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**Bhutan, a Cultural and Spiritual Paradise**

 The Kingdom of Bhutan is a small nation in South Asia, located at the eastern end of the Himalaya Mountains. It is connected to the east, west and south by India and to the north by the Tibet of the People’s Republic of China. Bhutan used to be one of the most secluded and isolated nations in the world. As developments including direct international flights, mobile phone networks, internet, and cable television progressed, it has opened the doors to the outside world. It is interesting to note that the small nation of Bhutan is ranked eighth in the world as The World’s Happiest Countries from a recent study by Britain’s University of Leicester. The people of Bhutan are happy despite relatively low life expectancy of fifty-five years, a literacy rate of forty-seven percent, and a very low GDP per capita. The United States of America ranked only twenty-third, due to rising poverty and spotty health care. Is it a coincidence that Bhutan ranked higher than the U.S. or is there something mystical in the land of Bhutan which is not visible to the outside world?

 Bhutan’s early history remains a mystery and tied with mythology. It may have been inhabited as early as 2000 B.C., but not much was known until Tibetan Buddhism was introduced in the nineth century A.D. when turmoil in Tibet forced many monks to take refuge in Bhutan. In the twelfth century A.D., the Drukpa Kagyupa school was established and still remains the dominant form of Buddhism in Bhutan today. The country’s political history is intimately tied to its religious history and the relations among the various monastic schools and monasteries. In 1616, a lama from Tibet named Ngawanag Namgyal defeated three Tibetian invasions, subjugated rival religious schools, codified a complicate and comprehensive system of law, and made himself a ruler, or Shabdrung, over a system of ecclesiastical and civil administrators, consolidating Bhutan as a whole. Civil war broke out after his death, and continued for the next 200 years because power of the shabdrung was not established. In 1885, Ugyen Wangchuck rose and from his power base in central Bhutan he defeated his political enemies and united the country after several civil wars and rebellions from 1882 to 1885. He established closer ties with the British and India. In 1907, Ugyen Wangchuck unanimously became the first king of Bhutan and was installed as the head of state Druk Gyalpo, or Dragon King.

 In 1910, King Ugyen and the British signed the Treaty of Punakha which stated that British India would not interfere in the internal affairs of Bhutan provided that the country accepted external advice in its external relations. Ugyen Wangchuck died in 1926 and his son Jigme Wangchuck inherited the throne as the next ruler. When India gained its own independence in 1947, India and Bhutan signed the Treaty of Peace and Friendship in 1949 which stated that India would not interfere in Bhutan’s internal affairs but would be guided by India in its foreign policy. The 1949 treaty has been replaced by the 2007 treaty with India which clarified that Bhutan is master of its own foreign relations.

Jigme Dorji Wangchuck, the son of Jigme Wangchuck, succeeded in 1952 and Bhutan slowly began to change its stance of isolation and started a program of planned development. Bhutan became a member of the United Nations in 1971 and established the National Assembly, a new code of law, the Royal Bhutanese Army, and the High Court. Jigme Singye Wanchuck ascended the throne at age sixteen in 1972. He was best known internationally for his important development philosophy of Gross National Happiness which recognizes that there are many dimensions to development and that economic goals alone are not sufficient. He emphasized the importance of modern education, decentralization of government, the development of hydroelectricity, tourism, and improvements in rural developments. He was satisfied with Bhutan’s transitioning democratization process and abdicated his throne in 2006 where his son, Jigme Khesar Namgyel Wangchuck, became King with specific intention to prepare the young king for the country’s transformation to a full democratic form of government in 2008.

 The economy of Bhutan is considered one of the world’s smallest and least developed. Its economy is based on agriculture and forestry which provide for more than eighty percent of the population with their main livelihood. Bhutan is surrounded by rugged mountains which dominate most of the terrain and it makes the building of roads and other infrastructure difficult and costly. Bhutan’s economy is closely aligned with India through strong trade and monetary links. It relies on Indian migrant labor on most development projects such as road construction.

 The currency of Bhutan is a Ngultrum, but the rupee is also accepted as legal tender in the country. Though Bhutan’s economy is one of the worlds’ smallest, it has grown significantly over the recent years by eight percent in 2005 and fourteen percent in 2006. In 2007, Bhutan had the second fastest growing economy in the world with an annual economic growth rate of 22.4 percent. While Bhutan’s economy is mainly based on agriculture, forestry, and tourism, the sale of hydroelectric power to India also became a part of Bhutan’s economy. Under an agreement signed in 2005, Indian railways plan to link southern Bhutan to its vast network. Currently, Bhutan does not have any railways. Bhutan and India signed a ‘free trade’ accord in 2008, which allows Bhutanese imports and exports from third markets to transit India tax free. The industrial sector is still in a developing state and until now most production is from the cottage industry. Larger industries are being encouraged and some industries such as cement, steel, etc., have been set up. Bhutan has a Gross Domestic Product of around USD of 2.913 billion which makes Bhutan the 162nd largest economy in the world.

 The per capita income of Bhutan is around $1,400 which ranks Bhutan 124th in the world. Government revenues total $272 million, though, expenditures amount to $350 million. However, sixty percent of the budget expenditure is financed by India’s Ministry of External Affairs. Bhutan’s exports total 128 million euro dollars, but imports amount to 164 million euro dollars which leads to a trade deficit. Bhutan’s main export partner is India which accounts for 87.9 percent of its export goods. Bangladesh and the Philippines are the other two leading partners with 4.6 percent and two percent respectively. Since its border with Tibet is closed, trade between Bhutan and China is now almost non-existent. Bhutan’s import partners include India with 71.3 percent, Japan with 7.8 percent, and Austria with three percent.

 In 1987, a journalist from United Kingdom’s Financial Times blamed that the pace of development in Bhutan was slow. The King responded that “Gross National Happiness is more important that Gross National Product.” This statement proved the King’s commitment to building an economy that is suitable for Bhutan’s culture based on Buddhist spiritual values and has served as a unifying vision for the economy. In a survey taken in 2005, forty-five percent of the people reported being very happy, fifty-two percent reported being happy, and only three percent reported not being happy. Based on this data, it is estimated that the average level of life satisfaction in Bhutan is within the top ten percent of nations worldwide and it is certainly higher than other nations with similar levels of GDP per capita.

 Tourism is currently a prevailing economic sector of Bhutan. Bhutan’s tourism industry began in 1974. It was introduced with the primary objective of generating revenue, especially foreign exchange; publicizing the country’s unique culture and traditions to the outside world and to contribute to the country’s socio-economic development. Since then the number of tourists visiting Bhutan has increased from 287 in 1974 to over 2,850 in 1992 and over 7,000 in 1999. By the late 1980’s tourism contributed over $2 million in revenues to the royal government. In 1989, the royal government raised the tourist tariff and the number of tourists decreased to 1,480 but the government still earned $1.95 million through tourism. By 1992 tourist revenues contributed as much as $3.3 million and it accounted for as much as twenty percent of Bhutan’s exported goods and services.

 The royal government has always been aware that an unrestricted flow of tourists can have negative effects on Bhutan’s pristine environment and its rich and unique culture. The government adopted a policy of so-called “high value-low volume” tourism, controlling the type and quantity of tourism from the start. The royal government’s overall objective of maximizing foreign exchange earnings while minimizing adverse cultural and environmental impacts on tourism seems to have paid off. A high level of profits is available to tour operators and an increasing number of Bhutanese entrepreneurs are investing in the tourism sector. Bhutanese have also found employment as guides, cooks, transport operators, and hotel and restaurant owners. Tourism contributes significantly to rural incomes through earnings from tourist transport and portage. Tourism has also provided the development of the service sector, including hotels, restaurants, transportation and communication. Another visible impact on of tourism has been the promotion of the indigenous cottage industry and setting up handcraft shops in Thimphu and other frequently visited areas.

 Bhutan’s main tourism attractions are its traditional culture and way of life, its religious festivals, historic monuments and its beautiful environment. Bhutan has received much international acclaim for its cautious approach to development that places a priority on preserving the nation’s natural and cultural heritage. Guarding nature and culture is part of the Bhutanese value system and is an important aspect of the traditional way of life in Bhutan, and the tourism policy reflects these concerns. The policy of imposing a high tariff has succeeded in making tourism in Bhutan an exclusive and distinctive experience. However, with the increase in the number of tourists coming to Bhutan every year there is a need to monitor and evaluate the environmental and cultural impacts of tourism and offer measure to reduce any adverse impact.

 The national dress for men of Bhutan is the gho, which is a knee-length robe tied at waist by a cloth belt called kera. Women wear an ankle-length dress, called the kira, which is clipped at one shoulder and tied at the waist. A long-sleeved blouse, called the toego, which is worn underneath the outer layer accompanies kira. Social status and class determine the texture, colors, and decorations which are shown upon the garments. Bhutan has traditionally been a feudal society, so different colored scarves and shawls are important indicators of people’s social standing. Local and regional elected officials, government officials, cabinet members, and even the King himself each wear their own colored kabney, a white sash. Bhutanese law requires all Bhutanese citizens to wear the national dress in public areas and as formal wear.

 So what makes Bhutan’s culture so unique that people around world come to visit Bhutan? Bhutan has a rich and unique cultural heritage that has largely remained intact due to its isolation from the rest of the world until the early 1960s. One of the main attractions for tourists is the country’s unrivalled culture and traditions which escaped westernization. Bhutanese tradition is deeply rooted in its Buddhist heritage. Hinduism is the second dominant religion in Bhutan, being most prevalent in the southern regions. Both religions co-exist without conflicts and receive support from the government. The government is making efforts to preserve and sustain the current culture and traditions of the country as best as it can. Bhutan has been referred to as *The Last Shangri-La* due to its largely unspoiled natural environment and cultural heritage.

 The small Asian nation called Bhutan ranks eighth in the World’s Happiest Countries despite its low life expectancy, low literacy rate and very low GDP per capita. However, it ranks higher than the United States of America which ranks merely twenty-third in the world. It is due to Bhutan’s unusually strong sense of national identity. Moreover, Bhutan has beautiful scenery and a largely unspoiled culture which has been preserved since the mid-seventeenth century. Perhaps Bhutan’s recipe for happiness is not about money, but being who they are and sustaining their culture and maintaining their spiritual values.

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