is heavily disproportionate to the increase in arrivals over the same period (Tourism Council of Bhutan, 2009, p.41).

Hotel distribution in Bhutan has resulted in inequity of the spread of tourism benefits. Table 4.7 illustrates the hotel category and number of hotels available in 2013.

**Table 4.7. Categories of accommodation providers.**

<table>
<thead>
<tr>
<th>Dzongkhag/Hotel category</th>
<th>5 Star</th>
<th>4 Star</th>
<th>3 Star</th>
<th>2 Star</th>
<th>1 Star</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paro</td>
<td>3</td>
<td>1</td>
<td>14</td>
<td>14</td>
<td>5</td>
</tr>
<tr>
<td>Thimphu</td>
<td>2</td>
<td>4</td>
<td>8</td>
<td>10</td>
<td>3</td>
</tr>
<tr>
<td>Bumthang</td>
<td>1</td>
<td>2</td>
<td>11</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>Punakha</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Wang/Phodrang</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Trongsa</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Chhukha/P-Ling</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Trashigang</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Monggar</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>9</td>
<td>8</td>
<td>45</td>
<td>42</td>
<td>19</td>
</tr>
</tbody>
</table>

Source: Tourism Council of Bhutan 2014, p.35.

There is a concentration of hotels in western and central Bhutan. In 2008, only 104 hotels were accredited to cater to international tourists. As a result of the McKinsey Report (2010), recommendations for an increase in international tourism numbers (refer to Chapter 5), the Bhutanese government ambitiously planned to expand tourism, without first addressing the issue of hotel accommodation standard and capacity (Kuensel, October 6, 2012, p.9, refer to Appendix 4.7), the discrepancies in hospitality services provision (Kuensel, September 3, 2013, p.8) and the spread of hotel accommodation (Kuensel, September 10, 2013, p.8).

There was overcrowding as seen in the height of the 2011/2012 tourist seasons where a shortage of tourist accommodation was reported,
With nearly 40,000 tourists estimated to visit the country in 2011 and fewer than 35 standard hotels (three star and above) to accommodate them, a shortfall in tourist accommodation is expected in the country … Out of 119 tourist accommodations registered with Tourism Council of Bhutan (TCB), 65 hotels fall short of the requirement for three star and 20 fall under one star, leaving only 34 hotels fit for tourists (Pelden, 2010c).

Advised by the McKinsey Report, the government mandated the one and two star hotels to upgrade to a minimum of three star to cater for the tariff paying tourists. To achieve this outcome, the government set a deadline of December 2012. However, it was reported that the deadline was extended until 2014 (Kuensel, September 27, 2013, p.15, refer to Appendix 4.8). There are only 45 three star hotels, representing about 36 percent of the 123 registered hotels in 2013 (Tourism Council of Bhutan, 2014, p.35). Infrastructure quality and service provision improvements are crucial for any high-value quality destination (Morrison, 2013). The discrepancy in the provision and spread of hotel accommodation is problematic and has given rise to questions concerning the high value, low impact tourism policy.

4.4.3 Seasonality

Seasonality also poses an issue for Bhutan’s GNH Tourism Model. Bhutan offers visitors fixed tour itineraries such as Tshechu (religious festival) and trekking circuits in the dry season. Accordingly, tourism activities are concentrated between March and May in spring and September to November in autumn. There are little or no tourism activities during the summer from June to August, because heavy rainfall causes periodic landslides and transport disruptions, nor during December to February in the cold winter months (Tourism Council of Bhutan, 2010). Further, the Bhutanese people accord enormous respect to the mountains as sacred abodes of the spiritual deities (Schicklgruber & Pommaret, 1997, pp.159-173), and winter sports are forbidden. This reflects the strong Bhutanese respect for and bond with nature through their Buddhist religious beliefs. It is an example of GNH in operation: spirituality over economics (skiing).
4.4.4 Conclusion

The issues of regional tourists, hotel accommodation and seasonality are a threat to Bhutan’s tourism. As part of his review of the GNH Tourism Model, Rogers (2002) suggests that Bhutan is becoming more focused on earning tourist dollars than meeting its image of a, “quality destination offering the sophisticated and civilized tourism products” (p.52). Furthermore, tourist feedback is that “the price doesn’t correspond with the hotel infrastructure or service, and that clients frequently complain on both these counts” (Rogers, 2002, p.48). This strongly indicates a gap between the promotion and the delivery of Bhutan’s tourism products and services. Between 2010 and 2012, there have been frequent media reports (Pelden, 2010b, 2011; Samten, 2011; Tema, 2012) that suggest that almost a decade since Rogers’ Report, nothing has changed despite the TDF funds set up in 2000. In short, the promise of high value remains elusive, if improved accommodation and other tourism infrastructure and services are achieved.

Part III : My Tourism Experiences in Bhutan

4.5 Tourism Challenges

In this section, I present some of the challenges of the GNH Tourism Model based on my experiences during my first fieldtrip to Bhutan in October 2011. I used participant observation and photo taking in three tourist sites, the capital Thimpu and two iconic tourist sites: the Taktsang Monastery located near Paro, and Punakha Dzong, the home of the Zhabdrung, the spiritual founder of Bhutan. I also present the challenges meeting tourism stakeholders, in negotiating permission to carry out this research project and my personal apprehension regarding the policy of high value, low impact.

4.5.1 Thimphu

As a tourist in Bhutan, I was reminded to take nothing but memories (see Figure 4.4).
My first visit to Bhutan was as an independent traveller on a privately sponsored visa. It was difficult to contain my excitement when I arrived in the capital, Thimphu for the first time. Even flying into Paro airport was an experience that was quite spectacular due to the pilot’s landing skills as the plane made its way through a very narrow corridor between two high mountain ridges. And the view was spectacular. I felt as if I went back into time arriving into Bhutan, into a period setting, just as one would imagine being in ‘Shangri-La’. For one, the sight of the Bhutanese people wearing their national costume evoked a sense of being in another world. Another impressive sight was the Bhutanese architecture. Most striking was the demure of the ordinary Bhutanese people going about their daily lives.

However, my excitement remained for only a few days as I observed some of the challenges that surround Thimphu. Whilst Thimphu appeared beautifully dressed up for the Royal Wedding, there were traffic problems and rubbish was strewn on the streets (see Figure 4.5) and in the drains (see Figure 4.6). As I walked along the main street of Thimphu, the Norzim Lam, I also observed clogged drains and doma spit (see Figures 4.7 and 4.8). A particularly unwelcoming encounter was the many stray dogs loitering around the streets of Thimphu (see Figures 4.9 and 4.10), which reportedly cause a potential danger to traffic (Kuensel, September 10, 2011, p.5, refer to Appendix 4.9). These dogs howled throughout the night, making sleep a challenge throughout my stay in Thimphu. The stray dog menace was also reflected in complaints from international tourists (Kuensel, February 2, 2013, p.22, refer to Appendix 4.10), and Thimphu residents’ calls for action by the government to address the issue (Kuensel, January 10, 2015, p.4, refer to Appendix 4.11).
Figure 4.5. Rubbish in Thimphu.


Figure 4.6. Waste dumped into in one of Thimphu’s drains.

Source: Photographed by Author, October 19, 2011.
Figure 4.7. A clogged drain in Thimphu covered with doma spit\(^3\).

![Figure 4.7](image1.png)

Source: Photographed by Author, October 19, 2011.

Figure 4.8. A garbage bin in Thimphu covered with doma spit.

![Figure 4.8](image2.png)

Source: Photographed by Author, October 19, 2011.

\(^3\) In Thimphu, doma spit (red colour) is prevalent everywhere. Doma is a betel nut which is chewed and is popular in many parts of South East Asia.
Apart from my experiences in Thimphu, further media reports have reinforced the lack of waste management (Kuensel, December 1, 2012, p.8, refer to Appendix 4.12), and garbage on trekking routes (K2 Magazine, April 13, 2013, p.16, refer to Appendix 4.13). Both tourists and Thimphu residents have complained about road conditions (Kuensel, September 9, 2013, p.4, refer Appendix 4.14, Kuensel, May 27, 2013, p.4, refer to Appendix 4.15), and tourists have complained about poor service quality provided by tour operators (Kuensel, January 31, 2013, p.4, refer to Appendix 4.16).
The 2012 Bhutan Exit Survey (carried out by TCB) surveyed 10,556 international tourists. From those who responded, about 32% provided feedback on facilities and had complaints that,

… the roads were unsafe and narrow, with landslides, rolling boulders and potholes … [and that]… the lack of public toilet facilities and rest rooms along highways, trekking trails and campsites, apart from maintaining toilets located in or near temples, Dzongs and restaurants (Kuensel, September 3, 2013, p.8, refer to Appendix 4.17).

Of these complaints, 21% wanted improved road conditions, 15% wanted improved waste management, 13% were dissatisfied with Hotel services, and 11% wanted greater food diversity and choice of restaurant (Kuensel, September 3, 2013, p.8). The exit survey recorded repeated complaints that indicated that “better roads were required to justify the country’s image as a “high-end” destination” (Kuensel, September 3, 2013, p.8). Furthermore, a noted recurrent tourist complaint is the lack of toilets (Kuensel, May 10, 2014, p.17, refer to Appendix 4.18). These reported tourism related complaints provide a clearer picture of the state of tourism development in Bhutan.

**Seeking permission**

The major challenge I faced during this fieldtrip was organising and conducting meetings with tourism stakeholders to seek permission to carry out my research. Tourism stakeholders include government officials, tour operators, tour guides, NGOs, and hoteliers. Firstly, it was not easy to establish contact. I felt gazed upon (Urry, 1990) by those I met. Despite their friendliness, I suspected a degree of scepticism regarding my research project, especially by the government officials I met. These officials do have reasons to be wary. Anecdotally, I was informed that there were researchers and journalists who had previously portrayed a less than ideal image of Bhutan to the outside World. As such, government officials take great precaution when dealing with foreigners, and more so foreign researchers.
Over several meetings with these tourism stakeholders (see Table 4.8), I explained the Bhutanese Cultural Event (BCE) that I had organised in Perth, and gave a presentation to explain the purpose and focus of my study. My key points were that there is great interest in Bhutan’s unique GNH Tourism Model; in particular the impacts, and the implications it has for other tourism models such as mass tourism; but most importantly, there was a lack of research on its effectiveness. Hence, I was proposing to research international tourists perceptions’ of the GNH Tourism Model through a quantitative survey. The focus of my research project was understood and well received by the tourism stakeholders except for the TCB, who asked me to construct a different research project, because according to them my research inquiry using international tourist survey duplicated the existing exit survey (Thuji Nadik, personal communication, October 20, 2011). This outcome left me quite unsettled. Changing my research focus required my university’s research committee panel review. I was faced with a dilemma, and this was worrisome. The challenge was to convince the authorities that I could conduct useful and valuable research. I contemplated the questions: How could my research benefit Bhutan? What value could my research add to their knowledge? While considering this situation and my position as researcher, I visited two of Bhutan’s iconic tourist sites: the Takstang Monastery and Punakha Dzong.

Table 4.8. Memos first fieldwork trip meetings with tourism stakeholders.

<table>
<thead>
<tr>
<th>Date</th>
<th>Meeting with</th>
<th>Memos</th>
</tr>
</thead>
<tbody>
<tr>
<td>17/10/11</td>
<td>TCB Policy and Planning Officer KW</td>
<td>Supports my research project but must refer to the Director; meeting scheduled for 20/11</td>
</tr>
<tr>
<td></td>
<td>CBS Research Officer TZ</td>
<td>Obtained literature on GNH</td>
</tr>
<tr>
<td></td>
<td>Tour Operator TM</td>
<td>Sceptical about GNH; made aware of capacity issues</td>
</tr>
<tr>
<td></td>
<td>Tour Operator SC &amp; D</td>
<td>Agreed that GNH development theory is a good model but sceptical if it works; GNH is a branding exercise; discussed capacity issues</td>
</tr>
<tr>
<td>18/10/11</td>
<td>Opposition Leader</td>
<td>Non-committal and wished me good luck in my research project</td>
</tr>
<tr>
<td></td>
<td>President of HAB</td>
<td>Hoteliers are at the mercy of tour operators due to the tariff system</td>
</tr>
<tr>
<td>19/10/11</td>
<td>Director of The Royal Society for Protection of Nature</td>
<td>Non-committal about my research project</td>
</tr>
<tr>
<td>20/10/11</td>
<td>Director of TCB</td>
<td>Sceptical of my research project; asked me to reconstruct a different research project</td>
</tr>
<tr>
<td></td>
<td>President of ABTO</td>
<td>Pledged support and introduced me to GNHC Head</td>
</tr>
<tr>
<td></td>
<td>Head of GNHC</td>
<td>Pledged support for my research project</td>
</tr>
<tr>
<td></td>
<td>GNHC Policy and Planning Officer TN</td>
<td>Pledged support for my research project</td>
</tr>
</tbody>
</table>
4.5.2 *Taktsang Monastery*

A significant highlight of my first fieldwork trip was a visit to the iconic *Taktsang* Monastery. The *Taktsang* Monastery, or Tiger’s Nest, was built in 1692 and is located at 3120 meters high (see Figures 4.11 and 4.12). Bhutanese legend has it that Guru Padmasambhava (popularly known as the second Buddha or Guru Rinpoche) flew to the spiritual site on the back of a Tigress from Singye *Dzong* in Lhuentse (Pommaret, 1998, p.136; Wangchhuk, 2010, p.289). It is believed that the Guru meditated in a cave located there and hence it is a sacred pilgrimage site that was also visited by the *Zhabdrung* Ngawang Namgyal (spiritual founder of Bhutan) in 1646 (Schicklgruber & Pommaret, 1997, p.198).

*Figure 4.11. The Taktsang Monastery.*

Source: Photographed by Author, October 14, 2011.
Figure 4.12. The *Taktsang* Monastery seen from base camp.

Source: Photographed by Author, October 14, 2011.

It was an arduous climb to reach the Tiger’s Nest (see Figures 4.13 and 4.14.) but it was worth the effort upon reaching its summit.

**Figure 4.13. Donkeys employed to transport tourists.**

Source: Photographed by Author, October 14, 2011.
Figure 4.14. Arduous trek to Takstang Monastery.

Source: Photographed by Author, October 14, 2011.

Figure 4.15. At the half-way point with fellow trekkers.

Source: Photographed by Author, October 14, 2011.
Box 4.2 narrates the challenges and disappointments, as well as the highlights and excitements of my experience.

**Box 4.2. Field notes from visit to Taktsang Monastery.**

Still in darkness, the five of us left at 6 am for Taktsang. Enroute at Paro town, we stopped at a local provisions shop to buy butter lamps and incense as offerings at the Monastery. With excitement, we began the strenuous climb at 8 am and arrived at the Monastery after 4 hours. It was a challenge as the climb was steep. Along the way we made several stops as the air got thinner, making breathing difficult. It was a challenge as there were no public toilets at the base camp nor along the way. However, there is a toilet that belongs to the restaurant at the halfway point and one has to use the restaurant in order to use the toilet. At the Monastery, there is no public toilet. I had to use the monk’s toilet, which is a drain located next to the kitchen. It would be unwise to call this tourism product high value. I believe there is an exaggeration, as the tourist tariff is not commensurate with the basic expectations of tourist amenities. I witnessed with disappointment that there was much environmental degradation and a lack of waste management: erosion of walk trails, there were bush toilets everywhere, soiled toilet paper found everywhere, donkey faeces littered along the trek. Regarding low impact, the environmental degradation caused by human and donkey trails resulted in soil erosion all along the trek. However, the highlight was reaching Takstang Monastery. I was excited. Once inside the main temple of Amitayus (Tshepame), and prostrated in front of the Amitayus, Guru Dorje Doloe and Guru Rinpoche’s huge statues, any signs of the arduous climb dissipated. I sat in awe for about ten minutes, absorbing the spiritual sanctity of this site, lost in thought. It was an indescribable feeling, I felt an heightened sense of self-achievement and worth. I felt a sense of peace, calm and happiness during those precious moments. But soon, it was time to leave, as the gates were to close at 1pm.

Source: Field notes on October 14th, 2011.

4.5.3 Punakha Dzong

A second significant experience was my moment of spiritual enlightenment during my visit to the iconic Punakha Dzong, the seat of the Zahbdru. Travelling from the capital Thimphu to Punakha at a distance of around 77 kilometers, took over 3 hours along winding roads up to the Dochula Pass located at 3116 meters high, (see Figure 4.16) and downwards towards the confluence of the Phochu (Father) and Mochu (Mother) rivers.
Figure 4.16. The 108 Khangzang Chortens at Dochula Pass.

The Khangzang Chortens at Dochula Pass were commissioned by Bhutan’s Queen Mother in 2003 to commemorate the military expedition to drive out the Indian militants who were operating inside Bhutan’s porous southern lowlands. It is a popular tourist attraction about a 45 minute drive from Thimphu. Since 2011, the Dochula Druk Wangyel Festival features a special dance performance held annually on 13th December, to commemorate the victory of the military expedition (Ura, 2011).

At Dochula Pass there is a public toilet, but it was badly managed; it was extremely dirty, smelly, it was blocked and covered with human faeces. The other public toilet is located between Dochula Pass and Punakha. This toilet, built from bamboo, is a hole in the ground; there is no water facility, nor toilet paper (see Figure 4.17).

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4 Things had not changed two years later. Refer to Appendix 4.19. newspaper article The bane of Docula by Meeyoh, a Thimphu resident, published in the Kuensel, February 23, 2013, p.4.
Along the journey, the air was polluted from the exhaust fumes of diesel trucks, taxis and 4WDs. However, I was unprepared for the outcome of this visit for me (see Box 4.3).

**Box 4.3. Field notes from field trip to Punakha Dzong.**

The road infrastructure in Bhutan is bad. It took three hours to travel 77 kms from Thimphu to Punakha. I noticed how poor the roads were. There were many potholes along that stretch of highway. Often my car had to stop for the oncoming trucks to go past, as the road is too narrow to accommodate both a truck and a car. The average speed was between 25 to 40 kms per hour. There were, however, some stretches of road undergoing widening. The other observation is the lack of public toilets, both in the city, as well as along the highway. The lack of public toilets has been an issue for tourists who have lodged complaints to TCB.

At the Punakha Dzong, I sat in the very chambers (called the Kuenray) where the 5th King was crowned. A week ago, the Royal Wedding was held in here. There was an air of sanctity, quite like that found at the temple at Taktsang. The air seemed to be charged with high energies, there was some sort of vibration in the air. I sat in front of three gigantic statuses of Guru Rinpoche, Buddha Shakyumuni (Sangay Tempa in Bhutanese) and the Zhabdrung Ngawang Namgyal and closed my eyes to meditate for a few minutes. A sense of peace overcame me. It seemed that everything else stood still, time stood still. I prayed and asked for guidance on how to proceed with my research project. I especially dreaded the coming meeting with a TCB official regarding permission for my research. After about 10 minutes, my fears disappeared. I felt a sense of assurance. I felt uplifted with positive energies in me. I felt spiritually ‘Enlightened’.

Source: Field notes, October 22, 2011.
The visit to Punakha Dzong left me intensely positive (see Figure 4.18), I felt spiritually enlightened. This sense of being was put to use when I met the TCB official two days later to reassess my research project. I had been fearful of meeting with this tourism official because his outspokenness was somewhat overpowering, and I feared that my request to conduct research on Bhutan’s GNH Tourism Model would be rejected. As I negotiated for permission to conduct my research, I was upfront and truthful about the tourism challenges I had encountered. I told the truth. I also told him that I would have to rewrite my research inquiry, and it would have to be done according to university requirements. In closing, I told the official that if permission to conduct research was rejected by the TCB, I would consider a desktop research project.
What unfolded thereafter took me by complete surprise. The TCB official asked me to organise a second visit to Bhutan in order to join his team for their ten days Strategic Tourism Destination Management Workshop (STDMW) in December. I was taken aback. This was a great opportunity for me to be involved and learn more about the GNH Tourism Model. Concurrently, thoughts of whether this was serious and that I was being tested raced through my mind. I replied that I had to first consult with my supervisors. While facing the real possibility of rejection, an invitation to return to Bhutan was beyond my expectations. I had fought my fears and told the truth. Somehow, that moment of spiritual enlightenment in the chamber in Punakha Dzong had given me the courage to speak the truth. This in turn led to the invitation to participate in the Workshop. This participation led to the development of a research project, with a focus on the GNH Tourism Model from the perspective of Bhutan’s tourism stakeholders.

My visit to Thimphu, Taktsang and Punakha Dzong provided first hand experience of the GNH Tourism Model. Whilst I had briefly experienced a unique and spiritual moment of enlightenment, and understood the GNH philosophy through a Buddhist prism, I faced personal apprehension regarding the policy of high value, low impact when confronted with the issues concerning tourism impact: waste management, sanitation, transportation and visitor management.

4.6 Conclusion

This chapter discussed my confrontation with experiences of GNH and the GNH Tourism Model in Bhutan. In particular, my romantic view of GNH was further challenged. Part I began with the influence of modernity on GNH, I briefly reviewed the Western development literature and modernisation theory to understand and contextualise the GNH development philosophy as an aspiration based on Buddhist values. Bhutan was thrust into modernisation from the 1960’s without sufficient expertise or resources to modernise. Bhutan sought external Aid leading to dependency on Foreign Donor Aid. However, Aid related recommendations were not necessarily followed because some were at odds with Bhutan’s beliefs and value systems, in particular, the notion of slow paced and value-led development.
Bhutan’s tourism development is unique in several ways. It is a controlled tourism model that features the tariff system, a Royalty Fee and travel route restrictions. Furthermore, it faces issues such as seasonality, a growth in regional tourists, and an uneven hotel distribution that results in inequitable distribution of tourism benefits. Consequently, the notion of low impact remains questionable in the light of growth in tourism. More importantly, as discussed in Part III, in Thimphu, at the Takstang Monastery and whilst travelling to the Punakha Dzong, I experienced first hand some of the tourism challenges that resulted in my personal apprehension associated with the notion of low impact.

Stage II of the GTM process produced two significant outcomes. The first and most crucial outcome was my spiritual enlightenment moment at Punakha Dzong; the second, was the invitation from TCB to return to Bhutan to participate in their Strategic Tourism Destination Management Workshop (STDMW). The following Chapter deals with my experiences at the Workshop.
Stage III : The Workshop and its Aftermath for Me

Chapter 5 : Contradictions, Tensions and Controversy

_To understand the heart and mind of a person, look not at what he has already achieved, but at what he aspires to do._

Kahlil Gibran (1883-1931),
Lebanese philosopher, artist and poet.

5.1 Introduction

This Chapter presents Stage III of the GTM process and is divided into two parts: Part I: The Workshop, and Part II: its aftermath for me. I begin with the 10 day Workshop (5<sup>th</sup>-16<sup>th</sup> December 2011), which acts as a platform to understand the subtleties involved in the development of Bhutan’s tourism policy and planning. Discussion of the Workshop situates the Prime Minister’s role in the Executive Council of TCB Secretariat (TCBS). I give a brief overview of the TCB, review several key tourism policy documents, and highlight the strains within the TCB and the unease between tourism stakeholders and the TCB in the aspiration of GNH in Bhutan’s tourism development.

In Part II, I discuss the aftermath of the Workshop for me. This was a crucial period in the GTM process: occurring after the Workshop and before the third field trip in 2012 to conduct interviews with the tourism stakeholders. In this section, I investigate and highlight the contradictions within GNH, the tensions generated by the McKinsey Report, and the controversy of the Ura-Shinghkar Golf Course Development (USGCD) proposal. The aftermath for me is a critical period as it is the redesign of the research project and the change in focus from international tourists’ perspectives (etic views) to Bhutanese tourism stakeholders’ perspectives (emic views) on Bhutan’s GNH Tourism Model. Methodologically, this chapter is concerned with the theoretical sensitivity process of the GTM that led to the grounding of the interview questions.
Part I: The Strategic Tourism Destination Development Plan Workshop

5.2 The Workshop

The Workshop ran from 5th to 16th December 2011, and included sixteen TCB staff, two Workshop training consultants from Belgium, and one UNWTO consultant to write the report (see Figure 5.1.). The main purpose of the Workshop was to train TCB staff to conduct and prepare the Strategic Tourism Destination Development Plan (STDMP) policy paper for the 11th Five Year Plan (2013-2018). My participation was to provide some critical perspectives on the GNH Tourism Model.

Figure 5.1. The Workshop discussions.

Source: Photographed by Author, December 6, 2011.

5.2.1 Tourism Consultants

The Workshop was conducted by two Belgian tourism consultants1 whose brief was, “to implement a learning-by-doing workshop on strategic destination planning” (Landutyty, personal communications, December 5, 2011) (see Figure 5.2.).

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1 Dr. Ivan Landutyty and Ms Christiane Gunst were employed by TCB to facilitate the training workshop. They have extensive consultancy experience in development and tourism and had worked for the company WES Research and Strategies for over twenty years.
Key to the Workshop success is the participation of the TCB staff and the input of major stakeholders, including executive members of the Association of Bhutanese Tour Operators (ATBO), Hoteliers Association of Bhutan (HAB), Guides Association of Bhutan (GAB), Ministry of Transport (MoT), Heritage Arts and Craft Ministry, and Home Ministry (Department of Immigration). A strategic framework was set and followed according to three aspects of tourism development: tourism product, the marketing and communication profiles, and institutional capacity to carry out the tourism strategy.

Figure 5.2. Consultants at the Workshop.

![Consultants at the Workshop](Image)

Source: Photographed by Author, December 6, 2011.

The consultants established a process to strategically design a tourism destination by listing baseline problems and identifying issues that require examination. Following this, a step-by-step process requiring different perspectives was conducted, followed by a brainstorming session that resulted in a strategic set of goals, objectives and actions congruent with the GNH philosophy.

Additionally, a UNWTO tourism consultant, Dr. Paul Rogers\(^2\), produced TCB’s *Tourism Strategy and Development Plan 2013-2018*. There were two positive outcomes from the Workshop. First, the Tourism Plan for the 11\(^{th}\) FYP (2013-2018); and second, the Tourism Stakeholder’s Meeting on 14\(^{th}\) December. The Belgium consultants moderated the sessions.

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\(^2\) Dr. Paul Rogers was employed by UNWTO for the main purpose of writing up Bhutan’s strategic policy document. He wrote his 1997 PhD thesis on tourism, conservation and development entitled *Tourism, Development and Change in the Sagarmatha National Park and its Environs*. He has worked and lived in Nepal for twenty-months during his research and a further two years whilst on British funded post-doctoral research. As
5.2.2 Review of Tourism Policy Documents

In preparation for the Workshop, I was sent the following official documents for reading,


The Sustainable Tourism Development Strategy (2005), was the Bhutan’s Tourism Master Plan funded and prepared by the Austrian Development Cooperation (ADC). This was the first comprehensive production of a Tourism Resource Inventory that identified existing and future potential for Bhutan’s tourism sector. The report showed that Bhutan was highly regarded for its rich cultural authenticity and biodiversity. The report emphasised sustainable tourism development practices with a focus on ecotourism initiatives. In line with the GNH philosophy, the report provided a specific Bhutanese definition of ecotourism,

Responsible travel to natural areas and habitats, which conserves the environment, respects the culture and traditions of its people, and improves the wellbeing of the citizens within the overall concept of Gross National Happiness (Royal Government of Bhutan, 2005, p.1).

This plan recommended adopting policies to develop the necessary infrastructure in order to improve the occupancy rates, upgrade existing businesses, open some restricted areas for foreign visitors, and develop rural and community-based tourism (2005, p.3). One key recommendation was the Bhutan Card as an alternative proposal to the tariff policy with the purpose of addressing market segmentation and price differentiation. The aim was to provide transparency to tourists that empowers them with tourism product purchasing choice and the feeling that the Royalty Fee paid to the Government of Bhutan is good value for money (Royal Government of Bhutan, 2005).

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a UNWTO consultant, Dr Rogers has extensive tourism development consulting experience in Asia (Laos, Cambodia and Vietnam). He has previously worked for the Bhutanese Government on the review of the Tourism Tariff System in 2002 and in August 2011, when he was assigned by UNDP to produce the tourism component of a Diagnostic Trade Integration Study that identified key constraints to Bhutan’s integration to multilateral trading systems and the global economy.
The *Concise Draft Tourism Policy Paper* (2011) is a policy position paper that highlighted the values of responsibility, uniqueness, authenticity, and quality as its tourism values in promoting tourism that is economically viable, environmentally sustainable, and culturally acceptable (p.1). The policy paper provided guidelines, objectives and strategies for strengthening and achieving the overall goals of high value, low impact. This “serves to develop forms of tourism which have minimum negative impact on the natural and cultural heritage while contributing to their promotion and sustainable development” (p.1).

In addition, other significant documents were provided during the Workshop. These documents provided further grounds for a deeper understanding of the policy making process between 2002 and 2011, and included,

1. *Bhutan’s Tourism Tariff Review and Recommendations for Change* (Rogers, 2002).
2. *Bhutan’s Tourism Potential, Research and Recommendations for Marketing* (van Beek & Klep, 2002).

*Bhutan’s Tariff Review and Recommendations for Change* (2002) is an evaluation of the tariff system (all inclusive and pre-paid tour package) through a survey of domestic and international tour operators. The report indicated tourist concentration in cultural tourism associated with the *Tsechus* (religious festivals) in the *Dzongs* (monastery) of Paro, Thimphu and Bumthang. Because of this concentration, there was a capacity issue for these areas during the peak season, which impacted on the quality of tourists’ experience. According to Roger a majority of tour operators favoured retention of the existing tariff system but with improved tourist processing and management.

*Bhutan’s Tourism Potential, Research and Recommendations for Marketing* (2002) argues for the recruitment of staff for marketing research, statistical analysis and developing a database of customer profiles for further market intelligence. In addition, there was a recommendation for digital media and public relations.
Tourism’s Role and Mandate (2011) called for the TCB to have autonomy from the government. The TCB argued that for over a decade it had been hampered in its need to address a mismatch in human resources, lack of infrastructure, and lack of public amenities that had left TCB without the capacity to solve them efficiently. Tourism’s Role and Mandate (2011) therefore called for the TCB to be released from the government civil service, and to become autonomous. The document lists 22 roles and 18 mandates that TCBS was to fulfil. Additionally, the document detailed three major constraints that needed to be addressed: poor inter and intra governmental coordination (cooperation between various ministries), the limited institutional capacity of TCB (lack of resources), and the need for private sector development (private initiatives) in achieving these roles and mandates. The report recommended further review of the TCB budget (as a percentage of the Royalty Fee), reform of the Tourism Development Fund (TDF), and the National Assembly’s approval of the new Tourism Bill 2011.

These documents provided a comprehensive overview of the major issues, their impacts and implications in Bhutan’s GHIN Tourism Model. In particular, they identified concerns with: seasonality, tariff undercutting, and a lack of innovative products. Furthermore, recommended strategies to mitigate the challenges of the tariff system, such as the Bhutan Card, were ignored. The tour operators were against the idea of the Bhutan Card to protect their self-interest. According to Rogers (2012) “the tariff is retained due to the power and political influence of tour operators” (Rogers & Tourism Council of Bhutan, 2012, p.10). Consequently, the tour operators’ reluctance towards change and their powerful influence through ABTO have contributed to shaping tourism developments in Bhutan.

5.2.3 The Tourism Council of Bhutan

The TCB team consisted of thirty-eight members, with Dasho Kesang Wangdi as Director General (DG), and including Mr Thuji Nadik (Director of Plans and Program Development), Ms Chhimmy Pem (Head Marketing, Promotions and Operations) and Mr Kunzang Norbu (Head of Services) (see Figure 5.3 for organisational structure in 2012).

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A Bhutanese honorific title equivalent to knighthood.
The Tourism Council of Bhutan Secretariat (TCBS) comprises the Prime Minister (PM) as the Chairperson, nine other representatives from various ministries and peak tourism bodies and the DG as secretary. The TCBS plays a significant role in shaping tourism policy. The DG’s position is a three-year rotational appointment by the PM. Dasho Kesang Wangdi was from the Foreign Ministry and is regarded as the prodigy of the then Prime Minister Jigme Y. Thinley. It is possible that the DG’s position is used to further the government’s agenda.

Figure 5.3. Organogram of Tourism Council of Bhutan.


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4 The Minister of Economic Affairs (MoEA), Minister of Home and Cultural Affairs (MoHCA), Minister of Agriculture and Forestry (MoAF), Gross National Happiness Commissioner (GNHC), CEO of DrukAir, President of the Bhutan Chamber of Commerce and Industry (BCCI), President of the Hotel Association of Bhutan (HAB), Chairman of the Association of Bhutanese Tour Operators (ABTO), and Chairman of the Guide Association of Bhutan (GAB).
The PM’s appointment of the DG has created pressure within the TCB. The second in command at the TCB, Mr Thuji Nadik and the DG have differences in opinions. Nadik does not agree with the government on Foreign Donor Aid as the solution to Bhutan’s developmental problems. He is critical of Foreign Donor Aid because of the dependency involved in such funding. Although he believes in the basic principles in the GNH philosophy, he is sceptical that it can work, citing that many people in Bhutan do not believe in GNH since it is at odds with the consumerist society that economic development has brought (Personal communications, November, 2012). Furthermore, he argues that “Tourism needs to be given the right legal footing to be able to act more effectively, and to enable decentralisation of tourism planning and management at the destination level” (Tourism Council of Bhutan, 2013, p.3). This suggests that Bhutan’s centralised tourism planning and management requires more autonomy to be effective.

Ms Chhimmy Pem holds a very influential position at the TCB due to her patronage by the Royal Family. Because of this relationship and the largesse of a member of the Royal Family, TCB is housed in the Tarayana Building owned by the Royal Family. Pem’s workload includes serving as a personal assistant to the Queen Mother and she is thus often away on Royal Duties. Her large portfolio of marketing, promotion and operations, is at the heart of TCB’s business operations. The patronage of the Royal Family and the direct influence of the PM’s office influence the politics within the TCB.

The Workshop was characterised by poor attendance of the TCB staff. I observed that whilst some staff showed interest in the Workshop, the majority were more concerned with other activities. Over the 10 days, for example, on any given day, several or all of the TCB staff would be absent. At any given time, some staff would be in and out of the Workshop. As such, there was often not enough staff to fully engage in the Workshop. At times, senior staff were absent but most notable were the junior staff who were distinctly absent. When I inquired later, whether the Workshop was a success, a TCB official acknowledged that,

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5 Thuji Nadik is an outspoken person, who is open with his critique of policies. He is often at odds with the policy decisions taken by the government. He is the most senior staff with 32 years of service in the Civil Service, 19 of those years in the tourism department. He holds a postgraduate Masters degree from the UK in Development Study. He has great authority in the daily operations at the TCB.

6 Chhimmy Pem was appointed Director in 2014 under the newly elected PM from the Opposition Party. The position of the DG was renamed to Director in order to accommodate this appointment. When Dasho Kezang Wangdi was transferred to another position, Mr Thuji Nadik was appointed as the Acting Managing Director in 2013.
I think we did not get value for money […] due to very patchy attendance by our officials. I was quite confident that none of our officers would be up to the task of writing the plan, which one is supposed to based on the workshops conducted by WES […] for what it's worth we got a document. So from a Bhutanese perspective I guess it will be considered successful since we got a document, though that no one will read is immaterial, but I was not fully satisfied (TCB official, personal communications, January 7, 2015).

Hence, whilst the Workshop delivered the STDMP policy, the intended purpose to train the TCB staff to conduct and prepare the Strategic Tourism Destination Development was not achieved.

5.2.4 Unease at the Tourism Stakeholders’ Meeting

A sense of unease was apparent at the Tourism Stakeholders’ Meeting7 held on 14th December 2011 (see Figures 5.4 and 5.5) in discussion stakeholders’ concerns about capacity issues during the high season. The TCB raised two key issues: the lack of tourism product diversity and seasonality (the concentration of tourist arrivals during the five and half months of the peak season). The TCB made it clear that it was the responsibility of tour operators to initiate a wider range of tourism products to solve the seasonality issue.

Figure 5.4. Consultants’ presentation at the Tourism Stakeholders’ Meeting.

7 Representatives from the Ministry of Immigration (MoI), Ministry of Works and Human Settlement (MoWHS), Association of Bhutan Tour Operators (ABTO), Hoteliers Association of Bhutan (HAB), Handicraft Association of Bhutan (HAoB).
The degree of interaction and discussion between participants and the TCB was a significant milestone given that there was often a top-down approach by the government (see Figure 5.6). However, there was a plurality of opinions in the discussions, with unease evident through long periods of silence, and at times, a less than friendly tone of exchange between the participants and the TCB.

Figure 5.6. “Tell me whether you agree with me or not, dudes….”
The TCB reinforced its position as the tourism regulatory body by reiterating its role and mandate as a policy-making authority. From my observation, the tour operators appeared to expect the TCB to be responsible for tourism product diversification. In short, there appeared to be some misconception that the TCB was to be the main initiator for product diversification. The issue of who was responsible for product diversification caused a sense of unease. In the following section I reflect on the Workshop outcomes.

5.2.5 Workshop Outcome

For me the major outcome of the Workshop was the redesign of my research. Importantly, I had established contacts with the tourism stakeholders, and gained the trust of the TCB. The Workshop was significant to my research in four ways. First, it provided a crucial platform to immerse myself and observe the strains occurring within the TCB. Second, participating in the Workshop allowed me to detect unease between the tourism stakeholders and the TCB over capacity issues in the peak tourist season. It helped to establish my position as a researcher, which facilitated further contacts with tourism stakeholders. Third, the trust won within the TCB gave me access to review several key tourism policy documents. Fourth, the Workshop provided insights that led me to investigate two case studies, the McKinsey Report and the Ura-Shingkhhar Golf Course Development (USGCD) proposal, which were highlighted in the Workshop as being highly significant and topical. Thus, the Workshop laid the crucial foundation to redesign the research with a focus on Bhutanese tourism stakeholders’ perspectives of the GNH Tourism Model. The following section discusses the Workshop aftermath for me, as I uncovered further contradictions, tensions and controversy in the context of GNH and Bhutan’s tourism policy, planning and development.
Part II: The Aftermath for Me

The aftermath for me occurred from December 2011 to August 2012. During this period, I was exposed daily to Bhutanese media as well as having social interactions with Bhutanese students in Perth. I engaged with and remained in contact with the TCB mainly through e-mail correspondence. My romanticising of GNH had ceased after my first fieldwork trip to Bhutan in October 2011, and following the second fieldwork trip and the Workshop, my views of the GNH Tourism Model were further challenged. I was confronted with the role of GNH as a branding exercise to attract tourists and as a political strategy in terms of tourism’s foreign exchange earnings potential. With that knowledge, contradictions within GNH, tensions through the McKinsey Report and controversy surrounding the USGCD proposal surfaced.

5.3 Contradictions: “Yet to walk the talk” in GNH

The first term democratically elected Bhutanese government (2008-2013) focused on creating enabling conditions to achieve GNH. The GNH premise is that happiness is “a collective public good and it can be sought through public policies” (Phuntsho, 2013,p.597). The government released the Economic Development Policy in April 2010, as a policy framework to “guide and promote responsible and sustainable growth in the private sector” (Jigme Thinley, 2010, p.14). The Accelerating Bhutan’s Socio-Economic Development (ABSD) strategy, and its implementation through the McKinsey Report, applied the Economic Development Policy in the context of tourism (refer to Section 5.5). However, contradictions about GNH began to surface in the media in 2010, during the time when the PM was promoting GNH internationally (see Figure 5.7), reaching a peak in 2012. Critics from within Bhutan suggest that “any attempt on the part of a state or government to provide, let alone impose a uniform value or definition of happiness is futile” (Phuntsho, 2013, p.597).
In January 2013, the government engaged international experts to develop a conceptual framework for the UN’s Post-2015 New Development Paradigm (NDP) premised on the GNH philosophy. A newspaper editorial questioned the government’s efforts claiming that,

Now more than ever the elected government will have to demonstrate the moral and intellectual credibility to propose such an idea to the world and in many ways it has to ‘walk its own talk’, However, ground realities in Bhutan signal that this might not necessarily be the case” (The Bhutanese, February 02, 2013, p.2).

Furthermore, the editorial argues that instead of delivering enabling conditions to achieve GNH,

… the government goes around the world advocating sustainable economic development, the same government has presided over Bhutan’s biggest economic bubble made worse with monetary and fiscal policies that encouraged mass consumerism (The Bhutanese, February 02, 2013, p.2).

The editorial suggests that there are pressing domestic issues,

The current elected government has a long way to go and a lot to clean up in its own backyard before it can credibly promote the NDP (The Bhutanese, February 02, 2013, p.2).

Figure 5.8 illustrates public sentiment towards the government’s international efforts in promoting GNH philosophy in the conceptual framework for the UN Post-2015 NDP. The editorial concludes that some people within Bhutan did not agree with the government’s involvement with the NDP when there were pressing domestic issues as,
The reason why NDP has not attracted much interest among ordinary Bhutanese or fired up their imagination is not only due to its complexity, but more so because it comes from a government that is yet to ‘walk the talk’ (The Bhutanese, February, 02, 2013, p.2).

Figure 5.8. New Development Paradigm for the UN Post-2015 NDP.


Other contradictions within GNH also surfaced. As an expatriate living in Bhutan, Dr. David Luechauer\(^8\) critiqued the notion of GNH, suggesting that the media campaign ‘Happiness is a Destination’ over promises and under delivers,

\[\text{Bhutan is as dysfunctional as the rest of the world. (…)}\text{ The “happiness” campaign over promises. Stories documenting political corruption, alcoholism, teen violence, economic insecurity, child/spouse abuse, and environmental degradation appear daily in Bhutan’s news sources (Kuensel, June 28, 2012, p.4, refer Appendix 5.1).}\]

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\(^8\) Dr. David Luechauer is an American academic who taught at the Gaeddu College of Business Study, which is part of the Royal University of Bhutan.
Luechauer painted a different perspective on GNH in Bhutan. He suggested that GNH should begin at home (Kuensel, August 11, 2012, p.19, refer to Appendix 5.2). The media (see Figure 5.9) caricatured Luechauer as leading a crusade against GNH. The point to make is that GNH is fiercely protected in Bhutan. Leuchauer’s criticism of GNH was unwelcomed. Even so, Figure 5.10 illustrates the vulnerability of GNH (Bhutan Observer, November 9, 2011, p.3). What this shows is that there is a robust debate on GNH and that there are criticisms of GNH from within Bhutan.

**Figure 5.9. To hell with GNH.**

Source: Bhutan Observer, November 9, 2011, p.2.
Figure 5.10. Chipping at GNH.

The criticisms are based on the challenges for Bhutan, where,

... over 20 percent of the population live under the national poverty line, governance and public services are far from efficient, youth delinquency and crimes are rising while the cultural heritage is eroding and the economy is ever more precarious with too much dependence on imported goods, and the youth unemployment and suicide rates are rising (Phuntsho, 2013, p.598).

Furthermore, whilst Bhutan’s government “railed against the ill effects of industrial development, Bhutan has seen an unprecedented growth of poorly regulated mines during the term of this government” (The Bhutanese, February 02, 2013, p.2). Moreover,

There is a perception amongst some quarters that GNH is merely an intellectual occupation for the elite, who enjoy all the benefits in life, and that it is a catchy branding for promoting Bhutan to the outside world while the ordinary and poor citizens struggle for their daily needs (Phuntsho, 2013, p.598).

Media accounts suggest a degree of public disenchantment with the government’s efforts to apply the GNH philosophy. Domestic concerns on impacts of modernisation and alienation of culture are reflected in the newspaper article “Do we preach or live GNH?” (Wangchuck, 2011, p.2), in Box 5.1 (refer to Appendix 5.3 for the full story).
Box 5.1. Do we preach or love GNH?

In Bhutan, we seem to be talking more and doing less about GNH ... We are good at portraying the picture of happiness, but not quite so in living happiness ... When the last hamlet in the far-off nook is defiled with the character of modern savageries, where are we to look for the real GNH? Surely, not to the towns and cities where a neighbor doesn’t know who lives next door, what they do and where they go; certainly not where an individual doesn’t stop with courtesy and sit down for a chat. It’s a disheartening fact, but we are building a society that is alienated from our own culture, while in our disordered imagination we are wont to believing that we are integrating and nurturing the Bhutanese’s that is GNH. It’s a sad irony that we must banish happiness from the last repositories that are the far remote villages and usher in urban primitivism all for enhancing happiness.


There were notable and growing disagreements from within Bhutan that exposed the contradictions between GNH as portrayed on the international stage and how GNH was conducted at home. Figure 5.11. reflects how the PM was perceived at home in 2012. The domestic issues included: unemployment, garbage, poverty, youth violence, vandalism and substance abuse, and public opinion suggested that these issues should be the government’s priority rather than preaching GNH internationally.
Phuntsho (2013, p.598) suggests that,

… many critics argue that for a developing country like Bhutan the government’s priority must be in improving the basic conditions for happiness rather than excessively talking about happiness itself.

Prominent historian-author Chenkyo T. Dorji suggests that,

… fulfilling GNH doesn’t mean to internationalise the concept but we should look into the need and the problems of the common people (Wangmo, 2012, p.3).

These views are also reflected in Figure 5.12.
Figure 5.12. The progress?

Whilst the government brandishes GNH internationally, there appears to be no actual consensus on GNH in Bhutan “in terms of reassuring and consolidating ourselves, in terms of a universal understanding of the philosophy itself and its implications” (Dukpa, 2012, p.4, refer to Appendix 5.4). On reflection, my perceptions of GNH as a well functioning and a finished product has been largely due to my own ignorance, when in reality Bhutan is still yet to ‘walk the talk’ and GNH is still very much an aspiration.
5.4 Tensions Generated by the McKinsey Report

The McKinsey Report generated tensions between the government, tourism stakeholders and the public. The first democratically elected government, the Druk Phuensum Tshogpa (DPT), aimed to boost socio-economic development through recommendations made by the McKinsey Report (T. P. Dorji, 2010). As part of the national economic planning, a team of international consultants from McKinsey & Co. were hired by the Bhutanese Government to propose a strategic plan to accelerate its economy. The outcome was the Accelerate Bhutan’s Socio-Economic Development (ABSD) program under the 10th Five Year Plan 2008-2013. The McKinsey Report is the implementation of the ABSD. The consultancy project cost the government USD 9.1 million which was about NU430 million, representing 3% of GDP (Pelden, 2010a). Amongst a series of recommendations in the McKinsey Report, tourism development was specifically targeted because of its key contribution as the largest foreign income generator. One significant strategy was to increase tourist arrivals to 250,000 by 2012. This figure was later adjusted to 100,000 due to the concerns of tourism stakeholders, in particular hoteliers, tour operators and tour guides.

Under the McKinsey Report, the two objectives mandated by the Government for the TCB to fulfil were that tourism must contribute 15% to GDP, and this must generate 25,000 jobs by 2013 (T. P. Dorji, 2010). The TCB’s policy and planning director at that time was reported as saying,

… the figure of 100,000 tourists by 2012 is but only an end to these two key means, as long as the end is achieved the figure going down or up is a trivial matter (T. P. Dorji, 2010).

The TCB’s summary of these objectives is presented in Figure 5.13.
The McKinsey Report proposed nine tourism initiatives shown in Figure 5.14:

1. Destination Marketing
2. Aviation
3. Supply Creation
4. Pricing and channel
5. Supply up-gradation
6. Integrated Destination Infrastructure
7. Sustainable and Responsible Tourism
8. Develop key tourist amenities
9. Establish an overall governance architecture for adequate capacity, autonomy and empowerment to execute tourism plans

Figure 5.14. Nine key tourism initiatives.

These initiatives required resources to be implemented. One way to achieve this was to increase tourist numbers, which would increase the total Royalty Fee. Hence, something of a vicious cycle was set in the pursuit of tourism development growth, and the GNH notion of slow-paced development was given less prominence.

Tensions arose as not all tourism stakeholders and members of the public agreed with the focus of fast-paced tourism development aligned with neoliberalism proposed by the McKinsey consultants. In my view, the McKinsey consultants were hired to reflect the close relationship Bhutan has with India, which has significantly impacted on the slow-paced development paradigm in GNH. Despite the obedience expected of civil servants by government officials (see Figure 5.15), a civil servant critiqued the McKinsey Report, suggesting that,

… the government’s decision to hire a global consultancy firm McKinsey and Company was wrong. It was wrong for two main reasons. One, we do not need to pace up growth any faster than we already are doing it. Such wanton development as envisioned by the government predominantly could cost us dearly (T. P. Dorji, 2010).
The strategy to increase tourist arrivals to 100,000 by 2012 also generated tensions amongst tourism stakeholders, as evidenced by media reports that the government should be more transparent (Bhutan Observer, January 22, 2010, refer to Appendix 5.5, Bhutan Observer, July 16, 2010, refer to Appendix 5.6) and calls to erase the McKinsey Plans (Bhutan Observer, January 22, 2010, refer to Appendix 5.7). Furthermore, it was reported that,

... a retired Bumthang chimi (people’s representative in the then unicameral parliament) has been keeping tabs on recent developments in the government and is not pleased with the hiring of McKinsey. According to him, it’s a waste of government resources, because he has been told that McKinsey is doing nothing different from the government. This view sums up the perspective many Bhutanese have on the government hiring the global consultancy firm, for USD 9.1 million, to accelerate economic growth, now socio-economic growth, in the country (Kuensel, January 18, 2010, refer to Appendix 5.8).
Likewise, there was strong critique of the McKinsey Report as proposing the “McDonali-ization of tourism in Bhutan” (Gupta, 2010, refer to Appendix 5.9). However, the government argued in favour of the McKinsey Report (Business Bhutan, November 26, 2011, refer to Appendix 5.10), insisted that it was money well spent (Kuensel, March 5, 2013, refer to Appendix 5.11), and would lead to savings in the long term (Kuensel, May 21, 2011, p.1, refer to Appendix 5.12). Others questioned the need for the McKinsey Consultants (Kuensel, August 22, 2013, p.4, refer to Appendix 5.13). However, it was later revealed that money was misspent on the McKinsey Report (Kuensel, November 16, 2013, p.3, refer to Appendix 5.14) and the Royal Audit Authority questioned McKinsey’s achievements (Kuensel, November 28, 2013, pp.1-2, refer to Appendix 5.15). Eventually, the next government agreed to improve on McKinsey’s shortcomings (Kuensel, December 9, 2013, pp.1-2, refer to Appendix 5.16).

Tensions reflect disunity. The McKinsey Report’s recommendations for tourism development caused tensions between tourism stakeholders, the public and the government, and are reflective of internal disunity concerning the relationship between GNH and tourism development. The change in tourism policy from high value, low volume to high value, low impact was a direct outcome of the McKinsey Report initiatives. The government promoted growth by expanding tourism development through increasing tourist arrivals, whilst claiming to practice the GNH principle of slow-paced development.

5.5 Controversy: The Ura-Shinghkar Golf Course Development

The best government rests on the people, and not on the few, on persons and not on property, on the free development of public opinion and not on authority.

George Bancroft (1800-1891),
American Historian and Statesman,
author of the History of the United States of America,
from the Discovery of the American Continent (1854-78).
The second case study arising from the Workshop was the Ura-Singhkar Golf Course Development (USGCD) proposal. The USGCD concerns a 165 acre golf course development proposal located in the village of Shinghkar\(^9\) in Ura. The USGCD proposal became controversial because of pressures between the public and the government, which were reported in the local media. These pressures are indicative of Bhutanese values and are reflective of the people who disagreed with the government’s proposal to build a golf course in a spiritually significant place. Eventually, the government abandoned the USGCD proposal due to public pressures.

**The Ura-Singhkar village**

The Ura-Shinghkar village is situated at 3,400 metres above sea level, and is located approximately 9 kilometres from the nearest town of Ura, in the central district of Bumthang (see Figure 5.16). The name Shinghkar\(^{10}\) was given by Longchen Ramjampa’s (1308-1363) followers who built a wooden cabin for their master to teach in. *Shing* means wood and *Khar* means house or cabin. In 1994, a village road connected Shinghkar to Ura and with it modern amenities arrived including solar lighting, a community primary school and a neonatal health care centre. The village consists of 35 households. The main economic activity of the population of around 300 people is pastoral farming (subsistence agriculture) and dairy grazing. There is one guesthouse, the Shinghkar Guest House. The Ura-Shinghkar Romney festival is held in October each year, where there is a special yak dance called *Yakchoe*. From the Ura-Shinghkar village, there are hiking treks available to tourists. Traditionally, tourists pass through this village, as it has no major significance in terms of tourism, unlike the nearby town of Ura or Jakar.

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\(^9\) Note: Shingkhar is also spelt Shinghkar in most of the literature. This dissertation applies the later.
Golf tourism in Bhutan

Golf tourism is not new in Bhutan. There are currently seven golf courses. However, there is only one public golf course, Royal Thimphu Golf Club, which was opened in 1971. It is located in the capital Thimphu, at an altitude of 2500 meters, and is situated next to the Trashichoedzong (seat of the central monastic order). Other golf courses include the Wangdi Military Base Course, India House Golf Course (in the Indian Embassy compound), a golf course at the King’s private property in Punakha, and three others located in military bases around the country, as well as a small five hole rustic course for children in Gaza under the Bhutan Youth Golf Association (BYGA).
The USCGD controversy

Figure 5.17. The site of the proposed Ura-Shinghkar Gold Course Development.

Source: Kuensel, October 1, 2011, p.19.

The proposed location of the USGCD was the major source of controversy. Ura-Shinghkar has great spiritual significance, as it is the spiritual heartland of the region, and is regarded as one of the eight holy places in Bhutan (Wangchuck, 2009, p.317). The area includes parkland, wetland and marsh. In regard to a motion favouring the USGCD proposal, the local village headman was reported as saying “we passed it because it’s going to help in developing our place as a tourist destination” (Kuensel, October 27, 2011). However, twenty-five households out of thirty-six were against the proposal (Kuensel, November 6, 2011).

Studies have shown that chemicals such as herbicides and insecticides from golf course maintenance affect the water source, causing environmental impacts (Markwick, 2000; Tanner & Gange, 2005; Videira et al., 2006). In Ura-Shingkhar, this would mean losing pastureland in favour of tourism development. There were grassroots petitions to galvanise social engagement through the social media (refer to Appendices 5.17, 5.18 and 5.19), and in an open letter to the public against this development (“Say no to golf course”, refer to Appendix 5.20), a highly respected critic and eminent historian argued that,
It will disrupt Shinghkar's pastoral culture and dairy farming. Imagine a large part of the valley cordoned off for the use of golfers, with no people and animal allowed to pass through it freely. Imagine what sore sight it can be for the hermits of Shamzur and Garkhai who meditate above the meadows (Phuntsho, 2011b).

The controversy over the USGCD proposal was also apparent in the media. A public person had this to say in the press,

... given the ecological and social impact that a golf course would bring, I would hope that any sensible person would oppose this proposal. As a concerned Bhutanese I am vehemently opposed to this idea (Kuensel, October 1, 2011, p.19).

According to another local inhabitant,

Shingkhar was the wrong place for the golf course for spiritual, ecological, historical, social and economic reasons, and I hope the authorities won’t authorise it in locations of similar significance (Kuensel, January 11, 2011).

Clearly, there was grave concern for the environmental and social impacts since the USGCD proposal would involve disturbance to the biodiversity, ecosystem and water table. Arguably, losing wetlands and pasturelands goes against the 1st GNH Pillar of the preservation and conservation of the natural environment. This raises the question of how GNH is manifested in tourism development, when the problematic nature of the USGCD’s location is such an important factor in decision-making.

5.6 Theoretical Sensitivity

The GTM process in Stage III centres on theoretical sensitivity. Theoretical sensitivity involves a process of induction that requires long periods of scrutiny during fieldwork and requires the constant comparison of data. The Workshop and its aftermath alerted me to what was happening in Bhutan. The analysis of tourism policy documents revealed the current and significant issues, their impacts and implications. In particular, there was a discernable pattern of tourism issues and themes such as: seasonality, tariff undercutting, and the lack of innovative products.
Theoretical sensitivity was also developed through participant observation, and engaged listening. This resulted in awareness of the strains within the TCB, the unease at the Tourism Stakeholders Meeting; contradictions within the GNH development philosophy; the tensions regarding the McKinsey Report; and the controversy surrounding the USGCD proposal. Attention to the media and being alert to current social issues reinforced this process. These contradictions, tensions and controversy gave me a theoretical sensitivity that led to designing tourism stakeholder interview questions in order to understand the socio-cultural nuances of how GNH is manifest though tourism development.

5.7 Grounding Interview Questions Through the GTM Process

This section narrates the grounding of the tourism stakeholders’ interview questions. The central research aim is to understand the manifestation of GNH in Bhutan’s tourism policy, planning and development. The research focus is the socio-cultural nuances of tourism stakeholders’ relationship to GNH. The research question is to understand the consequence in the change in Bhutan’s tourism policy from high value, low volume to high value, low impact. The tourism stakeholder interview questions were grounded retrospectively based on the preceding GTM stages.
**GTM Stage I – Before visiting Bhutan**

Stage I occurred for approximately one and half years through socialising with the Bhutanese student community cohort in Perth to establish social ties and gather information about their cultural values and the notion of GNH. As Bhutan was completely foreign to me, this social interaction gave me vital preliminary insights and understanding into a cultural group that is otherwise largely inaccessible. I recorded a total of 53 different social interactions (including lunches, afternoon teas, dinner and sightseeing) beginning in March 2010 until my first visit to Bhutan in October 2011. Apart from these interactions, I engaged with the news reports in Bhutan. During this period, my research project was focused on international tourists’ perceptions of the GNH Tourism Model, which then changed in Stage III to a focus on the emic perspectives of tourism stakeholders. In retrospect, and as a consequence of the students’ perspectives of GNH, I grounded the first interview question: “What does happiness mean to you?” This is because happiness is a subjective notion and I wanted to understand the perspectives of Bhutanese people in the context of tourism. This question was grounded in the initial coding and memoing stages in the GTM process as shown in Tables 5.1 and 5.2 respectively. The coding process categorises segments of data into emerging themes (Charmaz 2006). For example, the coding process in items 1 and 2 shown in Table 5.1 revealed that most Bhutanese students are sceptical of GNH and that GNH was regarded as a branding exercise. The memoing process advances the thinking process as memoing raises questions that “serve analytic purposes” (Charmaz, 2006, p.80). For example, the memoing process on the same items raised questions about what others in Bhutan think about GNH and if GNH is regarded as a brand?

**Table 5.1. Coding and memoing from social interactions with Bhutanese students.**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>Coding</th>
<th>Memos</th>
</tr>
</thead>
<tbody>
<tr>
<td>18/09/2010</td>
<td>Dinner at YY's home. Discussions on GNH</td>
<td>What Bhutanese students think about their GNH Development Model</td>
<td>Most students sceptical of GNH. What would others in Bhutan think about GNH? Surprised to learn that GNH is used as a brand. Is GNH regarded as a brand in Bhutan?</td>
</tr>
<tr>
<td>4/12/2010</td>
<td>Dinner at home with a group of Bhutanese students</td>
<td>Revelation about GNH - it’s a branding exercise. GNH used as a marketing tool</td>
<td></td>
</tr>
<tr>
<td>24/12/2010</td>
<td>Social outing with TP/GN at Caversham Wildlife Park</td>
<td>Sharing views on aims of GNH</td>
<td>Learnt about differences between the Ngalops and Lhotsampas</td>
</tr>
</tbody>
</table>
GTM Stage II – Preliminary scoping visit

The preliminary scoping visit to Bhutan, from 11th - 25th October 2011, was conducted, in order to establish my credentials, and to gain the trust and confidence of the Bhutanese tourism authorities. A key objective was to experience the philosophy of GNH and the GNH Tourism Model in situ. The visit was confrontational in many aspects. I have regarded GNH philosophy as a theory since the GNH Survey portrayed a sanitised version of GNH in practice. My experience in Bhutan with Bhutanese people, consisting of government officials, tour operators, and former Bhutanese students who have returned form Perth, revealed some of the complexities and contradictions within the GNH philosophy.

In addition, further examples of coding and memoing of newspaper articles are shown in items 3 and 4 shown in Table 5.2. The coding process revealed that the promise of free universal health coverage is threatened through the privatisation of hospital services with the introduction of the Off-hour clinic. The memoing process raised the question of GNH philosophy in practice.

Table 5.2. Coding and memoing of newspaper articles.

<table>
<thead>
<tr>
<th>Date</th>
<th>Newspaper</th>
<th>Title</th>
<th>Coding</th>
<th>Memos</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
<td>Newspaper</td>
<td>Title</td>
<td>Coding</td>
<td>Memos</td>
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<tr>
<td>------------</td>
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<td>----------------------------------------------------------------------</td>
<td>--------------------------------------</td>
<td>--------------------------------------------</td>
</tr>
<tr>
<td>23/04/2010</td>
<td>Bhutan Observer</td>
<td>Off-hour clinic to start 04 May</td>
<td>1st steps to privatisation of hospital services</td>
<td>Raises questions about GNH philosophy as a development theory</td>
</tr>
<tr>
<td>25/06/2010</td>
<td>Bhutan Observer</td>
<td>Off-hour clinic: A blow to GNH</td>
<td>Selling GNH for profits</td>
<td>Where is GNH in practice? Where is the promise of universal free health coverage?</td>
</tr>
<tr>
<td>26/08/2010</td>
<td>Bhutan Observer</td>
<td>Our stray dogs everywhere</td>
<td>Stray dogs issue</td>
<td>Tourism hazard</td>
</tr>
<tr>
<td>10/09/2011</td>
<td>e-Kuensel</td>
<td>High end hotels for Bhutan. (The government encourages Foreign Direct Investments)</td>
<td>Lack of high end (3 star) hotel rooms</td>
<td>Example of discrepancy in high value tourism</td>
</tr>
</tbody>
</table>

This question was intended to understand how tourism stakeholders viewed GNH as a philosophy and as practice. As such, Stage II resulted in grounding interview question two as: “What are your views on GNH as a development theory?”. This question was later amended after the first interview to: “What are your views on GNH as a development theory based on the four GNH Pillars?”. 
GTM Stage III – The Workshop and its aftermath for me

The GTM Stage III included my second fieldwork trip, and the STDM Workshop from 05th – 16th December 2011. The key purpose of the Workshop was to develop a strategic tourism development plan for the 11th Five Year Plan (2013-2018). The opportunity to participate gave me further insights into the state of tourism in Bhutan, and a turning point in my research occurred as a result of understanding some issues of concern to the tourism stakeholders in terms of government policy. The growing awareness of these issues led to the grounding of interview questions intended for Bhutan’s tourism stakeholders. Consequently, interview questions three and four: “What are your views on the government’s expansionist policy from the McKinsey Report to increase tourist numbers to 100,000 by 2012?” Interview question four was an extension of interview question three: “How do you view this as compromising the four GNH pillars?” Whilst these questions might appear to be leading through the use of the terms ‘expansionist’ and ‘compromising’, I justify these questions as representing the prevalent sentiments, that I had observed through the GTM process.

In the period after the Workshop, the issue of the Ura-Shingkhar Golf Course Development (USGCD) proposal dominated national debate. The outcome of the USGCD Proposal controversy led me to ground interview question five as: “What are your views on the Ura-Shinghkar golf course development?” The question seeks to understand the controversy surrounding the government’s decision-making in the USGCD Proposal. The aim is to get a sense of tourism stakeholders’ perceptions of the government’s tourism planning and development in light of Bhutanese spiritual values. Despite the government’s eventual decision to halt the USGCD Proposal, the objective in asking the question was to understand how tourism stakeholders viewed good governance in tourism planning. Table 5.3 summarises the GTM stages with its corresponding interview questions.

<table>
<thead>
<tr>
<th>Research Stages</th>
<th>Development of Interview Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Social interactions with Bhutanese students in Perth</td>
<td>1. What does happiness mean to you?</td>
</tr>
<tr>
<td>II. Preliminary scoping study</td>
<td>2. What are your views on GNH as a development theory based on the four GNH Pillars?</td>
</tr>
</tbody>
</table>
### Research Stages

<table>
<thead>
<tr>
<th>III. The Workshop and the aftermath for me</th>
<th>Development of Interview Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. What are your views on the government’s expansionist policy to increase tourist numbers to 100,000 by 2012 (The 2010 McKinsey Report)?</td>
<td></td>
</tr>
<tr>
<td>4. How do you view this as compromising the four GNH Pillars?</td>
<td></td>
</tr>
<tr>
<td>5. What are your views on the Ura-Shingkhar Golf Course development?</td>
<td></td>
</tr>
</tbody>
</table>

### 5.8 Conclusion

Aspirations and realities can collide. This chapter has exposed the contradictions within the GNH discourse and the tensions inherent in Bhutan’s tourism policy, planning and development. Attending the Workshop produced four outcomes: it provided me with a window through which I was able to observe the strains within the TCB and the unease between tourism stakeholders and the TCB; it secured my position as a researcher that further allowed me access to Bhutan’s key tourism stakeholders; it allowed me to gain the trust and confidence of TCB that included access to key tourism policy documents; and it provided me with insights that eventually led to the investigation of two case studies.

During the period of the aftermath of the Workshop, I was able to follow some of the current public debates through the media, which revealed contradictions within the GNH philosophy. Furthermore, I discovered tensions amongst tourism stakeholders and the public surrounding the government’s hiring of the consultants in the McKinsey Report and the controversy over the USGCD proposal. This outcome allowed me the opportunity to sensitise and redesign my research focus through an emic lens. Through the process of theoretical sensitivity, I chose to examine those current issues as a barometer that reflected the consequences of the change in tourism policy from low volume to low impact. Thus, a turning point in the research was achieved.

Methodologically, this stage of the GTM focused on theoretical sensitivity and the subsequent grounding of the tourism stakeholders’ interview questions, which is discussed in in the following Chapter 6, and represents Stage IV of the research: the fieldwork interviews.
Stage IV : The Interview Field Work

Chapter 6 : Cultural Events and Tourism Stakeholders’ Interviews

The beginning of knowledge is the discovery of something we do not understand
Frank Herbert (1920-1986),
American science fiction writer

6.1 Introduction

This Chapter represents Stage IV of the research journey and is concerned with my third fieldwork trip to Bhutan from August 30th to December 15th 2012. It has three parts: my participation in three cultural events, conducting the interviews, and presenting the emergent themes from the interview data. Consistent with the Grounded Theory Methodology (GTM), I position the three parts in this Chapter, so that the inter-relationship between the events, the interviews and my reflections on the interview data are apparent.

In Part I, I narrate three significant cultural events that I participated in during the fieldwork: a wedding, the Thimphu Tshechu and a funeral. These events allowed me to observe and experience the 2nd GNH Pillar, the cultivation and promotion of culture, at first hand. Three GNH domains were highlighted in this experience: community vitality, cultural diversity and resilience, and time use. In Part II, I outline the interview procedure. In Part III, I present the themes emerging from the interview data. In terms of the GTM, this chapter centres on theoretical saturation as the deductive process.
Part I: Wedding, Tshechu and Funeral

6.2 Wedding, Tshechu and Funeral

The three events I narrate here are the result of my observations and experiences in three particular GNH domains: community vitality, cultural diversity and resilience, and time use. In particular, the wedding presented an opportunity to offer blessings and gifts; the Tshechu provided cultural participation and time use to enable cultural practice, and the funeral exposed the strength of community relationships and the bonding between government officials, friends and the bereaved family. All are the embodiment of the 2nd GNH Pillar concerned with the cultivation and promotion of culture.

6.2.1 The Wedding (Nyen gyi tendrel)

On September 19th 2012, I was invited by a Bhutanese friend, Mr Rabi Dahal, to attend a Nyen gyi tendrel (Nyen means marriage, gyi’s tenderl means celebration) between Sonam Pem, the bride and Ugyen, the groom (see Figure 6.1). Sonam Pem is a distant relative of Dahal, with whom I was acquainted through the Bhutanese Cultural Event (BCE) held at Murdoch University in 2010.

Figure 6.1. A Bhutanese Wedding (Nyen gyi tendrel).

From left: Author, Sonam Pem, Ugyen, Rabi Dahal.
The wedding was held at a community hall, at the army base located just outside Thimphu. There were around three hundred and fifty people present, many of whom were work colleagues of both the bride and groom, as well as immediate and extended family members. It is customary to make gift offerings (presenting Kabney a white silk scarf, monetary contributions and other sorts of gifts) in congratulating the bride and groom. There was music, dance, food and drinks, blessings and the display of wedding gifts (see Figure 6.2). I felt quite out of place, as I was the only western-attired person at this event; however, I was made welcomed.

**Figure 6.2. Cultural dance performed at the Wedding.**

![Cultural dance performed at the Wedding](source: Photographed by Author, September 19th, 2012.)

Apart from meeting Dr. Kinzang Dupka, a former Murdoch University student, I was introduced to Dahal’s friends and relatives. The wedding allowed me to experience the cultivation of community relationships as a manifestation of GNH in a joyful context. Even so, during a discussion on GNH with a wedding guest, her perspective that "unless you have a roof over your head and food to fill your belly, happiness is not going to happen" struck me (Personal communication, medical officer, September 19th, 2012, Fieldwork notes). This perspective on happiness is in many ways universal and in line with the expectations of the Bhutanese students in Perth.
6.2.2 The Thimphu Tschechu

Attending the four-day (25th – 27th September 2012) Thimphu Tschechu (religious festival) was a highlight of my fieldwork. This event was significant for observing and experiencing cultural participation in the context of cultural diversity and resilience, and time use (see Figures 6.3-6.6). The Tschechu is a celebrating of community values through a time held tradition established in 1687 (K. P. Tashi, 2010). During this festival,

… all government organisations and institutions of Thimphu district remain closed. As this is the centre of Bhutanese governance, this shared holiday provides opportunity for everyone to share time with friends and family members, and to accumulate merit together (K. P. Tashi, 2010, p.119).

The event celebrates and signifies the traditional oral transmission of spiritual knowledge through the series of 24 folk songs and 25 dances (see Tashi, 2010, pp.95-124), and is reported to be a major tourism attraction with 4212 international visitors in 2012 (Tourism Council of Bhutan, 2013, p.25).

Figure 6.3. Spectators at Tashichho Dzong in Thimph.

Figure 6.4. Dances at the Thimphu Tschechu.


Figure 6.5. Court Jester ‘Atsara’ amongst audience.

The Tshechu participants consisted largely of Bhutanese monks, family members and foreign tourists. The sights and sounds of the Tschechu were quite extraordinary. The Tschechu dancers wore elegant silk costumes, ceremonial hats, colourful masks; the men and women wore their elaborate national costumes, and the community of Sangha (monks body) were dressed in their maroon or yellow coloured robes. This was a noisy and vibrant presentation of Bhutan’s Living Mahayana Buddhist culture, that readily appealed to the ‘tourist gaze’ (Urry, 1990). Tourists and locals experienced folk music with various musical instruments including cymbals, lingm (six hole flute), chiwang (two string Tibetan fiddle), dramyin (three string instrument, see Figure 6.7) trumpets and drums.
At the *Tshechu* conclusion, the public queued up to receive blessings from the Patron Saint Guru Pema Jungney “for the well-being of all living beings trapped in cyclic existence” (Tashi, 2010, p.122). In this sense, the pursuit of spiritual development is promulgated. The *Tshechu* afforded me a sense of belonging with the Bhutanese society. Dressed in the national costume *Gho* (see Figure 6.8) I felt a sense of belonging as I partook in this cultural experience, in the manifestation of cultural participation and time use in sharing community values.

**Figure 6.8. Author in ‘Gho’ with Kabney (white scarf).**

Whilst the *Tshechu* provided a platform to enjoy and pursue spiritual development, its popularity resulted in overcrowding and the impacts were notable. I noticed many families brought their own food and drinks and there were vendors selling imported snacks, ice cream, drinks and food. As a result, there was a huge amount of rubbish left behind. There was also a lack of public toilets. The nearby Thimphu River was used as an open toilet compromising the preservation of the natural environment.

### 6.2.3 The Funeral (*Mey yang*)

Attending a traditional Bhutanese funeral (*mey yang* means cremation) provided further insight into the manifestation of GNH in the context of community vitality. The funeral of 38 year old Mr Wangdi, the father of two young children and the spouse of a close Bhutanese friend, Ms Tashi Pelden, took place on 16th November 2012. Wangdi had cancer. After two bouts of surgery in Perth, he returned to Bhutan and was eventually told the disease had spread. I visited him on five occasions at the Thimphu hospital before his demise. The funeral was significant because I was confronted with Buddhist values of the impermanence of life. The funeral offered a rare insight into an aspect of community relationship not usually afforded to international tourists. Out of respect for the Wangdi family, photos of the funeral proceedings were discouraged. However, I have included a photograph from the reported public funeral of Drabi Lopon, who was the Master of Lexicography of the Central Monastic Body, as an illustration (see Figure 6.9).

*Figure 6.9. A public ‘Mey yang’ funeral in Bhutan.*

Source: Last rites for Drabi Lopon Kuensel, January 25, 2014.
The funeral exposed me to the embodiment of community relationship inherent in GNH. A community of monks conducted the Gewa Rites of merit\(^1\), chanting the Buddhist Sutras to guide the deceased soul through the realms of Bardo, which is the state of the departed soul in transition before rebirth (Zla-Ba-Basam-Grub & Evans-Wentz, 1973). Around four hundred friends and family of Wangdi and Pelden attended the funeral, some travelling from their ancestral villages in the rural east. The then Opposition Leader, Mr. Tshering Tobgye, a relative of Pelden, together with the Foreign Minister and his staff attended the funeral. Wangdi’s body was cremated and the ashes dispersed into the nearby Thimphu River. I met with several of the past students from Murdoch University who participated in the Bhutanese Cultural Event (BCE). For me, the funeral was quite moving as it was reflective of the strong community relationship inherent to the GNH philosophy.

Bhutanese society greatly respects funerals. To the Bhutanese people, attending the Gewa Rites is the responsibility of all who knew the deceased. The ceremony is a show of compassion through giving time and Semso, which is a monetary gift for the deceased (Tshewang, 2010). Other compassionate actions include the offering of butter lamps, assistance in preparing food and drinks for the guests, as well as keeping vigilance over (accompanying) the deceased day and night, where Semso is offered. The Gewa Rites extends to 49 days, with the first 21 days being the most important period (Zla-Ba-Basam-Grub & Evans-Wentz, 1973). Subsequently, I made time to visit the Pelden’s home on the 14th day of Gewa Rites to offer butter lamps and Semso to bless Wangdi’s departed soul.

Together with the wedding, this significant event helped me to reflect upon happiness and the impermanence of life. For me, the funeral evoked an awareness that materialism must be left behind when we expire. Through the funeral event, I discovered a distinct bond that exists in Bhutanese society, a bond that mobilised society in grief sharing through a very strong sense of community relationship, and which reflects the GNH domain of community vitality.

\(^1\) The Gewa Rites of merit is performed for the deceased spirit to deal positively with the frightful experiences in the Bardo realm and at the same time to help survivors to cope emotionally and psychologically with their loss (Phuntsho, 2014, p.14-15).
To conclude Part I, these three significant cultural events (the wedding, the *Tschechu* and the funeral) afforded me insights to observe and experience the embodiment of three GNH domains: community vitality, cultural diversity and resilience, and time use. I experienced a joyful wedding celebration, observed community engagement in the sharing of spiritual knowledge at the *Tschechu*, and partook in grief sharing at the funeral. As a result I became aware of the strong Buddhist values that underlie community relationships in terms of giving blessings and gift making; the bonding between government officials, friends and family; and compassion through time use and *semso*, all of which are also common in other Buddhist societies. However, the most striking observation was the conduct of the government in providing a three-day public holiday to enable its citizens to pursue spiritual development. In the next section, I discuss the procedures concerning the interviews with tourism stakeholders. The interviews are concerned with understanding the socio-cultural realities of the GNH Tourism Model.

**Part II : The Tourism Stakeholders’ Interviews**

### 6.3 Interview Procedure

In this section, I discuss the interview procedure and describe the sample population. First, I sent an introductory e-mail with an information letter explaining the aims and objectives of the research project to potential recruits, and 36 out of the 50 potential interview recruits agreed to be interviewed. Second, I made an appointment that was convenient to the participant, either at their office or at a restaurant with a private room. All interviews were recorded with written or oral respondent consent. During the interviews, I ensured that respondents understood the interview procedure. For example, I took time to explain the procedure regarding interview consent, interview recordings, and emphasised that the respondents reserved the right to not answer questions or end the interview. Several respondents expressed that they were impressed by the professional standard of the interview procedure, citing that previous researchers were less open about their rights as interview participants.
Third, I also made an effort to compensate respondents for their intellectual contributions. When working in an indigenous community setting, it is customary for visitors to bring a gift when calling on the host, as is common in many cultures. As a researcher, I am mindful of respondents’ intellectual property (ideas and meanings), but as I was unable to make any monetary remuneration, I offered a small token of appreciation (Australian souvenirs). Furthermore, a quarter of respondents were treated to a meal because the scheduled interview was conducted over the lunch break, with two exceptions over dinner.

Finally, I maintained contact with respondents after the interviews. It is important to keep respondents informed of the research outcomes. After the interview, I sent an e-mail thanking respondents and acknowledging their contributions. I advised respondents through e-mail of: my field work completion, my safe return to Perth, published articles (see Teoh, 2012b), the TCB Reports (see Teoh, 2012a, 2014), and the oral presentation at a Tourism Symposium “The Business of Sustainable Tourism” held at Curtin University, 18th – 19th February 2013, as well as ongoing presentations at conferences. This gave me a sense of fulfilling my ethical responsibilities to those who shared their perspectives.

6.4 Interview Respondent Demographics

6.4.1 Participant Age

Figure 6.10 shows a skewed age distribution to the left between those 20-39 years old group, with the highest number of participants in the 40-44 years old group. The age demographic range reflects those in employment and the range of ages of those with some sort of contact with tourism.
The gender balance ratio in this study was 13 females and 23 males (see Figure 2.6). There were challenges in recruiting female participants, however, the sample population size is acceptable as it is similar to the Bhutanese National average of gender employment ratio. The national number of women working in the civil service, which is the largest employer, is 7,745 representing 32% of all working in the public service (Kuensel, September 5, 2012).
6.4.2 Interview transcripts

The interview data were locally transcribed. I justified using a local transcriber because of vernacular language and quicker transcriptions, which left me more time to conduct interviews. Additionally, it allowed me to give back to the local community by offering paid employment. The transcriptions were sent to respondents for verification, within two weeks of the interview, whereby respondents had the opportunity to make any comments and necessary amendments. Of the 36 transcriptions sent for verification, 12 were returned with adjustments. Some respondents made amendments to verify their meanings. This was acceptable under the terms and conditions set out before the interview, in fulfilling institutional ethical requirements and in ensuring the interview data’s trustworthiness by the respondents. A total of 148,017 words were transcribed with an average of 4112 words per interview. Participants’ perspectives are presented in vivo. The next section provides the emic perspectives of tourism stakeholder respondents on the manifestation of GNH in tourism policy, planning and development.

Part III: Disjuncture

6.5 Tourism Stakeholders’ Interview Data

Part III presents the significant themes in the interview data. These themes emerged from the deductive process in the GTM process to arrive at theoretical saturation for each tourism stakeholder interview question.
6.5.1 Happiness: “Happiness is only possible when happiness of others is ensured”.

Happiness can be elusive, and happiness can mean different things to different people. Therefore, the first broad interview question to tourism stakeholders was: “What does happiness mean to you?” Four key themes were apparent in the interview data: giving and helping community and others; being satisfied, sufficient, contentment, and being with family; and having the basic needs of food, shelter and clothing; and the right environment.

**Giving and helping community and others**

The first significant theme from the interview data is that happiness means giving and helping their community and others. Some report that giving to others brings happiness to oneself. On the individual level, H6 offers, “whatever brings happiness to the person across from me is what gives me happiness”. According to TO5, “my happiness is to ensure that all those people who are around me…to ensure that they are happy”. This sentiment is echoed by H3 who suggests, “when you know the life of giving to others and not having a life of taking, it will generally [help] you [and you] will be happy”. On the community level, NGO2 submits that happiness occurs, “when I can make some changes in other’s lives, which makes them happy”. P6 resonated with this sentiment: “if I am able to do work that could help my community a bit, that could help my society a bit, I would feel so happy”. In this sense, GNH appears synonymous with: caring about others through giving and helping community.

**Being satisfied, sufficient, contentment, and being with family**

Sufficiency and contentment were the second significant theme that emerged from the interview data suggesting that happiness is about being: satisfied, sufficient, content and being with family. TG3 suggests happiness is, “being satisfied with what I have”, and H5 reminds us that happiness, “means being content with what you have ... being with the family and enjoying the work”. P5 agrees that, “happiness would be being with my family”. H7 offers that happiness is, “being contended with my life”. Furthermore, TO4 aptly describes happiness as, “being contented, having less desires, being satisfied with what you have”, whilst H3 adds that, “happiness is being at peace with yourself”. H2 proffers that happiness is, “just be in touch with yourself then you find your happiness” and concurs with TO7 who suggests that happiness is, “not being materialistic but self-sufficient”. H2 further adds, happiness lies in one’s self, “you have to really have a good look at yourself … the difference between needs and wants”. 
Moreover, P3 suggests that happiness means, “being able to fulfil our true potential”, and NGO3 suggests that, “to be truly happy is having a positive approach to life”. H9 also suggests that happiness, “means a balance of having the time to do what I want to”. Lastly, G2 offers that, “happiness is something that is not only material … the right balance of everything would be happiness”. The wide perspectives reveal the complexity and elusiveness of what happiness means to these respondents.

Food, shelter and clothing

In terms of practicality, happiness is related to life’s three basic needs: food, shelter and clothing. TG3 succinctly sums up that,

I think up to a certain extent, the happiness comes, you know from being self-sufficient, satisfaction and contentment [that] comes only if you live little bit above the poverty line … you have enough to eat … enough to live.

According to H8, essentially, “we can not be happy without having food to eat and then money to satisfy us. So we need enough money for ourselves to buy food, clothing and shelter”. A prerequisite for achieving happiness for TCB3 is that, “happiness comes only after … you can fulfil the three basic requirements of food, shelter and clothing”. H1 contends, “happiness would probably be when you have security, shelter most probably the three basic needs you know like food, clothing and shelter”. The meaning of happiness is clearly driven home as NGO2 proclaims,

We feel that for someone to be happy, we need to fulfill their basic needs first, we cannot expect somebody to be happy without having three proper meals in a day, or without having a proper shelter to live in.

Hence, according to the above respondents, happiness is associated with the three basic life prerequisites: food, shelter and clothing.
Right environment

The interview data also revealed that having the right environment to achieve happiness is critical. TO1 claims happiness is, “about creating the environment” where happiness can flourish. P1 suggests it is, “the responsibility of the government to set those conditions”. TO3 stresses that such conditions should have, “no racial, no religious problems”, in order to reflect community harmony. G3 suggests, “happiness is having a very positive perspective in whatever you do. You cannot have happiness by having [a] negative mindset”. Such a mindset comes from within one’s self as TG4 suggests, “happiness is something that should come obviously from within your self”. Furthermore, P3 adds that happiness is,

... an underlying sense of peacefulness, stillness and at the same time a sense of aliveness, being really aware and awake and conscious. It’s a state really; it’s a state of mind or a state of being.

The above respondents’ perspectives represent a range of meanings related to what happiness means. In sum, according to TCB4, “ultimately happiness is a very complex issue”. Furthermore, TO6 suggests that happiness “is that thin line between having too much and having too little”. In this regard, the right environment or the conditions for happiness to flourish means realising one’s full potential, having a right balance in life and having a positive outlook that includes: having food, shelter and clothing; being with the family; having sufficiency and contentment in life; and giving and helping others in the community, in short, happiness of others brings happiness to oneself (see Figure 6.12). The analysis revealed that the notion of happiness in GNH is ambitious, complex and means different things to different people. However, generally respondents felt that happiness is achievable as it is related to non-materialism.
6.5.2 GNH: “Theory is one thing and the practice is another thing”.

To gain broader insights on GNH as a development philosophy, interview participants were asked: “What are your views on GNH as a development theory based on the four GNH Pillars?” Two significant themes emerged from the interview data in this context: the importance of Bhutanese values, and the challenges in practice.

The importance of Bhutanese values

Some respondents considered that Bhutanese values existed long before GNH was coined, and that GNH is deeply rooted in Buddhism. According to TO3, “GNH has been there a long time ago, but it is not spoken in words or is not [expressed in a] materialistic way”. P2 offers that,

Without the word GNH, the development of the Bhutanese government and the Bhutanese economy was already expressed. So, even without the mention of the word GNH, the development was already happening.

For H2, GNH was an ancient fabric of life in Bhutan,

We have been brought up in GNH … the way of GNH from our ancestors … our forefathers. I think before there was a label to it, it was certainly part of Bhutan’s life.

And according to G1, GNH is deeply rooted through Buddhism, in that,
Bhutan is a very pure Buddhist country … the concept of GNH is inbuilt with everybody in Bhutan.

A notable theme that emerged was that GNH is a way of life heavily influenced by Buddhism’s concept of the middle path. According to some respondents, GNH as a development philosophy follows the middle path in a non-materialistic way. It is noteworthy that those in the rural areas are less concerned with the term GNH.

From the range of respondents’ perspectives, the concept of GNH is not something new, but a Buddhist practice rooted in ancestral times. The concept of GNH reflects a tradition of human values synonymous with conservation and respect for nature, the promotion and cultivation of cultural heritage, and societal equilibrium that has been practiced since ancient times in Bhutan, and is not unique to GNH. Accordingly, respondents consider that GNH is about Bhutanese values, with a balanced attitude.

**The challenges in practice**

A second significant theme that emerged from the interview data was the challenges of GNH in practice. Some respondents think that whilst the concept of GNH as a development philosophy imposed by the government appears noble, its practical implementation poses great challenges. As H7 suggests that,

> GNH … I think it is more of following the middle path, as what we call in Buddhism, so it is a very good theory in general but here in Bhutan what it lacks is the practicality and applying the GNH in development.

Respondent H6 claims that,

> … the thought behind it is noble but I think there is a long way to go … in the two [GNH] surveys … [we are] still struggling to understand how they can really make it.

TG1 stresses that,

> It didn’t achieve as of now … they are working on it … for most of the outside world, it’s like Bhutan did achieve [GNH] but as per my understanding … they are having hard time to achieve it … so I think Bhutan is so far as like it didn’t achieve GNH.

This is further supported by TG2 who said, “but in our country, we don’t have 100 per cent GNH, but we are trying”. There is hope though, as respondent H3 suggests that,
I think it is a great philosophy and something that is exceptionally difficult to realise, because there are so many challenges, so many expectations with so many different entities and counterparts.

Some respondents consider that GNH is still in its infancy. Respondent H1 points that,

… hopefully it turns out to be as good as it is in writing and that’s why I still believe that it is in a stage where it is still developing as a concept.

In agreement, H5 says that,

I think it is a good guideline for development so that you can focus on [the] end goal of development that is to make the public population happy. But I don’t know if it is effective.

Some respondents expressed a sense of discord between policy and application. For instance, respondent P4 suggests that a discrepancy exits between the urban and rural areas,

… the most discordant factor of GNH is in that discrepancy between what is being set out as a goal, and then how people actually live their lives, especially in Thimphu this is obvious, less obvious when you leave Thimphu.

Likeminded G3 says, “sometimes we felt that the theory is one thing and the practice is another thing”. On a gentler note, H8 discloses that,

I feel like it is working, but not really up to expectations. In general people … they are happy and they have enough to feed their family and all but I think if you go into depth there are lot of problems.

In agreement, NGO2 suggests that, “it looks good on the paper but when you actually implement it is difficult…I think that will be a challenge”. In this sense, P4 elaborates,

I would say as far as the theory goes, the rhetoric is pervasive, at least pervasive in terms of the media and in terms of the upper echelon of society. I would say that most of those people [living in central Bhutan] are pretty unaware of the four pillars of GNH and that very little of what they encompass is practically implemented in their lives.

Respondent NGO3 suggests GNH has been misunderstood in that,

It is a balance that we are working on … balance between climate, natural resources, development activities, income we are earning … we are suppose to expand … it’s my personal view that it is not properly viewed or understood.

Interestingly, P2 points that to Bhutan’s economic weakness,
… there may be gaps in fulfilling the goals of the government … first thing is we are very weak economic sustainability … finances are more or less borrowings and grants from the donor countries and donor nations and we are … pretty poor in economic self subsistence. So that is one of the weaknesses.

Respondent TO7 sums up that,

In reality frankly speaking we are very confused and feel it may be very challenging to achieve or understand what GNH is all about … But now the things have got so complicated, I honestly feel it … I really find it very difficult … how the government is going to achieve GNH … now GNH is promoted worldwide and back home [we have] fast development, I personally feel we are moving more towards GDP rather than trying to implement the principal of GNH.

Conversely, other respondents applaud the concept of GNH as a development philosophy. Respondent TO6 proudly remarks that,

Just the concept of conserving our environment, nature, I feel it is also one of the very good policies … the government has the policy to preserve that. I am very happy with this philosophy of Gross National Happiness.

H9 concurs, suggesting, “GNH development policy is trying to make sure that we have a balanced materialistic life, as well as a peace of mind”. Whereas on a cautious note, P6 offers that,

If we practice what we preach within these four pillars, I think it is a very good development philosophy … I think it is working very well but we cannot be complacent, I think we need to be cognisant of the fact that there are so many challenges to this philosophy … that is why I think we all need to be extra cautious and extra careful … dealing with this philosophy.

Respondent P3 thinks that GNH is coming from the top down through policy making, which is to be admired. However, GNH still remains elusive,

On the government level I think, GNH has been seen very much as a leadership style … it is very much driven from the top management or by the leaders to bring GNH values to decision making and policy making … And no one in Bhutan claims either, that it has been achieved. But they are serious about being on the journey. I admire (laughter) that because it takes a lot of courage to step out and do that.

The themes of consumption, materialism and waste featured significantly for P4. For example, P4 states that, “even though the motivating vision is there, the practical implementation of it seems to be kind of pretty much non-existent”. In relation to the rapid cultural change, P4 highlights that,
… with commercialisation, materialism, consumer goods being longed for and brought into the country. So, at the same time you see the kinds of the old traditional methods and practices being showcased, but seems to me that it’s becoming like theatre for everybody, so not just the tourists coming into the country or high officials but for Bhutanese themselves, to go and watch their own culture and tradition as opposed to living them.

And in terms of materialism,

… certainly in terms of Thimpu, the number of fancy cars, the number of growing … western clothing stores, the number of consumer good that is being brought into the country and the imported things and it is just kind of the energy of the city that has this feeling of more, more, more and get, get, get.

Finally, in terms of waste management,

That Bhutan has no pollution and no littering and I found that to be completely untrue …. when you walk around Thimphu and look into the rivers it’s a mess, it’s not pretty.

In sum, the GNH philosophy is an aspiration that underpins the challenges of development. The respondents reported both supportive and opposing views on GNH philosophy as a development theory. In particular, that the GNH philosophy is underpinned by Bhutanese values of old tradition, a right approach with a balanced attitude following the middle path according influenced by Buddhist philosophy. However, in practice there are many challenges, such as materialism with a shift towards GDP, implementation and waste management issues that results in a disjuncture between rhetoric and practice (see Figure 6.13).

**Figure 6.13. Model of GNH as a Development Theory according to tourism stakeholders.**
6.5.3 McKinsey: “We have become too ambitious, too greedy”.

In relation to tourism development, interview participants were asked: “What are your views on the government’s expansionist policy from the McKinsey Report to increase tourist numbers to 100,000 by 2012?”

Some respondents suggest that expanding tourism contributed economically to the nation. TCB2 advocates that, “it will increase our socio-economic development” whilst, P1 suggests that, “we need a strong economy to be self sufficient, we need money, we need to rise”. NGO3 thinks that increasing the tourist numbers, “is definitely going to contribute to poverty alleviation”. However, others suggest that the McKinsey Report promoted an expansionist policy through rushed growth whilst there was insufficient infrastructure.

The lack of infrastructure

For some respondents, the lack of infrastructure was a major concern. In relation to this, the increase in tourist numbers was deemed inappropriate. Respondent TG3 claims that,

… we have become too ambitious, too greedy, we want a quantum leap … realistically, we are not able to handle even this 60,000 tourists professionally.

TO1 adds, “we should have more infrastructure, not concentrating in Thimphu and Paro but in other areas also”, whilst G3 states that, “any tourism policy based on tourist numbers is the wrong approach”. TO4 suggests that,

… by actually having a benchmark, having 100,000 tourists by so and so years, I feel we may actually lose the focus, because suddenly the focus may shift to achieving the numbers, and not achieving our GNH philosophy.

Moreover TO7 says, “I feel gradual growth is healthier than trying to achieve a target when we do not have our infrastructure in place.” Similarly, TO3 expresses that,

… we were totally against that [McKinsey Report]. I am also the member of ABTO and we, all the members actually fully disagree about such ambitious increase of tourists to 100,000 and at first place … we need like good tour operator, secondly we need infrastructures and third thing we need good guide to be trained.

The above responses suggest that the McKinsey Report was problematic because the focus was on increasing tourist numbers rather than improving tourism infrastructure.

According to H3, Bhutan was struggling to cope with the increase in tourist numbers,
A good example of what can and cannot be done, and what the country is ready for, is when you look at the tourist season in October last year [2011] during the [Royal] wedding, there was about 10,000 to 12,000 tourists arrivals. I think there was 10,000. Bhutan struggled to cope. Of course, there was a big influx for the wedding itself, but no more so like one of the big festivals. So, you look at that month [October], Bhutan could not cope, there was not enough guides, there was not enough vehicles, air capacity was an issue, everything was an issue. Now they are talking about getting to 100,000 this year, which is on average about 8,000 something per month, that is almost reaching that level, they are talking of going well beyond that in 4 year’s time, more than two and half times. It’s impossible with the state of affairs now, it is simply not realistic.

Respondent TG1 claims that the McKinsey Report’s recommendation for the tourism sector has environmental consequence,

If they [McKinsey Consultants] want 100,000 tourists they should come up with so many facilities – increase the number of hotels, maybe increase the number of guides … More number of vehicles are required … which will directly … like it will be [lead to] a contribution to pollution. So as like one of the pillar is more of preserving the environment … it’s like more of if we have more number of tourists, then the facility, the number of facility for tourism will always go up. I think they will be … hamper towards environment as well.

TG1’s perspectives indicate that there was a lack of facilities to accommodate the increase in tourist numbers. Additionally, TG1 contends that a growth in tourist numbers highlights the dynamics between philosophy and practice in that,

… [the] economic part will probably be good. But then as per the economic thing, it will be good and there will be help towards poor people – there will be contribution – but at the same time there will be hamper [the] environment …. like cutting down the trees, occupying space, there will be soil erosions … there will be flood. Because as per the policy, we always talk about by promotion, preservation (pause) but at the same time, in action it is different thing.

This perspective suggests that the increase in tourist numbers might help to decrease poverty; however, the impact on the environment may be negative.

“Why doing it in such a hurry?”: A rushed growth policy

A second concern with the expansion recommended in the McKinsey Report was that it advocated rushed tourism development. Respondent TG3 reported that,

I thought that we rushed a little bit …. in five years to double up the numbers and then not building up infrastructure … and most of the tourists are concentrated only in the west where almost … already saturated… I thought that a little bit of rush. Maybe we could go slowly… why doing it in such a hurry.

According to P3, the rushed concept affects the experience of international tourists,
And the challenge I think that Bhutan has in terms of tourism policies now that it does want to have more numbers of tourists and wants to keep the high value philosophy but with more people at various sites, the experience of people will have diminished, and therefore the ability to charge, what they are charging right now, will diminish over time. So I think this policy of high value, low impact ... low volume as it was for some time (laughter) ... was great but with the expansion that will change the experience and will change the feedback that people will give to their friends and it will change the reputation that Bhutan has in the international market and it will change the types of people that will come here.

The tourism stakeholders’ suggest that the McKinsey Report expansionist policy for rushed tourism development might have propelled economic development, but in doing so, the other values were compromised.

6.5.4 Compromised Model: “You are paying for something which is/ under par”.

Following on from the McKinsey Report as an expansionist policy, interview respondents were asked, “How do you view this as compromising the four GNH pillars?” Some suggested that promoting culture through tourism was a positive outcome, whilst others considered that the increase in tourist numbers had compromised the GNH Pillars. It must be acknowledged that the interview data to this question did not provide conclusive analysis because several interview participants failed to understand the word compromise. The misunderstanding became evident during interviews when there were long stretches of silence especially from those in the age groups below 30 years old. Nine of the thirty-six respondents (25%) did not answer the question, whilst five others (14%) gave non-related responses. Consequently, there was an inherent weakness in this question, which can be attributed to poor interview research design. Given these limitations, two significant themes emerged: the promotion of culture and issues of quality.

Some respondents viewed the increase in tourist numbers positively because Bhutanese culture was promoted. As H5 suggests,

… tourists come here … they talk about our culture … in one way it helps in promoting our culture. I wouldn’t see that as negative.

Likewise, G2 submits that,

… people are also given an opportunity to preserve their cultural values, and also people are happy, I think, to show their spiritual values.
Seen in this light, the increased tourist numbers is regarded as an enabling policy. In terms of the environment, TG2 concludes that,

… of course the environment is getting impact in little quantities, I guess so, but the people are getting more benefits.

In this view, some environmental impact is acceptable as long as people are benefitting economically. Other respondents were concerned about cultural values. The majority of tourism stakeholders’ concerns focused on the negative cultural and environmental implications of increased visitor numbers, even though many also highlight the positive economic outcomes of an emphasis on growth.

Nevertheless, for some respondents, the GNH Pillars were compromised. TO3 believes that increasing tourist numbers contradicts the GNH slow-paced development philosophy,

Bhutan has to be [developed] in a very slow process … I feel that Bhutan has not come to that stage [dynamic way] and Bhutan is opening tourism in a very slow pace … I feel that it has to be in that way … not in the dynamic way.

Furthermore, TG1 bemoans that,

… as per the policy, we always talk about promotion [of culture], preservation [of the environment] but at the same time, in action it is a different thing.

According to H1, improvements in service quality and resolving capacity issues must be addressed prior to increasing tourist numbers,

I think that’s a compromise on the quality and that’s where we lose our high value and low impact because basically you are paying way too much for something which [is] under par. That’s a lot of money you are asking per day and they get substandard service. So, it just comes off as if we are a country full of hustlers.

In the view of many respondents, the change in Bhutan’s tourism policy from high value, low volume to high value, low impact has resulted in negative consequences for both value and impact.
6.5.5 Ura-Shinghkar Golf Course: “It’s really not our tradition to play golf”.

Interview respondents were asked about their perspectives of the USGCD proposal: “What are your views on the Shinghkar golf course development in Ura?” The themes that emerged include sustainability, concern for the wetlands, and the spiritual values of the site, and governance.

*Sustainability*

Sustainability emerged as a significant theme in tourism stakeholders’ perceptions of the USGCD proposal. Respondents raised questions and concerns about the rationality of the proposal, including that sustainability values were being compromised. TO3 expressed the greatest concerns is,

… how many incomes are you going to generate from there? How many tourists are going to go there and take part?

G1 acknowledges the wastage inherent in the USGCD proposal, declaring that,

… my fear is who will go and play there? Because the community around [Bumthang]...they can’t afford to play golf and the people from the capital city and other parts of Bhutan may not opt to come and play here. Even from the international [tourist] may be one or two would like to [Shinghkar] and if they spent quite a lot for the golf course there, I think it will be a wastage (G1).

In a pragmatic voice H7 says that, “I would question is it sustainable?” There were also concerns about the high altitude, as TO1 argues that,

If the golf course development were to take place in warmer locations, for example in areas such as Haa or southern Dzongkhas, it would make more sense.

However, there were also differences on the issue of sustainability. Others agreed with the project, citing diversity in tourism product and favouring the increase in luxury tourism because of its economic benefits. For example, H8 said, “I feel it should go on … it will benefit and then it will increase the number of tourists”. Furthermore, TO3 suggested that,

We actually need something different than what we usually have here … golf is very much popular… people who play golf only have money and they have lots of money … so I think that is another luxury to the country. Otherwise, we have only cultural, trekking and bird watching.
Respondent NGO3 supported the golf course development as long as it had proper facilities, calling for engagement rather than avoidance,

It should develop … it should have all the facilities that everyone is having around. So when you say preservation you cannot avoid everything we should have … that’s why I always say … which is all about balancing. So it is very important to make people ready to handle it rather than totally avoiding it.

Additionally, TCB3 purported a cautionary approach, “the golf … could have been developed with stringent guidelines … also having the enforcements”. Interestingly, TCB2 pointed towards income generation and employment as a direct benefit of the USGCD proposal,

At the moment, there is too much dependence on grazing … if the golf course comes there, then I feel it will be good for them because they can directly or indirectly depend on the tourists [with] employment … in the form of income … it’s a good income generator.

Respondent TG3 revealed that, “in Ura until April it is cold, then May also and June, July, August, September it rains, by late October it is cold again. Terrain is hard you know”. TCB4 offered an argument for a win-win situation,

If you look from economic perspective, it is good, because the kind of tourists we target [are] the high-end tourists. If by building a golf course in Shinghkar is affecting lives of the communities in a negative manner, then no golf course. But if the community feels that there are not enough cattle to graze, now the only source of income that they could get is from golf course...why not...I think it is a win-win situation.

At the same time, nine respondents (25%) were ambivalent and did not respond for several reasons. They were either not informed, unaware, not concerned or simply declined to comment on the USGCD issue. H9 responded that, “Oh, I really don’t know about it … not aware of it”, whilst TO7 retorted: “it is not fair to comment to your question in regard to the golf course coming up in Shinghkar”. In terms of sustainability, the proposed golf tourism development in Shinghkar had mixed responses from tourism stakeholders.

**Concern for the Wetlands and spiritual values**

One of the key concerns was environmental degradation of the wetlands. Respondent TO4 acknowledged that,

It is a big wetland. As we know the importance of wetlands cannot be underestimated because wetlands are important for regulating our atmospheric pollution and all that, maintaining our water table.
TO5 adds that, “we cannot compromise the village or nomads’ pasture with golf, a game played by only a handful, whereas the grazing pasture land is used by the entire village”. This elucidates the relationship the Bhutanese people give to the value of the grazing pasture, which is their livelihood. More importantly, as highlighted by NGO2, golfing contradicts the GNH traditions, as is not a Bhutanese tradition,

I wouldn’t really support it … if we go with the GNH message, it’s really not our tradition to play golf … it’s going to have negative impact on the community.

This perspective suggests a strong relationship towards the GNH Pillars.

The spiritual value of Ura-Shingkhar also carried importance. Respondent P2 argues that,

… economically it will not be viable … the second thing is we have to see how the community takes the idea … in Bhutan, every place, every spot, area has its own reservations according to the traditional local beliefs, and the first thing the local people will say is we are disturbing their local gods.

Furthermore, G1 contends that,

I think it will be a wastage. Since Shingkhar is a very serene community with so many sacred places around … if it reduces the value of sacredness and nothing comes out from the modern facility, then that is wastage.

Such perspectives highlight the relationship the Bhutanese people have with the physical environment and their spiritual heritage.

**Governance**

The government’s conduct in pursuing the USGCD has led tourism stakeholders to critique the government. Respondent P6 suggested that there was no proper analysis of the proposed project,

… [The USGCD] would be a sheer waste of resources … for me I think that’s not a very well thought idea. It’s an idea someone just throw in without any proper analysis. Why would you want to have it there and waste land? At least if [we] let the cattle, yaks graze there that would benefit the community … the revenue generated from that golf course will be minimal. I don’t think that would do any wonders to the economy. Ura is a very cold place, why should people go there?

G3’s perspective was critical in suggesting a mismatch between the GNH philosophy and the USGCD proposal because of the perceived lack of benefits towards the community,
… it is really a mismatch to what our philosophy [is] and what we wanted to do … the local people there are not going to benefit much from it, if you talk about the benefit now. We are just going to have big business people, based outside Bhutan, you know in the developed countries, who will reap the maximum benefits.

There is a perception that it is outside business through Foreign Direct Investment (FDI) that will ultimately benefit most. According to TG3,

> We have a golf course here [Thimphu] ... even here we hardly have tourists … I only handled two clients who wanted to play half-day golf … It [USGCD] is far, it is cold, thirdly, who wants to go all the way to Bumthang to play golf … what is the attraction there in Ura?

There was much credit given by the tourism stakeholders to the Prime Minister for making the final decision to reject the USGCD proposal. For example, G2 suggested that,

> If Lyonchhen said that … I think he is a very knowledgeable man, I think we should not really allow this … because this golf course in Ura … a lot of development … my only thing is that it is a pristine area.

H1 called it an act of good governance,

> I had no idea that the Lyonchhen [Prime Minister] came in and was involved in it but I think if the Lyonchhen saw it was going to harm the society or the place in a way, it was good governance to come in and stop it.

Respondents applauded the government’s decision to halt the USCGD. For example, TO1 welcomed the decision noting that,

> Places like Shingkhar … that place should be a place for dairy farm, that’s what I feel … instead of a golfing course. That’s a very good move … yes … yes, is a very good approach the government made.

TG2 suggested, “it’s a good thing to stop it”, whereas TG4 regarded the authentic countryside as a tourism asset,

> Since Shingkhar, Ura is kept as a very unique kind of model valley, very remote place, a very authentic countryside … If they remove the [golf] project, I am sure that will be a plus point. Because in some places, we have to keep it as it is … a kind of asset for the country.

Even though TG3 had mixed feelings, there was overall support for the government’s action,

> As a tour guide as for my own happiness … I think it should not be stopped but as looking into it [as] GNH pillars, I think the government did a good job protecting it … maybe the government thought of the future generation.
Finally, TCB1 suggests that the rule of the majority in the local community should prevail in this issue, in that,

25 households … they are not happy about what they are doing [develop USGCD] … I think it should be going with the voting system like the 25 [that] said no.

Using the NVivo10 program, a Word Cloud mining of the interview transcript on the USGCD proposal interview question indicates the prominence of the words ‘good’ and ‘government’ (see Figure 6.14). This implies that good governance occurred in this case.
The contentious USGCD

The case of the USGCD was contentious as twenty-five households or seventy percent of the village voted against this development (Kuensel, November 6, 2011). The entire golf course would be located on a wetland. It was contentious because if successful, the wetland would be damaged and it would not primarily serve the needs of the local villagers (Valcsicsak, 2011). The government’s intention to proceed with the USGCD was self-serving because it would have benefitted only a small minority, mainly the Foreign Direct Investors (FDI) (Phuntsho, 2011a). Whilst golf tourism provides economic opportunities and employment (Markwick, 2000; Readman, 2003; South Australian Tourism Commission, 1996), the question remains as to what proportion of these benefits flow directly to the local community (Garau-Vadell & de Borja-Solé, 2008; Pestana Barrosa, Butler, & Correia, 2010; Shmanske, 2012; Videira et al., 2006). Furthermore, the costs include environmental and ecological displacement (Tanner & Gange, 2005), inflation of real estate prices (Palmer, 2004), and the likelihood of social divide amongst society (de Brito, 2013; Markwick, 2000; Sartori, 2011; Videira et al., 2006). Accordingly, the Ura-Shinghkar community would receive a minor share of these opportunities and benefits but would inherit the majority of the costs.
Four themes emerged from the tourism stakeholder interview data on the impacts of the USGCD proposal: sustainability, concerns for the wetlands, spiritual values and good governance. These impacts were significant to the local community because of the potential effects on their livelihoods. First, the livelihood of the community would have been impacted because the grazing lands would be affected. Second, it would have diverted the supply of water to a hydropower unit in Ura. Third, the chemical herbicides and insecticides used for the upkeep of the golf course would result in toxic waste affecting the wetland, marshes and regional water table and the subsequent flow into the Bumthang Chu (river), which would affect the southern Dzongkha (districts) of Zhemgang. The fourth and most significant impact was that the spiritual heartland of the country was threatened. If the golf course development had proceeded, the spiritual sanctity of the place would forever be compromised. The spiritual value is irreplaceable.

### 6.6 Conclusion

This Chapter represents Stage IV of the GTM and research journey. In Part I, I revealed my experiences of how GNH is manifested in three GNH domains: community vitality, cultural diversity and resilience, and time use through three significant events. First, the wedding highlighted the cultivation of community relationships through giving blessings and gift making. Second, the Thimphu *Tschechu* revealed the government setting enabling conditions through time use to encourage spiritual development of the individual, family and community. And third, the funeral or *Mey Yang* exposed Buddhist values cultivated through compassion in grief sharing. The *Mey Yang* revealed bonding between government officials and those in bereavement through time use and *semso*.

In Part II, I detailed the interview procedure, discussed the interview recruitment process, and how I maintained contacts with interview participants after the interviews. I also discussed the interview population demographics.
In Part III, I presented the emic perspectives of the tourism stakeholders interviewed, based on the five grounded interview questions. The first two broad questions were concerning the notion of happiness and GNH as a development theory, followed by three more specific questions in relation to tourism development, including the two case studies: the McKinsey Report and the USGCD proposal. Following the GTM process, theoretical saturation was reached using the process of deductive analysis, with the emerged themes from the interview data revealing four significant outcomes.

First, according to tourism stakeholders, happiness is only possible when the happiness of others is ensured. Essentially, happiness can be achieved through four factors: meeting the basic needs of food, shelter and clothing; being in the right environment, through a positive outlook, and having balance in life that can help realise one’s full potential; the giving and helping of the community and others; and feeling satisfied, sufficient, content and being with the family. The analysis has revealed that happiness is both ambiguous and complex.

Second, according to tourism stakeholders, GNH has existed for a long time because of the Bhutanese values inherent in Bhutan’s traditional lifestyle, but in practice it is a challenge. The perspectives on GNH as a development philosophy revealed a disjuncture between rhetoric and practice. This reinforces GNH as an aspiration, and the challenges of development in Bhutan.

Third, in relation to tourism development, the interview data revealed the perspective that whilst the McKinsey Report advanced cultural promotion, it raised important questions about the government’s conduct. In particular, why was there a hurry to increase tourist numbers, when there was evidence of the lack of infrastructure, resulting in the struggle to cope during the peak tourist season. Consequently, the McKinsey Report was regarded as a policy of rushed tourism development. However, the analysis of the interview data in terms of whether the Four GNH Pillars were compromised remained inconclusive, due to a weakness in that interview question.

Lastly, in relation to the USGCD proposal, the interview data exposed disagreement between the government and the interview respondents who had concerns about the sustainability of the wetlands and the site’s spiritual values. The government’s abandoning the USGCD proposal was seen as a positive outcome. The following chapter discusses the analysis of the study through the theoretical framework of Foucault’s governmentality.
Chapter 7 : Governmentality in the GNH Tourism Model

The object of government in peace and in war is not the glory of rulers or of races, but the happiness of the common man.


7.1 Introduction

According to Lord Beveridge, the happiness of the common person should be the objective of governments. Bhutan’s 4th King aims to achieve happiness for the nation’s people through his GNH philosophy. The establishment of democracy resulted in the political shift from Monarchy to Constitutional Monarchy in 2008. This move led to the newly elected government’s haste to advance socio-economic development through the Accelerating Bhutan’s Socio-Economic Development (ABSD) program in the 10th FYP (2008-2013). Tourism as a development catalyst took priority in the ABSD because tourism is Bhutan’s highest foreign income earner (Khamrang, 2013). This study aimed to investigate how GNH is manifest in tourism policy, planning and development in Bhutan.

This chapter has two Parts. In Part I, I draw on Foucault’s theory of governmentality to explain Bhutan’s tourism policy, planning and development as a manifestation of GNH in relation to Bhutan’s recent economic liberalisation strategies. The governmentality framework is useful for explaining the controversy and power relations inherent within Bhutan’s tourism policy, planning and development. In Part II, I analyse and discuss Bhutan’s governmentality in GNH; in tourism policy, planning and development; in the people’s power in the Ura-Shinghkar Golf Course Development (USGCD); and the politics inherent in the Lhotshampa refugee issue.
Methodologically, this chapter situates the post-fieldwork, which represents the process of deductive analysis in the fifth stage of Charmaz’s (2006) socially constructed Grounded Theory Methodology (GTM). Adhering to Glaser’s (2001) dictum that “all is data” (p.145), the process of deductive analysis engages with all the data collected through the GTM. This process also includes maintaining contacts with the interview participants primarily through e-mails for further clarification. These clarifications inform the discussion through growing awareness and understanding of the relationship between the general public, tourism stakeholders and the government.

**Part I : Foucault’s Governmentality**

### 7.2 Governmentality

As discussed in section 2.6, the theoretical framework was grounded from the interview data, following the GTM rules. This section introduces Foucault’s theory of governmentality. In a series of lectures entitled *Security, Territory, Population* delivered at the Collège de France between 1977-1978, the French philosopher and social theorist, Michel Foucault (1926-1984), introduced the notion of governmentality (Foucault, 1991a, 2002, 2007), which he describes as the, “art of government” (Foucault, 2007, p.163), in the administration of its population through the “conduct of souls” (Foucault, 2007, p.193). The purpose of government is to administer and regulate its population as, “the population is the subject of needs, of aspirations, but it is also the object in the hands of the government” (Foucault, 1991a, p.100). In this respect, governmentality is about governing the way a population should behave and conduct itself for the greater common good. Importantly, governmentality is,

> the arts and regimes of government and administration … concerned with how we govern and how we are governed, and with the relation between the government of ourselves, the government of others, and the government of the state (Dean, 1999, p.2).

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Foucault regards the functioning of government in terms of, “government as an activity or practice, and in arts of government as ways of knowing what that activity consisted in, and how it might be carried on” (Foucault, 1991a, p.3). At the core of the governmentality discourse is the rational deliberation on human conduct, in so far as to, “how we think about governing with the different rationalities” (Dean, 2010, p.24). To Foucault, the government’s shift towards liberalism is a shrinking of its responsibilities and hence is a, “problem of government” (Foucault, 2007, p.163).

Foucault’s notion of governmentality stems from his interest in political rationalities and the genealogy of the State (Lemke, 2002). Foucault views the technology of government as the way in which sets of power relations within the State account for political and social transformations (Lemke, 2002, p.29). In his critique of government Foucault examines is the complexities involved in steering individuals and collectives towards a national goal (Bröckling, Krasmann, & Lemke, 2011, p.1). He views the analytics of government in the context of technological determination through sets of power relations. Foucault (2002) purports these power relations to be the, “tactics of government” (p.221), or ‘the conduct of conduct’ of the government (Foucault, 2007).

Foucault (1988a) suggests the idea of domination in his analytics of government as the relationships of power, “between individuals, in the bosom of the family, in an educational relationship, in the political body” (p.3), resulting in states of domination, “in which the relations of power, instead of being variable and allowing different partners a strategy which alters them, find themselves firmly set and congealed” (p.3), that can either be liberating or, “extremely confined and limited” (p.3). In particular, he distinguishes between government as State domination, domination of others, and self-domination2. In the context of the Bhutanese governmentality framework, the use of the term domination is particularly useful in considering the philosophy of GNH that is imbued with Buddhist values, through the idea of happiness and wellbeing as the overarching common goal. The Bhutanese government attempts to dominate its population with the notion of happiness and wellbeing as a shared value through the GNH philosophy.

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2 Foucault also used the term subjectification (of others) and subjectivation (of self).
7.2.1 The art of government

The art of government is a form of science or discipline in rational thinking governing human conduct. Foucault followed the work of François de La Mothe Le Vayer (1588-1672), a French writer and tutor of the French King Louis XIV, who suggested that there are three forms of the art of government,

... the art of self-government, connected with morality; the art of properly governing a family, which belongs to economy; and finally the science of ruling the state, which concerns politics (Foucault, 1991a, p.91, see Figure 7.1).

Essentially, the art of government is concerned with, “answering the question of how to introduce economy … into political practice” (Foucault, 1991a, p.92), or political economy. Foucault used the term ‘art of government’ and ‘the rationality of government’ interchangeably (Foucault, 1991a, p.3). Governmentality emphasises the issues of the “government of human conduct” (Dean, 1999, p. 3) at the three levels.

Figure 7.1. Model of Foucault’s Art of Government.

Sets of power relations for political and social transformation occur in the three levels: the moral (individual), economy (family) and political (State) in the art of government.
Foucault’s art of government as the moral (individual), economy (family) and political (State) is an expression of sets of power relations. According to Foucault, “where there is power, there is resistance” (Foucault, 1988b, p.95). For Foucault, the art of government involves producing morality at the individual level (how to govern the self rationally), economy at the family level (how to govern the family rationally), and economy at the political level (how to govern the State rationally) (Foucault, 1991a). In the context of this study, at the individual level, the Bhutanese art of government subjects the individual to practice GNH through the technology of the self, and to do good by achieving the goal of happiness and wellbeing (spiritual pursuits) that will ultimately contribute towards a common good (positive social transformation).

Second, at the family level, the Bhutanese art of government subjects the family to the practice of GNH by providing enabling conditions; for example for women\(^3\) to participate in the workforce (gender equality), thereby contributing to the economy positively at the family level, which in turn contributes to societal wealth and prosperity as a communal goal. Finally, at the State level, Bhutanese art of government subjects all policies to the GNH Index to be aligned with the GNH philosophy. The notion of GNH can be contextualised as the rational thinking of the government that is referred to as “mentalities of government” (Rose & Miller, 1992).

In the context of tourism policy, planning and development, this study examined the McKinsey Report, and the Ura-Shingkhar Golf Course Development (USGCD) proposal, which are both expressions of sets of power relations concerned with resistance. In these cases, the government’s decisions were not necessarily well received by the governed (individuals, family and community). Rather there was disjuncture over the tourism development policy decisions that the government (State) took. Foucault’s art of government is useful for explaining this disjuncture and can be applied to the GNH Index, in terms of government responsibility for increasing happiness and wellbeing (see Figure 7.2). It is the responsibility of the individual (in morality), the family and community (in economy) and the State (in politics) to conduct itself according to the art of government. In the context of Bhutan’s GNH philosophy, Foucault’s three levels of domination in the art of government is useful in which the 33 indicators (responsibilities) are used to measure and guide their happiness and wellbeing (Ura, Alkire, et al., 2012b, p.69).

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\(^3\) Note Foucault did not discuss women participation although his critique facilitates analysis.
Figure 7.2. Responsibilities for increasing happiness.

- Life satisfaction
- Positive emotions
- Negative emotions
- Spirituality
- Self reported health
- Number of healthy days
- Disability
- Mental health
- Work
- Sleep
- Responsibility towards environment
- Speak native language
- Assets
- Housing
- Family
- Householde per capita income

Community effort
(Family Level)

- Donations
- Safety
- Community relationship
- Cultural participation
- Wildlife damage
- Driglam Namza

Government effort
(State Level)

- Political participation
- Services
- Government performance
- Fundamental rights
- Literacy
- Schooling
- Knowledge
- Value
- Zorig Chusum skills
- Urban issues
- Ecological issues

7.2.2 The Conduct of Conduct of the Government

Foucault writes that ‘the conduct of conduct of the government’ is how the government conducts itself in the interest of governing individuals and collectives as in the, “economy of souls” (Foucault, 2007, p.192), or the, “conduct of souls” (Foucault, 2007, p.193), that is, how we are governed and regarded as a, “calculated means of the direction of how we behave and act” (Dean, 1999, p.2). In particular,

... it asks questions concerned with how we govern and how we are governed, and with the relations between the government of ourselves, the government of others, and the government of the state (Dean, 1999, p2).

In an, “attempt to shape rational human conduct” (Dean, 2010, p.18), governmentality is taken to mean any, “attempt to deliberate on and to direct human conduct” (Dean, 2010, p.18). For example, the conduct of conduct of the government concerns how the government conducts itself rationally, ethically, and morally.
In his analytics of government Foucault was concerned with the, “technologies of domination” through “technologies of the self” (Foucault, 1988b), as a means of discipline. The technologies of the self are techniques that individuals might perform in order to transform themselves (e.g. actions, thoughts, words) to achieve a desired state (e.g. acquire wealth or happiness and wellbeing). Such technologies of the self are the responsibility of the self. In the context of this dissertation, Buddhist beliefs and principles influence the technology of self and thus how the Bhutanese people conduct themselves.

The conduct of conduct centres on how a government might govern responsibly and make rational decisions (Dean, 2010, p.24). For example, in Bhutan it is a legal requirement to wear the national dress in public. Such rational thinking by the government, or the mentalities of government (N. Rose & Miller, 1992), may at times be at odds with those governed. In the context of Bhutan enforcing the Driglam Namzha or the Bhutanese code of national dress and etiquette, is a means the government uses to direct action and behaviour (Dean, 1999, p.2), through the conduct of conduct of the self in relation to the community. The Bhutanese government’s logic is that wearing traditional dress contributes to a sense of community which facilitates happiness and wellbeing. This is a common good and therefore central to achieving GNH.

**Part II : Governmentality in Bhutan**

In this section, I discuss and analyse governmentality in Bhutan through the GNH philosophy; through how GNH is manifest in tourism policy, planning and development in Bhutan through the McKinsey Report; in the people’s power in the Ura-Shingkhar Golf Course Development (USGCD); and in the politics inherent in the Lhotshampa refugee issue.
7.3 Governmentality in GNH

The Bhutanese art of government and the conduct of conduct of the newly elected democratic government can be interpreted as technological determination through sets of power relations that direct its people to embrace GNH: at the individual or household level (e.g. Buddhist ethics for spiritual wealth ahead of material wealth); at the community level (e.g. collective happiness for the greater common good); and, at the government or political level (e.g. Buddhist economics and the need for self reliance and less dependency on Foreign Aid). In the context of this study, the art of government wants to promote happiness and wellbeing as a common goal through the conduct of conduct of the government by creating the necessary enabling conditions. The government uses policy-making, planning and development to facilitate this.

The GNH development philosophy promulgates the idea that spiritual development and mental wellbeing are as important as economic development as evidenced in the multidimensional measures of the GNH Index. The GNH Index, which has taken the government more than 20 years to implement, was designed to measure the happiness and wellbeing of the population. This was done through two GNH Surveys, which are on going and modified based on feedback about their construction and administration. The government was not afraid to make changes to the surveys as it saw relevant. For example, the current 33 indicators grew from a previous 17 indicators. In this way, the art of government adopted a flexible approach using the variables to construct and delineate the measurements of the GNH Index.
The findings from the tourism stakeholders’ interviews suggested that achieving happiness is ambiguous and complex because what constitutes happiness and wellbeing varies. In Bhutan many people say happiness occurs when the happiness of others is ensured. It is the responsibility of the Bhutanese government through the art of government to create the conditions for people to achieve happiness and wellbeing. The government does this at three levels. One way is through politics at the State level in providing basic needs (universal health care and education) and creating the right environment at the individual level (morality) to realise one’s potentials. However, the government can only provide the conditions for happiness and wellbeing. It is incumbent upon the individual to achieve and increase happiness and wellbeing. The outcome translates into a positive economy at the family level, in that the satisfied, sufficient and contented individual contributes to the satisfied, sufficient and contented family. This outcome extends and increases the spread of happiness and wellbeing across the community by giving and helping others. This relationship is an interrelation that exists between the government of oneself, of others and the State.

**The art of government at the Tshechu, wedding and funeral**

The art of government in providing enabling conditions to achieve community vitality, cultural diversity and resilience and time use in the GNH domains was evident at the Thimphu Tshechu, the wedding and Wangdi’s funeral. At the Thimphu Tshechu, I experienced the Bhutanese art of government at the individual and community level, through the cultivation and promotion of culture (the 2nd GNH Pillar), facilitated by the three day public holiday (enabling conditions) to encourage its citizens to use time wisely in the pursuit of their spiritual development. The wedding made me aware of the strong Buddhist values inherent in the foundation of community relationships through giving blessings and gift making. The fact that government officials from the Foreign Ministry as well as the then Opposition Leader took time to attend the funeral illustrated the practice of compassion through time use and *semso*. The Tshechu, the wedding and Wangdi’s funeral were examples where the art of the government promotes and cultivates community relationships, thereby strengthening community vitality, cultural diversity and resilience and thus GNH.
From the stakeholders’ interview data, I found that whilst the GNH philosophy is noble in its design, there was disjuncture between GNH as a development theory and in practice. There are many challenges and expectations. The Bhutanese values and old traditions, practiced through the middle path of Buddhist philosophy, provide a right approach through balanced attitude to all things through the notion of impermanence and the notion of emptiness. This is in stark contrast to the western materialism gaining influence in Bhutan, which is moving towards GDP despite GNH. For instance, the increase in materialism with its associated rubbish is causing problems within Bhutan, because Bhutan does not have the infrastructure to deal with it and hence waste impacts negatively on the environment. This was evidenced through the waste management implementation issues. Hence, there is rhetoric in the manifestation of GNH because in practice, the outcomes do not align with the GNH Pillars. According to TG2, GNH is, “exceptionally difficult to realise”. And achieving GNH remains an aspiration in many aspects of life.

7.4 Governmentality in Tourism

Foucault’s work on governmentality gained attention, which extended into tourism, as explored in various works (Cheong & Miller, 2000; Ek & Hultman, 2008; Hollingshead, Caton, & Ivanova, 2015; Hollinshead, 1999; Hollinshead, Ivanona, & Caton, 2015; Hollinshead & Kuon, 2013; Reisinger, 2013, 2015). The central themes in these works involved how associated power-knowledge dominated by hosts, tourists, local and national tourism agencies, and various tourism stakeholders transform tourist spaces, mobility and influence how tourism is governed. How tourism is governed depends largely on its politics (Hall, 1994).

The political shift in Bhutan from Monarchy to a democratically elected government in 2008 saw the newly formed democratic government focus on the ABSD Program as a modernisation strategy. The ABSD and the McKinsey Report saw Bhutan’s tourism policy shifted from high value, low volume to high value, low impact resulting in tensions between the governor and those governed (Teoh, 2015). These tensions were evident at the TCB Workshop I attended. I observed the strains within the TCB and a sense of unease over capacity issues during the peak tourist season between the participant tourism stakeholders and the TCB in the Workshop. Tourism stakeholders (those governed) disagreed with the government’s (governor) policy to increase tourist numbers.
The tour operators said that the government’s tourism development prioritised socio-economic development ahead of the other GNH Pillars. Several interviewees voiced these opinions. Furthermore, TG1 disagreed with the government in that, “as per the economic thing, it will be good … but at the same time there will be hamper [the] environment”. Likewise, TG3 disagreed with the government saying that, “we rushed a little bit … in five years to double up the numbers and then not building up infrastructure”. TO3 made this same point, “such ambitious increase of tourists to 100,000” requires, “at first place … we need like good tour operator, secondly we need infrastructures and third thing we need good guide to be trained”. Such disagreements revealed the complexities and intricacies inherent in Bhutan’s planned restructuring of its Tourism Model, based on the McKinsey Report. They reflected the concerns of some tourism stakeholders who thought that the government’s intention was unrealistic. Furthermore, both tourism stakeholders and the general public expressed their dislike that the government had hired an external consultant, as they felt that the locals had a better understanding of Bhutan’s tourism capacity. This has added to the tensions between tourism stakeholders (those governed) and the government (governor).

Nevertheless, the first term democratically elected government deemed it appropriate to expand tourism and changed its tourism policy from high value, low volume to high value, low impact. The art of government, was to “create an enabling environment for GNH” (Thinley, 2005, p.6), using tourism as a catalyst for development (Khamrang, 2013). Tourism development in this sense lends potential for individuals to develop themselves through Sen’s (1999) idea of the capabilities approach, where individuals are empowered by the government with emancipatory capabilities to transform their lives. The government’s conduct of conduct through tourism provides such freedom by creating the opportunities and capabilities for individual human development. One way of achieving this was through socio-economic development in particular increasing the tariff paying tourists numbers.

The government thus plays an active role in Bhutan’s tourism development. The art of government is evident in the role of the PM as chairman of TCBS and the nine other representatives of the Executive Council, which gave the TCBS the power to conduct the conduct of the government by making key decisions in tourism policy-making. One such decision was to set the target of 100,000 tourists by 2012.
Economic self-reliance is a key objective in Bhutan’s FYPs in order to be less dependent on Foreign Donor Aid. Tourism development offers a pathway to economic self-reliance because of the potential foreign income revenue. Thus, Bhutan’s tourism development was prioritised primarily because of the perceived economic benefits, despite the cost to its socio-cultural and environmental integrity. However, the conduct of the government to increase tourist numbers contradicted the GNH philosophy of slow-paced and value-led development, and resulted in disagreements because those governed regarded it as, “a little bit rush. May be we could go slowly … why doing it in such a hurry” (TG3), and as such has resulted in tensions between those governed and the governor.

7.4.1 Slow-paced and Value-led Tourism Development

Bhutan’s GNH development is premised on the notion of slow-paced and value-led development. The tariff system is one form in the art of government to raise revenue (Royalty Fee) necessary for the nation’s slow-paced development. Tourism receipts provide significant revenue to the Bhutanese Royal Exchequer through the Tourism Royalty Fee, amounting to $US16.63 million in 2012, and contributing to 9% of GDP (Tourism Council of Bhutan, 2013). As a significant source of income, the Tourism Royalty Fee allows the government to achieve economic self-reliance and freedom from dependency on Foreign Donor Aid.

Tourism development is also a mechanism for alleviating poverty (Scheyvens, 2011), “but only if proceeds are distributed equitably” (Cheer, 2013, p.34). Bhutan’s National Bureau of Statistics (NBS) showed that in 2012, the Gini Coefficient was 0.36, indicating that between 2007 and 2012, “no improvement has been made to reduce the rate of inequality” (Kuensel, May 13, 2013, p.3). This suggests that the gap between haves and have-nots has not changed (refer to Appendix 7.1). It could well be that there is an inequitable distribution of the Tourism Royalty Fee, the income is inadequate to meet the needs, the needs of the poorest sectors will take time to be met. That poverty has not been alleviated as yet is understandable. Economic development causes societal change and challenges the peoples’ way of life. It takes time. When it is slow-paced, people can be supported to adjust to the changes.

Bhutanese values are influenced by Buddhist teachings in ethics and economics (Payutto, 1994; E. F. Schumacher, 1974). In contrast to Western economics, Buddhist economics aims at achieving a,
… high level of satisfaction by a low rate of material consumption (Schumacher cited in Zsolnai, 2011, p.90), whilst modern Western economics promotes doing business based on individual, self-interested, profit-maximising ways, Buddhist economics aims at minimising suffering of all sentient beings, including non human beings (Zsolnai, 2011, p.91).

However, in the context of Bhutan’s tourism policy, planning and development, the Buddhist economics view of achieving low rates of material consumption and minimising sufferings of all sentient beings was forsaken. The TCB regards tourism as business enterprise, advocating that,


As with all cultural groups, Bhutanese people do not have homogenous ethical and economics values. This is consistent with the promotion of Western economics in Bhutan through Foreign Direct Investment (FDI) (Sharma, Jadhav, Singh, & Mahapatra, 2012). The art of government, as reflected in Bhutan’s ABSD, during the first term democratically elected government encouraged FDI and in so doing indirectly encouraged Western economics. Moreover, in my view, the increasing numbers of Bhutanese students who are Western educated are likely to return with Western economic values.
The nexus between Western and Buddhist economics in Bhutan and specifically in the context of tourism policy, planning and development is problematic, because as Veitch (2012, p.344), argues, “tourism can be interpreted as the ultimate capitalist enterprise”. Tourism is primarily a business venture aimed at profit seeking (D. W. Airey & Chong, 2011; D. Airey, 1983; Freitag, 1994; Jenkins & Go, 1997). Tourism businesses are generally small business enterprises (Page, Forer, & Lawton, 1999; Thomas, 2011), or family run businesses (Getz, 2005), that support people at individual, family, community and national levels. Tourism thus plays an important role in the economy in terms of providing employment and raising tax revenue for the government (Dwyer, Forsyth, & Dwyer, 2010; Gabbay, Siddique, & Ghosh, 2003). Consequently, the government’s conduct of conduct proposed to accelerate tourism development as advised by the McKinsey Report (an outcome of the art of government) in the ABSD. Thus, the slow-paced and value-led development inherent in Bhutan’s GNH development philosophy was ignored. Furthermore, the Bhutanese historian and critic Karma Phuntsho (2013, p.598) warns that, “the promotion of tourism for economic benefits may lead to an erosion of culture”. Phuntsho’s view suggests a need for a more balanced GNH approach to tourism development.

7.4.2 The McKinsey Report: Promoting Rushed Growth

The conduct of conduct of the government in the context of GNH development philosophy is to create the enabling conditions to achieve happiness and wellbeing as a collective effort for a shared value outcome. Through the McKinsey Report, the conduct of conduct of the government proceeded to increase tourist numbers primarily for economic benefit. Even though the government’s decision to reduce tourist numbers from 250,000 to 100,00 by 2012, as suggested by tourism stakeholders can be regarded as shared value, the interview data found that the conduct of conduct of the government through the McKinsey Report was a rushed growth policy. For instance, TG3 stated that, “we have become too ambitious, too greedy, we want a quantum leap”. This has compromised the GNH Pillars in terms of tourism governance because, “suddenly the focus may shift to achieving the numbers, and not achieving our GNH philosophy” (TO4). A further significant outcome of the McKinsey Report, with its growth orientated tourist development, was a change to the definition of tourists, which resulted in a paradox in the GNH Tourism Model that will be further discussed.
**Tourism governance**

Good tourism governance is key to successful tourism development outcomes. Schroeder’s (2014) recent work on the practices of Bhutan’s tourism governance has identified the tourism industry’s core issue to be,

... balancing the need to preserve its culture and environment with the need to generate economic growth through a tourism experience that attracts international tourists (p.146).

Schroeder’s (2014) study concludes that despite the, “commitment to a common set of values that underlie Gross National Happiness” (p.146), there were inconsistencies in implementation because,

... 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 (p.146).

Schroeder implies that the government’s recent ABSD articulated through the McKinsey Report can potentially compromise the balance of the GNH Pillars. Schroeder’s findings are consistent with my research, which shows that in the McKinsey Report, the 1st GNH Pillar of socio-economic development occupied a higher priority in Bhutan’s tourism development than the other GNH Pillars. In this context, tourism governance in the form of the conduct of conduct of the government in increasing tourist numbers without first meeting its capacity, despite tourism challenges, is not regarded as good tourism governance. Rather than an increase in Royalty Fee paying international tourists, the regional tourists numbers, which do not contribute to the Royalty Fee have almost doubled between 2011 and 2012. Good governance in this instance, as explicated through Foucault’s governmentality framework, is not operating in tourism, thus undermining the slow-paced and value-led GNH development philosophy.

**Positive contributions to tourism development**

My analysis of the data as a whole, revealed three positive contributions to tourism development as a result of the change in policy from high value, low volume to high value, low impact. The first was that tourism revenue remains the biggest foreign exchange earner in Bhutan with a steady gross earnings and Royalty Fee growth since 2010 (see Table 7.1). There is a small decrease in 2013, for which the reasons remain unclear.
Table 7.1. Royalty Fee growth earnings of tariff paying tourists 2008 -2013.

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross Earnings in USD (million)</th>
<th>Royal Fee in USD (million)</th>
<th>Growth Earnings in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>38.83</td>
<td>13.3</td>
<td>+8.98%</td>
</tr>
<tr>
<td>2009</td>
<td>31.88</td>
<td>10.66</td>
<td>-19.84%</td>
</tr>
<tr>
<td>2010</td>
<td>35.98</td>
<td>11.43</td>
<td>+7.22%</td>
</tr>
<tr>
<td>2011</td>
<td>47.68</td>
<td>14.89</td>
<td>+5.5%</td>
</tr>
<tr>
<td>2012</td>
<td>62.8</td>
<td>16.63</td>
<td>+11.68%</td>
</tr>
<tr>
<td>2013</td>
<td>63.49</td>
<td>16.62</td>
<td>-0.06%</td>
</tr>
</tbody>
</table>


The second positive contribution was the tourism stakeholders’ perception of the promotion of culture through tourism development. The dominant Bhutanese culture is its unique living Mahayana Culture (Phuntsho, 2013, p.598), proudly celebrated by locals and appreciated by tourists (Wangchhuk, 2008, 2010). This cultural currency is a positive contribution to tourism development (Ritchie, 2008). The increased tourist numbers can be regarded as a GNH enabling tool to achieve happiness for the locals, as they are happy to share their culture, and people agree some environmental impact is acceptable, as long as people are benefitting economically.

The third positive contribution was that the government promoted FDI in the hospitality sector. However, despite measures to increase FDI participation in building hotels, the FDI of hotel ownership is relatively low at approximately 7 per cent. There were only 9 five star hotels out of a total of 123 accredited hotels in Bhutan in 2013 (Tourism Council of Bhutan, 2014, p.35).

**Negative impacts on tourism development**

Three negative impacts are apparent as a result of the government’s tourism expansionist policy. These are: overcrowding, regional tourists’ impact, and the changed definition of tourist.
Overcrowding

In October 2011, there were 8078 tariff paying tourists (Tourism Council of Bhutan, 2012), resulting in over-crowding in Paro, Thimphu and Punakha (western tourist triangle) for the first time in Bhutan’s history. The over-crowding coincided with the Royal Wedding and the peak tourist season. During this period, which I witnessed, there were insufficient hotel rooms in Punakha and some tourists had to stay in camping tents along the riverbanks (Kuensel, October 17, 2011). There were traffic jams in Punakha and Thimphu for the very first time. There was also a lack of tourist guides. The TCB had to issue temporary guide licenses to meet the demand, and in doing so, the quality of tour guides was compromised. There was also a shortage of vehicles, especially buses to transport tourists.

In Thimphu and Punakha, there was clear evidence of domestic tourism associated with the Royal Wedding; however, the TCB does not consider domestic tourism as an important contributing factor as domestic tourists would most likely stay with relatives and friends. The increase in tourists could also be an outcome of The United Nation’s adoption of Resolution 65/309 in July 2011, initiated by Bhutan that incorporates Happiness as a developmental goal. Although the reasons for over-crowding are various, the fact that there was overcrowding, implies that tourist capacity and management had been compromised. These issues were captured in Stage II of the GTM process.

Regional tourists

Bhutan has a symbiotic dependent relationship with India. The close relationship with India includes open borders with India in the south, giving Bhutanese citizens free access into India with reciprocal entry for Indian citizens into Bhutan. This has resulted in an increase in regional tourists to Bhutan.

Table 7.2. Regional and tariff paying tourists numbers 2008-2013.

<table>
<thead>
<tr>
<th>Year/ Tourists</th>
<th>Regional</th>
<th>Tariff paying</th>
<th>Overall Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>32285</td>
<td>27636</td>
<td>59921</td>
</tr>
<tr>
<td>2009</td>
<td>20847</td>
<td>23480</td>
<td>44327</td>
</tr>
<tr>
<td>2010</td>
<td>13677</td>
<td>27196</td>
<td>40873</td>
</tr>
<tr>
<td>2011</td>
<td>27263</td>
<td>36765</td>
<td>64028</td>
</tr>
<tr>
<td>2012</td>
<td>50722</td>
<td>54685</td>
<td>105407</td>
</tr>
<tr>
<td>2013</td>
<td>63426</td>
<td>52783</td>
<td>116209</td>
</tr>
</tbody>
</table>

In recent years, regional tourists have out numbered international tourists (see Table 7.2). This growth of regional tourist numbers is predicted to continue. Based on this evidence, Bhutan’s current tourism policy of high value, low impact, which was aimed at increasing international tourists, is threatened. In 2013, there were 63426 regional tourists and for the first time, superseded the international tariff paying tourist numbers (see Figure 7.3).

**Figure 7.3. Decline in tariff paying tourists compared to regional tourists.**

Alongside the significant increase in regional tourists are significant socio-cultural and environmental impacts. One recorded example was a highway brawl (see Figure 7.4). Journalist Kamal Raj Tamu reported that,

Two Indian drivers (carrying Indian tourists) started a fight on Thimphu-Phuentsholing highway, 10 kilometres away from Kamji towards Phuentsholing on November 6 at 12:30 pm. After swearing, spitting, and throwing punches at each other, some Bhutanese drivers had to intervene to stop the fight and clear the traffic. Commuters said such behaviour on the road not only causes inconvenience to the commuters but also creates a bad impression of Bhutan (Bhutan Observer, November 8, 2012).
Another incident reported in the media concerned two Indian tourists who allegedly disregarded safety measures, and had drowned at the Merbatsho Lake, a sacred spiritual site in Central Bhutan (Tourism Council of Bhutan, 2014, p.35). In addition, there are no transportation restrictions on Indian tourists, and 78.8% of Indian tourists arrive by road (Dema, 2013), in their own vehicles (often chartered buses). This has resulted in environmental impacts due to increased traffic on the roads. In this instance, the conduct of conduct of the government had little influence in tourism policy, planning and development because of its geopolitical relationship with India. Bhutan’s symbiotic relationship with India inevitably restricts subjecting Indian tourists to the international tourist tariff system, for fear that India might retaliate by imposing travel restrictions or similar tariff measures towards Bhutanese tourists travelling to India.

**Paradox in the GNH Tourism Model**

One significant outcome of the McKinsey Report for the GNH Tourism Model is the change in the definition of a tourist. Previously, visitors were differentiated as either international tariff paying tourists with visa requirements or regional visitors who have open access to Bhutan. On the advice of the McKinsey Report, both categories of tourists were considered one, including foreigners who were on business and media personnel on familiarisation tours. In other words, whether one paid the tariff or not, every visitor was regarded as a tourist.
The McKinsey team reportedly told the government that, “the end result is more important and that it [the government] should have the freedom to take decisions as long as it is not violating laws and important norms” (Kuensel, March 05, 2013, p.3). However, this change in the definition of tourist is problematic, in part because whilst the figure shows an increase in total tourist arrivals, it fails to account for the regional tourists’ revenue income since the Tourism Satellite Accounts\(^4\) (TSA) mechanism is not in place (Divisekera, 2012; Teoh, 2012a).

By changing the definition of tourists and adding regionals to the numbers, the government succeeded in achieving the target of 100,000 tourists by 2012. However, in reality the tariff paying tourists accounted for only 51.87% of the total tourists arrivals in 2012, and 45.42% in 2013. From the data, I conclude that whilst the desired tourist target was met, it was achieved by a change of definition rather than by a change in the actual number of tariff paying tourists visiting Bhutan. The data suggests that the changed definition of tourist has resulted in a paradox whereby regional tourists outnumbered tariff paying tourists (Teoh, 2015). This resulted in low value, high impact, rather than high value, low impact (see Figure 7.5). It is low value is because Indian tourists do not contribute towards the Royalty Fee, which would have potentially increased the government’s coffer with USD 3,296,930 in 2012 and USD 4,122,690 in 2013 (based on an assumption that each Indian tourists pays the USD65 Royalty Fee per person per night). It is high impact due to the socio-environmental impacts as mentioned above. The outcome is that the government has compromised its conduct of conduct, not increased Royalty Fees as had been anticipated, and thereby harmed the GNH Tourism Model.

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\(^4\) The Tourism Satellite Accounts are, “an economic assessment of travel and tourism within the national accounting framework, allowing it to be compared with other industries” (Richardson & Fluker, 2004, p.99, also see Dwyer et als., (2010, pp.239-281)).
In sum, the government’s tourism expansionist policy at the national level was a rational decision and in line with the 1st GNH Pillar, that of sustainable and equitable socio-economic development. However, such a decision did not result in shared value development. The tour operators stand most to benefit economically from the increased tourist arrivals; however they felt compromised because they could not deliver on high value. Furthermore, whilst the government anticipated increased revenue through the Royalty Fee as a projected outcome, the increase in tourist numbers further exacerbated socio-cultural and environmental impacts.

### 7.5 People power in the Ura-Shinghkar Golf Course Development (USGCD)

This section analyses Bhutan’s tourism development through the context of the Ura-Shingkhar Golf Course Development (USGCD) proposal. The USGCD case was examined because of the surrounding controversy, and its usefulness in illustrating the Bhutanese art of government as a means to create a happy society through tourism development. Drawing from public views through the media and interview data, the case also illustrates the power of the villagers and citizens, and the tourism stakeholders in co-creating a happy society. By opposing the USGCD, the technology of the self at the individual level, in terms of the pursuit of spirituality, aggregated at the community level challenged the government’s tourism development proposal. This eventually led to a positive outcome in line with the manifestation of the 4th GNH Pillar in good governance.
The art of government in the USGCD case was politically fraught. At the State level, the politics in the USGCD case revolved around the decisions taken by three government departments: the Department of Forest and Park Services (DoFPS), the Ministry of Agriculture and Forests (MoAF), and the Tourism Council of Bhutan (TCB). The conduct of these departments revealed the lack of alignment between them. The DoFPS confirmed that the golf course would be located on wetlands despite a MoAF notification issued earlier that stipulated natural wetlands would be protected (Kuensel, November 6, 2011). In this case, the MoAF had already rejected the golf course proposal. However, the TCB was still waiting for an impact assessment report from the DoFPS, of measuring the impact of the golf course on the ecosystem, other environmental and social factor, and in particular the water table and grazing (Kuensel, October 27, 2011). That such an agenda was pursued by the TCB, when the MoAF had earlier rejected the USGCD proposal, indicated the politics present in the art of government that resulted in the controversy due to the lack of cohesion at the State level.

At the heart of the USGCD debate lay the perceived economic benefit of the golf course over the value of Bhutan’s spiritual heartland. A poignant open petition ‘Say no to golf course’ reminded the government and the public of Shinghkar’s serenity and spirituality,

Your Excellency, Home Minister and other members of Shinghkar village, I am neither against golf nor against the investors; I do not even know who they are. However, with Shinghkar’s long term ecological, economic, cultural and spiritual concerns in my heart, I write this letter to you persuading you to reject the proposal to build a golf course in your valley of exquisite nature and rich spiritual heritage and history. I request you to remain firm and united in stopping the golf course and preserving Shinghkar’s pastoral beauty and spiritual blessings for, in the long run, these qualities will prove to be Shinghkar’s main source of happiness (Karma Phuntsho, Kuensel, July 23, 2011).
The villagers had sent a petition to the government arguing that, “the people here don’t want the golf course, because it’s a pastureland for our livestock” (Kuensel, October 27, 2011). The petitions are the technology of the self, aggregated at the community level through people’s power (that of the villagers and citizens), who intervene resulting in the Prime Minister’s Office rejecting the golf course development in January 2012. This action has invoked the 4th GNH pillar, that of good governance. In this instance, good governance reflects strong leadership at the State level, through the shared value development that is required in the interest of the greater common good. Furthermore, the data from the tourism stakeholders’ interviews revealed their concerns for sustainability, the wetlands and the spiritual values of the site. This reflects the people’s power, even though some respondents thought that the USGCD proposal might, “benefit and then it will increase the number of tourists” (H8), as, “it’s a good income generator” (TCB2), while others said, “the importance of the wetlands cannot be underestimated” (TO4), and that, “we cannot compromise the village or nomads’ pasture with golf” (TO5), and most significantly, “we are disturbing the local gods” (P2), which, “reduces the value of sacredness” (G1). In this sense, the manifestation of GNH in the context of tourism development resulted in the triumph of spiritual values over perceived economic benefits.

In the context of Bhutan’s tourism development, and in the case of the USGCD, GNH plays an important role in ensuring that apart from economic development, the integrity of the natural and socio-cultural environments are managed carefully through good governance. The Bhutanese government’s task, “is to remain faithful to the fundamental vision in its tourism policy” (Reinfeld, 2003, p.23). In this instance, it was the people’s power at the community level that acted as a, “counter-conduct” (Foucault, 1991b, p.5), and represented the dissent of the Bhutanese people in accepting the government’s decision to develop a golf course. Their dissenting voices at the community level held the State accountable. It disciplined the government. The controversy in the USGCD case was indicative of the Bhutanese values and people’s power to create a happy society.
The USGCD outcome gave credit to the government through the intervention by the Prime Minister’s Office at the State level. Bramwell and Lane (2012, p.5) suggest that, “Governance involves matters of collective concern and associated actions in the public sphere”. In this case, the real concerns of the Bhutanese people at the individual and community levels were reflected through their shared spiritual values, and sustainability concerns for biodiversity of the wetlands, which are the fundamental traditional beliefs that represent the foundations of GNH. The USGCD proposal was halted through the practice of good governance. Werry (2011, p.6) contends that tourism development empowers minority groups through direct participation in shaping national security, productivity and the wellbeing of the population. In the USGCD context, the villagers secured their wellbeing by insisting on the preservation of the site. Human value reflects important set of values that is significant to that society (Inglehart, Basáñez, & Menéndez Moreno, 1998). In this sense, the Bhutanese people recognised the spirituality values innate at the USGCD site, and this translated into people’s power to discipline the government to halt the proposed golf tourism development.

7.6 The politics in the Lhotshampa Refugee Issue

The ongoing Lhotshampa refugee issue is useful for analysing Foucault’s notion of governmentality, in that it exemplifies at the State level, the government’s governance of human population and biosphere through the technology of security in the context of GNH. The government perceives the Lhotshampa population as a threat to the aspiration of GNH and has acted to regulate population in Southern Bhutan (Ramakant & Misra, 1996; Rustomji, 1978). The account of Raju’s and Gita’s life and their reflections of GNH along with alleged reports that the government set to destroy the unity of the southerners, in order to have one Bhutanese cultural identity can be exemplified as the political conduct of conduct of the Bhutanese government. The ongoing complexity of the Lhotshampa refugee issue (Shaw, 1994; Whitecross, 2009) may be seen as being in conflict with the Buddhist value of metta or compassion, that is misaligned with the articulation of the GNH philosophy. Even though the issue is beyond the scope of the current study, nevertheless, it has implications for the integrity of the GNH philosophy for a more inclusive and equitable future, as well as that of tourism development, policy and planning in Bhutan.
7.7 Conclusion

This chapter drew on Foucault’s notion of governmentality to reflect on and explain the outcomes in the art of government and the conduct of conduct of the first democratically elected Bhutanese government in its tourism policy, planning and development. It has revealed that the government has forsaken slow-paced and value-led development in its ABSD plan. Whilst this may be a rationale decision in terms of promoting socio-economic development on the political level (how to govern the State rationally), the conduct of conduct of the government in tourism policy, planning and development had compromised the four GNH Pillars, and undermined the notion of GNH as slow-paced and value-led development.

The McKinsey Report advocated a change in tourism policy that was a rushed expansionist development. It was not good tourism governance. The tourism stakeholders were conscious that the infrastructure could not cope with the increased tourist numbers and consequently, the notion of GNH as a shared value development remains problematic. The change in tourism policy from high value, low volume to high value, low impact, has resulted in a paradox. This paradox was due in part to its geopolitics, with increased regional tourists resulting in low value, high impact.

The USGCD proposal was controversial. Losing wetlands and pasturelands would have compromised the 2nd GNH Pillar of the preservation and conservation of the natural environment. The conduct of conduct of the government to proceed with the USGCD was perceived as economically self-serving. But more significantly, the people’s power was exercised in the USGCD with positive outcomes: the government was disciplined and made accountable in its tourism policy, planning and development trajectory, and pressured into preserving spiritual and environmental values ahead of perceived economic gains, thus maintaining the enabling conditions to achieve happiness both on the individual and community levels. The notion of sustainability is intrinsic to Bhutanese traditions and spiritual values expressed in the USGCD case. The politics inherent in the conduct of conduct of the government towards the Lhotshampa refugee issue places Buddhist values at odds with the practice of compassion. The following chapter concludes the study.
Chapter 8: Conclusion: “Oh! I miss those days”

8.1 Introduction

Box 8.1. “Oh! I miss those days!”

Thimphu was a small place then. We had many friends working in the Bhutan Tourism Corporation (BTC). As a Public Enterprise, the employees of BTC had a gala time. Profit making was not a serious objective but incidental and finally led to its closure since there was hardly any profit being made. Since tourism was owned and operated by the government, there were hardly any restrictions as the tourists were “guests” of the government and enjoyed many privileges. I would in some ways liken it [to] guests [visiting] North Korea as it was more like a PR exercise than an enterprise to make money. They would be provided foreign drinks and the best food available during that time and so in a way it was good promotion and if you notice there was no bad press about Bhutan at that time and nearly all the feedback was positive. The 70's and 80's were the golden period for Bhutan. Life was simple and materialism had not really come in, so people were not that greedy I think and did not think much about accumulating wealth but were more interested in having a good time. It was difficult to get most provisions and hunting & fishing were quite common. Of course the population was small. I think Thimphu did not have more than 3000-5000 people till the early eighties. Everybody knew everybody and some people even knew the registration numbers of all the vehicles since the number of vehicles was very small. Oh!, I miss those days!

Source: Tourism official, personal communication, e-mail, June 12, 2014.

The insights offered above provide a perspective into the changes in Bhutan’s tourism development over four decades. Tourism began in 1974 as a public enterprise, and tourists were guests of the government. Before tourism was privatised in 1991, the tourism motive was not profit making. However, according to this tourism official, things are different now; privatisation has resulted in profit making as a motive for tourism development.

This chapter concludes the investigation into the manifestation of GNH in tourism development. The dissertation has drawn on Foucault’s framework of governmentality to understand the current relationship between tourism and GNH in Bhutan. The concept of GNH was introduced by Bhutan’s 4th King due to the inadequacies of GDP as a true measurement of a Nation’s progress. In promulgating GNH, The 4th King of Bhutan proposed that GDP and GNH could coexist.
The central research aim was to broadly examine how GNH, as an aspirational development goal, is manifest in the context of tourism policy, planning and development in Bhutan. The research focus was to understand tourism stakeholders’ views on the relationship between GNH and tourism development, policy and planning. The research question examined the consequences of the change in Bhutan’s tourism policy from high value, low volume to high value, low impact.

In this chapter, I first open the broader discussion of the manifestation of GNH and the coexistence of GDP and GNH. Then, I address Bhutan’s unresolved issues followed by how GNH is manifested in tourism policy, planning and development, revealing a disjuncture and proposing the Post-McKinsey Report GNH Tourism Model. I then review the Grounded Theory Methodology (GTM) and discuss the limitations to the study. The chapter concludes with the implications of the study for the Post-2015 New Development Paradigm (NDP) and recommendations for further research.

8.2 Manifestation of GNH

My experiences of the manifestation of GNH

The aim of this study was to explore the manifestation of GNH in the context of tourism policy, planning and development in Bhutan. Being a foreign researcher in a remote and unique environment filled with mystical charms, my experiences of the manifestation of GNH was most evident in the joyful wedding celebration (see Section 6.1) and the grief sharing in the funeral (refer to Section 6.2.3). These examples reflected the strength of the compassionate metta Buddhist values (refer to Section 1.2) which are inherent to GNH and which are manifest in the practice of community vitality and resilience. These two experiences were especially unique in my fieldwork experience since they would not appear on a tourist itinerary. In terms of a tourist itinerary, my experience of the cultivation and promotion of culture (3rd GNH Pillar) in the Thimphu Tshechu (refer to Section 6.2) demonstrated an example of the manifestation of GNH in the context of time use in the pursuit of spiritual development.
Overall, I have personally experienced the demonstration of GNH in a variety of ways in the domains of: cultural diversity and resilience through the practice of Driglam Namzha (Bhutanese etiquette, wearing of the traditional costume Gho) and cultural participation in attending the Thimphu Tshechu; time use in work and sleep (shorter working hours during the Winter months November to February); good governance through robust political participation in freedom of expression in the media (the example of the public voicing their opinions in the USCGD) and the tourism stakeholders’ interest in ecological issues in the USGCD; and community vitality (the example of attending the wedding and the funeral). In the context of the GTM, I also experienced a moment of spiritual enlightenment at Taktsang Monastery and Punakha Dzong (refer Sections 4.7.2 and 4.7.3). These experiences enhanced my personal development as well as enhanced my research skills through increased sensitivity to my environment (in Bhutan). In these various ways, I was able to personally experience the manifestation of GNH that is otherwise rarely disclosed to outsiders.

8.2.1 Coexistence of GNH and GDP

Bhutan’s 4th King introduced a holistic approach to development consistent with Buddhist economics, and which proposed that GNH and GDP could coexist. Under his leadership, governance took a bottom-up approach through implementing decentralisation and the promotion of democracy. Bhutan’s first democratic government prioritised socio-economic development through tourism receipts as a means to achieving self-reliance. However, the tourism policy change from high value, low volume to high value, low impact was implemented despite knowledge of the country’s tourism capacity issues and challenges, and was unpopular amongst the tourism stakeholders. Given the tourism capacity issues, the change in tourism policy contradicted the slow paced and value led development that are the cornerstones of the GNH development philosophy.

My fieldwork in Bhutan revealed many challenges (refer to Chapter 4). In Bhutan there were open and robust discussions in the media of the issues surrounding tourism development. This reflected the vibrancy of the newly democratised country. Can GDP and GNH coexist? The two tourism case studies suggest it is possible. In the larger picture, GNH is practiced through the preservation and promotion of spirituality in term of the Buddhist beliefs and values intrinsic to Bhutanese culture. GDP on the other hand, is practiced through the government’s ABSD exercised through the McKinsey Report.
8.2.2 Bhutan’s Unresolved Issues

Similar to other countries, Bhutan faces many challenges with unresolved issues. It is important to acknowledge the challenges facing Bhutan so as not to romanticise the notion of GNH. Happiness remains elusive to many Bhutanese, especially those whose basic needs are yet to be met. Bhutan faces issues concerning infrastructure, poverty (Bhutan Broadcasting Service, April 5, 2015, refer to Appendix 8.1), public housing, national security issues in the south (Hutt, 2003), and destruction of farmlands by wildlife (Kent Schroeder, 2014). Furthermore, "The farming community still faces challenges of connectivity and basic infrastructure like irrigation, farm mechanisation and soaring food prices” (Kuensel, July 29, 2013, p.9). There are also issues such as materialism (Bhutan Observer, June 3, 2011) rural-urban migration, youth violence, suicides (Bhutan Observer, October 28, 2010), child abuse, spouse abuse, alcoholism, political corruption, economic insecurity, and environmental degradation through indiscriminate mining (Kuensel, October 28, 2013, p.8). The issue of the southern Bhutanese refugees is particularly important (Hutt, 1996a, 2003; Reilly, 1994; South Asia Human Rights Documentation Centre, 1998; Whitecross, 2009).

Bhutan has embarked on a development vision based on the philosophy of GNH that augments GNP (see Figure 8.1). However, there is no universal understanding of the GNH philosophy within Bhutan. According to tourism stakeholder NGO3: “it’s my personal view that it is not properly viewed or understood”. Furthermore, P4 considers that “most of the people are pretty unaware of the four pillars of GNH and that very little of what they encompass is practically implemented in their lives”. According to one tourism official,

It is all relative as we say in Buddhism. Of course there is no GNH. It is something that we must aspire to. [We] follow the middle path by believing in it and not believing in it (Personal communication e-mail, July 4, 2014).

Bhutan’s value system, influenced by Buddhist ethics and Buddhist economics, plays a central role in how GNH is viewed and understood.
8.3 The Manifestation of GNH in Tourism

Four implications of this study are noted: the ambiguity of happiness and wellbeing in GNH; the loss of the slow-paced and value-led tourism development policy inherent to the GNH philosophy; the expansionist rushed growth strategy of the McKinsey Report; and the contentious high value, low impact tourism policy.

First, whilst GNH is defined through the Four Pillars, in reality the understanding of happiness and wellbeing is ambiguous within Bhutan (refer to Appendix 8.2). As an aspiration, the Bhutanese government is wise to make amendments to the GNH Index measurements as it sees fit. However, in the daily lives and existence of the Bhutanese people, external influences such as globalisation, neoliberalism and consumerism continue to intrude. Bhutan is exposed to world media and Western influences and values. These Western values confront Bhutanese traditional values as the age of mass consumption (Haynes, 2008) invades Bhutan.

Second, the change from the slow-paced and value-led development policy by the first democratically elected government has implications for the GNH Pillars. The priority in accelerating socio-economic development through a growth focused development orientation threatens the fabric of the GNH development philosophy. If the Bhutanese government is not careful, it will inevitably follow the trajectory of most Western neoliberal democracies where increasingly the gap between the rich and the poor continues to widen. It would be prudent to ensure a holistic balance between all Four GNH Pillars.
Third, the expansionist and rushed growth tourism policy in the McKinsey Report has implications for the GNH Tourism Model. The government must first solve the lack of infrastructure and accommodation capacity issues. The tariff system, route restrictions, seasonality, regional tourists, and waste management require attention as these issues exacerbate the impact of tourism development. The notion of high value, low impact remains contentious. As a rushed growth policy, the McKinsey Report has changed the decades-long tourism policy from high value, low volume to high value, low impact. This resulted in the unexpected consequence of regional tourists contributing to low value, high impact and is detrimental to the tourism policy of high value, low impact.

Finally, the contentious high value, low impact tourism policy was never endorsed by the GNHC. My attempts to obtain an example of the tourism policy screening exercise through the GNHC failed consistently. It has recently been reported that,

> In 2012 the TCB submitted a Tourism Policy to the Gross National Happiness Commission (GNHC) but it was sent back from GNHC saying that it was not fit enough to be called a policy. From then on there has been relative silence on the policy (The Bhutanese, July 18, 2015, refer to Appendix 8.3).

The discovery that the tourism policy had not passed the GNH Index screening exercise is important in light of the problematic nature of the Post-McKinsey Report GNH Tourism Model (refer to Section 8.6). As in James Cameron’s Avatars, Bhutan’s tourism policy has a pseudo life of its own; it embodies something else; it functions within its shadow. The media reported the disjuncture between theory and practice in this tourism policy. It is remarkable that the policy appears to be a GNHC endorsed policy when in reality it failed the GNH Index screening test. This explains some of the contradictions and the tensions inherent in the conduct of the government and the art of government concerning the manifestation of GNH in the context of Bhutan’s tourism policy, planning and development. If this situation is not rectified, there will be a lack of authenticity of Bhutan’s tourism policy. This discovery also has implications for the Bhutanese government in terms of how GNH is perceived outside Bhutan, and reinforces this dissertation’s conclusion concerning a need for a revision of the tourism policy.
8.4 The Post-McKinsey Report GNH Tourism Model

This dissertation proposes the Post-McKinsey Report GNH Tourism Model (see Figure 8.2). In using tourism development as a catalyst to increase tourism revenue, the government had forsaken the slow-paced and value-led development inherent to the GNH philosophy. This was intended to achieve self-reliance through freedom from dependency on Foreign Donor Aid. The McKinsey Report advocated a tourism policy that promoted rushed growth, which is at odds with the notion of GNH as a slow-paced and value-led development philosophy because the infrastructure could not keep up with the growth of tourists. The McKinsey Report had recommended the mandatory upgrading of hotels to 3 star by 2012 (Tourism Council of Bhutan, 2011a, p.13), but this was not met to sufficiently cater to the tariff paying tourists (Kuensel, October 6, 2012, p.9). Although the tariff paying tourists contributed to high value in terms of increased Royalty Fee, the increase in regional tourists has resulted in low value, high impact. However, good governance through shared value development was exercised by the government when the USGCD was halted. It is clear that the GNH Tourism Model is dynamic; nothing is permanent as change is inevitable. The Post-McKinsey Report of high value, low impact thus remains problematic.

Figure 8.2. The Post-McKinsey Report GNH Tourism Model.
8.5 Criteria for Grounded Theory Methodology

The Grounded Theory Methodology (GTM) processes of coding, memoing, theoretical sensitivity and theoretical saturation guided the methodological journey of this dissertation. The five stages detailed in the dissertation form: the inductive part in Chapters 3 to 5, and the deductive part in Chapter 6 and Chapter 7. Charmaz’s (2000, 2006) four constructivist GTM criteria’s are credibility; originality; resonance, and usefulness (Charmaz, 2000, 2006). The dissertation’s credibility is evidenced through: a range of document analysis that provided data, the depth of observation (e.g. the three fieldtrips to Bhutan), and intimate familiarity with the Bhutanese culture (e.g. social interactions with Bhutanese students, the wedding, the funeral and Tshechu). The dissertation’s originality lies in: the conceptualisation framework, the courage to redesign the methodological approach from an etic to an emic perspective on GNH and tourism development, the examination of the lived meanings of GNH for tourism stakeholders, and advancing the governmentality framework in the context of tourism. In terms of resonance, the dissertation offers insights about the socio-cultural nuances of tourism development in Bhutan’s GNH Tourism Model. In the context of usefulness, this dissertation has demonstrated that Bhutan has much to offer in terms of GNH as an aspirational and practical development philosophy. This thesis makes contribution to knowledge by examining the lived meanings of GNH for Bhutan’s tourism stakeholders through the agency of tourism stakeholders’ revealing various grounded realities, such as the disjunctures in Bhutan’s GNH Tourism Model.
8.6 Limitations of This Study

This study has three key limitations. The first is the urban representation of tourism stakeholders. However, TCB confirmed that over 95% of tour operators are located in Thimphu (Personal communication, May 20, 2014). Nevertheless, due to accessibility and route permits issues to central and eastern Bhutan, as well as the ongoing national security matters in the southern districts, it was beyond the scope of this study to engage with rural tourism stakeholders. The second limitation is the access to interviews with Ura-Shingkhar villagers in the USCGD case. Based on the above, I suggest further work in engaging with rural Bhutanese people on the notions of GNH in tourism development. The third limitation centers on the use of GTM, in analysing GNH in coexistence with GDP (which comes from a positivist school). A distinct feature of the GTM is theoretical sampling or data constant comparison and theoretical sensitivity; two processes that potentially extend time frames and resources, which in this study are limited. Furthermore, applying Charmaz’s constructivist approach adopts a subjective and reflexive stance to the “multiple realities” (Charmaz, 2006, p.132), in the interview data, where personal bias and interpretation of the data limits a value-free position (Charmaz, 2006), because “all research is interpretive, it is guided by a set of beliefs and feelings of the world and how it should be understood and studied” (Denzin & Lincoln, 2000, p.19). Finally, my cultural position as a foreigner to Bhutan limits my understanding of the Bhutanese culture and society, as is my lack of the understanding of the Dzongkha language. However, the language barrier was resolved by seeking English-speaking participants, which is in itself a limitation.
8.7 Implication of Study on the Post 2015 New Development Paradigm

Bhutan became a member of the UN in 1971, and planted a seed: the idea that happiness should be adopted as a development goal. Four decades later, in 2012 the UN announced that happiness was to be incorporated as the 9th Millennium Development Goal (MDG). The 9th MDG is still a sapling plant in the Post-2015 New Development Paradigm (NDP). GNH faces many challenges in the context of globalisation and any future directions of the NDP must consider localisation and provide a means for expanding a country’s aspirations for happiness and wellbeing. This study suggests that UN policy makers must be mindful and sensitive to the local conditions of individual countries and not construct development policies that do not align with the values of the people. Indeed, exciting times await the world to see if the happiness sapling can thrive and bear fruit.

8.8 Recommendation for Further Study

Three areas for further study are recommended: regional tourist impacts, domestic violence and gender discrimination, and the Lhotsampa refugee issue.

Regional tourist impacts

The increase in tourist numbers in Bhutan resulted in increased impacts. The socio-cultural, environmental and economic impacts resulting from regional tourists remain largely unexplored and further study into these impacts is recommended. Moreover, there is pressing need to establish, implement and monitor the Tourism Satellite Account (TSA) System in order to provide a clearer picture of the economic impacts of tourism in Bhutan. In addition, a longitudinal study in Bhutan’s tourism development, policy and planning is recommended to further understand how the tariff system can be sustained, regional tourists impacts, as well as a comparative study into similar unique approaches to tourism development emerging from local values can be largely beneficial. And lastly, I recommend more Bhutanese scholars to undertake studies into the inevitable tourism development, policy and planning changes that lie ahead.
Domestic violence and gender discrimination

Two significant non-tourism related issues arose from the tourism stakeholder interview data: domestic violence and gender discrimination. Two interview respondents pointed out that these issues have significant implications for a progressive society that believes in the principles of GNH. On domestic violence, NGO1 noted,

Well, as a GNH country, any individual not just women and children, any individual has the right to live a life that is dignified and that has dignity, that has fundamental human rights. How are we going to achieve GNH, if we are not able to keep our homes safe for the weaker ones? … [the] State is responsible in protection and making abusers accountable.

In addition, P5 argued that,

In Bhutan, people think there is no discriminations and that we are very happy people, but I think violence exists. I think in Bhutan we are a close-knit society with hidden agendas.

Domestic violence in Bhutan is a hidden agenda and hence silenced. For GNH to flourish, enabling conditions to achieve happiness and wellbeing are crucial; addressing the issue of domestic violence and mitigating its root causes at the individual level, relates to power relations at the community and State level, and this should be amongst the priorities of the government.

On gender inequality, P5 also made the point that,

… at the decision making level it is all male … it is important that women are there in the decision-making, women are always excluded … our concerns and issues are not actually addressed … the people of Bhutan don’t realise that there is discrimination, although they think there is no gender discrimination, I think there is.
The issue of gender equality includes the issue of power relations at the family level (see caricature in Figure 8.2). Peet and Hartwick (2009) argued that development is patriarchal in origin; in Bhutan gender hierarchies remain patriarchal (Crins, 2008; Samdrup, 2012; Subedi, 2012), although this is changing (Dorjee & Tshogyl, 2013; Sithey & Centre for Research Initiative, 2013). It is therefore incumbent upon the Bhutanese government to enable the conditions for social transformation in gender equality at the community and State level. The government has taken steps in addressing gender discrimination (refer to Appendix 8.4) as have NGOs such as the Tarayana Foundation and Respect Educate Nurture and Empower Women (RENEW)¹. The issues of domestic violence and gender discrimination are broader areas for further investigation.

Figure 8.3. Gender inequality needs implementation.


¹ Both patrons of Tarayana Foundation and RENEW are from the Royal Family, the Queen Mothers Ashi Dorji Wangmo Wangchuck and Ashi Sangay Choden Wangchuck respectively.
The Lhotshampa refugee issue

One outcome of my interactions with the Bhutanese students in Perth were complex discussion of the Lhotshampa refugee issue. Talks between Bhutan and Nepal on this issue have been stalled since 2003 (Mukherjee, 2005). The Bhutanese authorities are reluctant to participate in repatriation programs for these refugees (Hutt, 2005), and reports of mental disorders and torture have surfaced (Mills, Singh, Roach, & Chong, 2008). This issue is significant in light of GNH influenced by the Buddhist value of compassion (Subba & Mishra, 2010), which makes the issue a compelling research opportunity.

8.9 Conclusion

The GNH was there when I was a child. Now I do not know whether it is living or dying.
Lam Kezang Chhoephel
(Government Official).

This dissertation has examined the manifestation of GNH in Bhutan’s tourism policy, planning and development. It has demonstrated that Bhutan’s first democratically elected government expanded tourism development in a rushed manner. With the goal of achieving self-reliance, Bhutan embarked on a policy of socio-economic development targeting tourism development as the nation’s largest foreign income earner. Bhutan must carefully manage its tourism policy in order to adhere to the GNH Pillars and to achieve equitable and sustainable socio-economic development. As reflected in the Post-McKinsey Report GNH Tourism Model (Figure 8.2) the existing infrastructure could not cope with the increase in tourist numbers. Consequently, the 1st GNH Pillar of equitable and sustainable socio-economic development has taken priority over the other GNH Pillars, thus compromising the notion of slow-paced and value-led development. However, good governance, the 4th GNH Pillar, prevailed in the USGCD case where spiritual and environmental values triumphed over perceived economic benefits.
This dissertation proposes returning to a high value, low volume tourism policy in order to be aligned with the slow paced and value-led GNH development philosophy. The wider implication in understanding Bhutan’s approach to tourism development, policy and planning matters to academics, tourism policy makers, tourism managers and others from the experience and lessons learnt in this value-led GNH development philosophy. From a global development perspective, the implications of this study suggest that development must be redefined and not be measured solely in terms of GDP. The UN’s 9th Millennium Development Goal and the Post-2015 UN New Development Paradigm give hope for a more meaningful and humane development paradigm that includes happiness and wellbeing.
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**Chapter 5**

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