

Gross National Happiness and Development: An Essay *By Mark Mancall*

INTRODUCTION

This paper concerns the operationalization of the concept of Gross National Happiness (GNH). It assumes that GNH is a uniquely Bhutanese approach to development. GNH may have applications beyond Bhutan, but that is central neither to its definition nor to its operationalization. The paper further assumes that GNH is a strategy for social and economic change in Bhutan and, therefore, must be operationalized in policy decisions and actions. To argue this, it places the concept of GNH in the context of Bhutanese history and of the general history of the concept of development.

THE BHUTANESE STATE

Introduction

As we shall argue, the Bhutanese State is and must be the “subject,” the primary actor in the program of change that we call GNH. However, the State itself, we argue, is a relatively new development in Bhutanese history. This chapter will briefly explore its history and development.

For our purposes, the state, in the abstract, may be defined in broad theoretical terms, as follows:

First, the State is the monopolist of legitimate coercion in a society; Second, the State is the primary font of legitimacy in the society; Third, the State is the primary source of leadership in social, economic, and security affairs, i.e., in those affairs that, broadly speaking, affect the interests of the people who inhabit a domain defined, at least until now, by legal boundaries that, in turn, define the reach of the State’s power. Several points need to be made with regard to this description of the “State,” because they will be significant in analyzing the history of the emergence of the Bhutanese State:

First, the State is not the same thing as the “Nation,” and, indeed, bears no relationship to it whatsoever. The concept of the “nation-state,” which emerged in 19th century Europe, presumes the existence of an entity called “the nation,” defined as a particular “people” who share certain common characteristics beyond the fact that they inhabit a specified territory (however that territory itself may be defined). It also presumed that there should be some isomorphism between the State and the Nation, and in romantic terms this led to the idea that the State was somehow a natural expression of the will of the Nation. Of course, in fact there were many states that contained more than one “nation,” so that “ethnic conflict,” as we would call it today, and the domination of one ethnic group over others, became common. The State, however, existed long before the appearance of the concept of “nation” in its modern sense.

Second, the State has a history of its own, independent of the nation or people over whom it may rule. Similarly, a nation or people may have a history of its own independent of the state that rules over it.

Third, the history of the State concerns the establishment of its primacy over other elements in society. For example, the State, over time, gathers coercive power to itself and suppresses rival sources of coercive power in the territory over which it claims jurisdiction (whether legally or purely by the exercise of power). It also concerns the processes whereby it incorporates into itself, or at least into its power penumbra, the right to grant legitimacy in its territory. Finally, the history of the State concerns the process whereby it assumes the leadership role, sole or primary, in its territory. As we shall see, in Bhutan as elsewhere the State does indeed possess a history, and we will argue that prior to 1907 no Bhutanese state existed in these terms.

The Bhutanese Polity before the Advent of the Zhabdrung

The history of the Bhutanese polity may be said to begin with the arrival of Zhabdrung Ngawang Namgyal in Bhutan from Tibet in 1616. Until that time the geographical expression that became Bhutan lacked any figure of non-religious importance whose influence or power was more than local, and it possessed no institutions of governance that extended beyond local valley clans and their chiefs. At various times one or another family or religious institution extended its sway over regions near its place of origin, but none of them were able to provide anything approaching an integrating political system.

The Zhabdrung's Government

Whatever political structures may have existed in Bhutan before the arrival of the Zhabdrung in the 17th century, there can be no question but that he created a political structure (but, of course, a political structure is not the same thing as a State). It is also obvious that in his person what modern social science would distinguish as the political and the religious domains were intensely intricate with each other if they were not completely isomorphic. In other words, the Zhabdrung does not appear to have distinguished the political from the religious. This is particularly clear from his construction of dzongs, in which the religious and the political domains essentially occupied, and continue to occupy, the same physical space.

From what we understand of the Zhabdrung's administration and laws, Buddhism, particularly the Drukpa Kagyu school, provided the ideological basis for his conquest of Bhutan and for the institutions he established in the country. His conquest was based, apparently, on his struggle against other schools of Buddhism, both in Tibet and in Bhutan, and he consistently expanded his conquests of one or another part of the country with the aim of establishing the Drukpa Kagyu school's legitimacy in more and more territory. In doing so, he contended with both "religious" and "secular" (to the extent this distinction can be made for that period) foci of power in one geographical region after another. On the one hand, this may

be understood as an extension into Bhutan of what had become at that time the standard form of the polity (unlike the West, for example, where even in the era called “medieval” there was a distinction and conflict between the religious power [the “church”] and the secular power [the “Holy Roman Empire”]). What is significant for our argument is the tradition the Zhabdrung’s polity established in Bhutan, that is, the intrication of Buddhism and politics, and this continues to be the case to the present time.

Upon his retirement from active leadership, the Zhabdrung established a regime that may be called a “diarchy,” to borrow a term. Essentially, the role of leadership and administration was divided into two. The position of Desi was established for political or public affairs, and the Je Khenpo was given responsibility for religious affairs. It is not clear, however, that this was any more than a convenient administrative arrangement. Perhaps it was the Zhabdrung’s intention to prevent the return to political power of non-Drukpa Kagyu Buddhism in Bhutan by inhibiting the concentration of power in the hands of monastic groups by separating the two kinds of leadership.

In any event, it appears that during the years after the Zhabdrung’s retirement and death, real power lay with the religious sector rather than with the “public”. In fact, many of the Desis were themselves members of religious groups or had spent time as members of monastic communities.

If the Zhabdrung had indeed intended to establish a stable diarchic political structure in Bhutan that rested upon some kind of institutional coherence, by the time of the 5th Desi power had become highly decentralized at best, and the country had lost its institutional coherence. The coherence that had originally derived from the personality of the Zhabdrung now dissolved into a congeries of warring “feudal” potentates (the term “feudal” is used here more evocatively than, perhaps, accurately) whose power was very often defined geographically and depended on, first, their ability to raise and maintain militia-like military forces and, second, on their political ability to make, and break, alliances with other feudatories. To the extent that any central administrative polity existed at all, it existed only in a very formalistic way. The Desi himself became only one among the many actors in the political game, though the position was prized because it seemed to lend an aura of legitimacy to its holder.

By the middle of the 19th century, as the struggle for power among the regional magnates increased, the Desis lost their political role or, at least, the reality of any political role that had been assigned to them in the Zhabdrung’s scheme of governance. By mid-century, the possession of power for its own sake seems to have become the primary reason for the possession of power. One local magnate, the Trongsa Penlop, began to emerge as the most powerful among the warring feudatories, but this did not imply the existence of a state, only the particular military and political competence of the Trongsa Penlop of the time. The possession of the position

of Desi did not convey to its occupant any particular primacy in the decentralized polity.

The crucial event at the beginning of the process of constructing a new Bhutanese polity was the Duar War of 1864-1865. A cursory glance over the historical record suggests that up to the Duar War, central power and leadership had all but disappeared from the country, and the War itself was, in a certain way, a consequence of the disappearance of any real, or even theoretical, central power. At the same time the Duar War served the assertion of power by Jigme Namgyal, the Trongsa Penlop. The Duars were an important economic resource for the development and maintenance of Jigme Namgyal's power, and their loss inhibited, or at least denied him, access to resources necessary to continue his drive to power at that time. In 1870, he retired from his position as Trongsa Penlop and became the Desi.

In addition to his military and political abilities, Jigme Namgyal evidently possessed a personality and personal attributes that attracted power whether or not he held a formal title or position. He was, we may argue, the first real political personality to emerge in Bhutanese history since the Zhabdrung. However, despite this, his own very self-conscious attempt to build a regime of people of demonstrated loyalty did not survive his retirement from the position of Desi after the customary three years in office. In other words, as strong a personality as he was, the institutional framework for a polity that could extend itself into the future did not yet exist, a consequence, perhaps, of a combination of Bhutan's geographical features, its level of technological development, and the importance of personality. Personality is not institutionalization. Power itself was the prize in the political struggle, and power was prized not as a means to an end but as an end in itself. This is the framework within which the eventual creation of the monarchy in 1907 must be understood, along with the significance of that development.

Centralization of power, rather than its institutionalization, characterized Bhutanese political life between the Duar War and 1907. It is probably the case that the Trongsa Penlop, Ugyen Wangchuck, possessed decisive, if not ultimate, power in Bhutan after the Battle of Changlimithang in 1885. The question must be asked: Why did he continue to maintain the traditional institutions of a headless polity instead of establishing a centralized monarchy? This can be explained, perhaps, by a certain ambiguity at that point in time. Very briefly: Ugyen Wangchuck begins to play a role after 1885 in which, on the one hand, he consolidates his power within Bhutan while, on the other hand, he goes through a process of experimental interaction with what was then, as it is now, the overwhelmingly dominant power in the region, India.

Between 1885 and 1907, there would appear to be a disjuncture between Ugyen Wangchuck's own understanding of his position in Bhutan and the British understanding of his position in Bhutan. Although he was the dominant figure in Bhutan, the British treated him much as they treated

other “native rulers” of India. For example, he was invited to attend the durbar held on the occasion of the visit of the Prince of Wales to India, an occasion that was clearly intended by the British to constitute the ceremonial recognition by the Indian “native” rulers of the paramountcy of the King-Emperor of India, of the British Raj. The British clearly intended to incorporate subordinate rulers into the hierarchical system of the British imperial polity, and Ugyen Wangchuck, doubtless unwittingly, participated in this drama. He was awarded a knighthood with the title Knight Commander of the Indian Empire, a common British practice of incorporation of subordinates. And he continued to play this role of a subordinate of the British when, for example, he participates in the Younghusband expedition into Tibet in 1904.

The continuation of the old non-centered political structure in Bhutan after 1885 did not reflect the reality of the new consolidation of power in Ugyen Wangchuck’s hands, just as his symbolic incorporation into the British scheme of things did not reflect the reality of his power.

The creation of the monarchy in 1907 is a reference back to the polity of the Zhabdrung but in a radically new context. The new institutional framework of power rested upon a consensus between Ugyen Wangchuck, the Monk Body and the other, now diminished, power holders at the meeting in Punakha in December 1907. Bhutan now possessed the symbol and the reality of the institution of monarchy that reflected the growing concentration of power within the country. The new monarchy had as its rationale the establishment of peace and security throughout the country.

The Creation of the Monarchical State in 1907

The ambiguity that characterized power in Bhutan between 1885 and 1907 was not immediately resolved by the creation of the Monarchy. In fact, the Treaty of Punakha of January 8, 1910, which defined the relationship between the Monarchy and British India, suggested an ambiguous power structure that obtains to the present day and whose resolution is still being sought. Bhutan had complete internal sovereignty, according to the treaty, but it undertook to consult with the Raj about its foreign relations. This was diplomatic recognition of Bhutan but with less than full sovereignty. The provision was a reflection of an objective reality that obtains to this very day, the overwhelming preponderance of India in the region, regardless of who the ruler of India may be. The treaty provision defined a problem with which Bhutan is still wrestling. The fact that the provision applied to Bhutan’s relations with other entities that were within the power penumbra of the Raj or that, in later times, lay outside of it but beyond Bhutan’s borders, continued the ambiguity suggested in the British approach to Ugyen Wangchuck before 1907 and reinforced afterwards by his attendance at the Delhi Durbar of 1911.

The years from 1907 to 1998 were a period of consolidation and development of the instruments of power. The support of the Monk Body and the surrender or acquiescence of the other power centers in Bhutan to

the primacy of Ugyen Wangchuck did not provide a popular base for the monarchy. This he now proceeded to create by a series of measures that would establish a basis for support of the monarchy. Peace, of course, which only the monarchy could provide, was central. But he took particular measures to engage the people's support: the reduction of land taxes and customary service; the encouragement of trade and commerce within the country; the improvement of transportation and internal communications. He also, and very significantly, initiated modern education, although on a very limited scale. At the same time, he promoted the improvement of the Monk Body and of its institutions and education, a very reasonable and significant policy that paralleled his approach to the encouragement of popular support for the new polity.

The Second King, Jigme Wangchuck, who came to the throne in 1926, ruled during an era of very interesting developments in the outside world. During a period of great social, economic, and political instability abroad, the stability of Bhutan and of the monarchy perhaps rested on the disjuncture between Bhutan and the outside world, on the underdevelopment, in Western terms, of the country. Because Bhutan did not yet have a monetarized economy, it was not drawn into the economic crisis that began in 1929. Because it was not politically integrated into South Asia, it was not drawn into the Second World War from 1939 to 1945. Because it had not been colonized, it was not drawn into the anti colonial movements that were so characteristic of the post-World War Two world. Because its relationship with the British Raj was characterized by what was, after all, a very creative ambiguity, Bhutan was not drawn into the reorganization of the subcontinent that accompanied the independence of India and Pakistan and the consequent absorption all the states of British India by the two new states. In other words, non-engagement ("isolation") was an extraordinarily powerful instrument for the preservation of Bhutan's independence.

Domestically, the Second King followed his father's policy of consolidating power while pursuing several important new policies. The First King had established the centralized monarchy, but he had retained, to a large extent, the decentralized structure that was characteristic of the country before 1907. The Second King recognized the need to bring the monarchy and the administration into coherence, and consequently he assumed absolute power, which meant the administration had to be centralized in the throne, not dispersed regionally. Local administrators, as they died or retired, were replaced by personnel appointed directly from the throne. The size of local administrations was reduced in order to restrict the ability of local administrators to act independently. Local power was further restricted by requiring a central audit of local taxes, incomes and expenditures. The development of a standing army, albeit at this point in time only in the form of a purely ceremonial unit, was started. Education within the kingdom and the dispatch of selected children to Kalimpong for schooling also increased, although on a still very limited basis. Transportation was upgraded, medical units were opened, and the repair of temples, monasteries, bridges, etc., was undertaken. In 1948, after Indian independence, Bhutan signed a treaty

with India that, at least formally, regulated its relations with the country in more modern diplomatic terms than had been the case with the Raj.

The Third King, Jigme Dorji Wangchuck, was educated with a significant difference from his predecessors. At the age of 15, he was sent abroad by his father to England, and upon his return he was carefully groomed for kingship. His trip abroad had probably made him more aware of the external world than had been the case with his father and grandfather. He pursued a more activist foreign policy than his predecessors. In fact, during the reign of the Third King foreign policy and domestic policy became more closely related than had ever been the case before. Bhutan joined the Colombo Plan in 1962, signaling an activist policy toward economic development. The kingdom joined various international organizations and in 1972 became a member of the United Nations. It established diplomatic missions abroad on a very limited basis. India became the primary support of economic development after a visit by its Prime Minister, Jawaharlal Nehru, in 1958. India became the major supporter of road construction, telecommunications, etc.

Parallel to, and supported by, his foreign policy, the Third King introduced significant domestic changes. Land reform was introduced and land taxes were reduced. Serfdom was abolished. The Royal Bhutan army was established, as was a police force, both measures that increased the central power of the throne. Most significantly, the Third King introduced important institutional changes. In 1953 he established the National Assembly. This assembly reflected in its composition, as it continues to, the sociopolitical history of the country. First, the assembly was created by the king as a way of developing further support for the monarchy, not as a consequence of public demand. It was to be an instrument of education more than an instrument of legislation. In fact, until 1968 the legislative supremacy lay with the king, not the National Assembly. Of course, even after that date, when the king voluntarily gave up his authority to veto legislation, the National Assembly still continued to be the instrument of the throne at least until 1998. The composition of the National Assembly includes "elected representatives", "representatives of the Monk Body", representatives nominated by the government, and a smattering of others. In 1963, the King established the Royal Advisory Council as an instrument for advising the King and the government. In effect, the Royal Advisory Council has served as a more direct instrument of the throne's will. It provides the King with independent information and points of view. Like the National Assembly, the Royal Advisory Council represents the variety of social groupings in the country. A law code was drawn up, capital punishment was abolished, and a separate court structure was established. All of these institutional changes rested upon the legislative and administrative centrality of the throne.

These measures were instrumental in achieving the Monarchy's objectives of sovereignty, security, stability, and modernization. The latter was most obviously symbolized by the beginning of the First Five-Year Plan in 1961. Successive five-year plans all aimed at infrastructural development and the

development of human resources to support these objectives. With the Third Five-Year Plan, which started in 1971, a Planning Commission was established to manage the process, and the present king, then the crown prince, was named chairman. The Third King also initiated the development of Dzongkha as the written language, a work very much still in progress.

The creation of the monarchy in 1907 was not the result of a popular movement, nor of the development of nationalism among intellectuals or the bourgeoisie such as had developed in the West. Furthermore, it was not the consequence of an anti-colonial movement as was the case in other "Third World" countries, such as most of the countries in South Asia, for example. The creation of the monarchy in 1907 was a consequence of protracted struggles for power in the absence of a centralized polity. Developments since 1907 may be interpreted as consequences of the dialectical interaction of the monarchy, on one hand, and, on the other, the outside world that was undergoing rapid and deep changes, Bhutan's geography, and the necessities of power.

Moreover, it must be emphasized, all these developments took place without a broad theoretical framework to underpin them or to guide choices and decisions or to set objectives beyond the instrumental values of stabilizing the country and defending it. The creation of a national community based upon a vision of the future and a search for the path to reach it was to be the work of the Fourth King.

The maturation of the Bhutanese State

The signs that indicated the maturation of the Bhutanese state in terms that began to suggest the necessity and efficacy of a definition of values and of direction beyond the execution of policies in various development domains became apparent with the accession to the throne of the Fourth King, Jigme Singye Wangchuck, in 1972. It is interesting to note that in his coronation address in 1974 he said, "The most important task before us at present is to achieve economic self-reliance to ensure the continued progress of our country in the future." It is reasonable to suggest that in the context of the early 1970's, this goal, stated baldly and boldly, fit the circumstances both inside Bhutan and in the international context within which Bhutan had to develop at the time. Internally, the Fourth King pursued development in many directions in such a way that the social changes already under way, urbanization, for example, were accelerated, and at the same time he moved in new directions and pursued new policies of transformation. This is neither the time nor the place to attempt a close description of the remarkable transformation that Bhutan has undergone during His Majesty's reign. Much research needs to be done about this before anything more than a general picture can be outlined.

However, certain trends can be clearly observed that define current concerns. First, it is undoubtedly true that the impetus for broadened and intensified development derived from the Throne itself; in other words, the activism that had characterized the Wangchuck dynasty and state since

1907 became, and remains, the primary source of energy for change. This may be because Bhutanese society did not, in the immediate or in the more remote past, develop those social classes the conflict between which provided the dynamics for social change that characterized other societies. This, also, is a subject for research before anything definitive can be stated, but it is highly suggestive. A consequence of this seems to be the profound centrality of the throne in all matters of policy generation. It is interesting to note that at various points in the history of this reign attempts by His Majesty to transfer authority to other state organs in one way or another have been resisted; the most significant step in this regard, the Kasho of 1998, had all the appearance of insistence on the part of His Majesty, contrary to the wishes of the National Assembly and the people, that power be transferred from the Throne to a government in the interest of further development. This suggests that the intellectual or ideological conceptual foundation for the development of institutions in which the locus of political power, as opposed to moral power, would be located, had not permeated sufficiently deeply into the society.

Second, the context of Bhutanese development has changed radically during this reign. In 1972, economic self-reliance was not an unreasonable goal. The demand side of consumerism had not developed to the point it was to reach later, certainly because communications technology had not yet developed or spread to the extent where they nourished a new consumerism. Furthermore, social change had not reached the point of providing a class basis for consumerism, and a sufficient economic surplus in any sector had yet to be generated to support consumer demand. The increase in tourism, together with, more recently, growth in information technology, combined with economic development and social change, more importantly knowledge in certain groups of about the outside world, have resulted in the rapid increase of consumer demand for foreign goods. Given the size and resources of Bhutan, the growth of consumerism is a direct threat to the goal of economic self-reliance.

The growth of the power of the institutions created at Bretton Woods in 1947, together with the increased influence of neo-liberal ideology, the combination of which we call "globalization", have created forces that have an impact on Bhutan which it may not be able to control by the same policies that up to this time were efficacious for development. To put this as bluntly as possible: the various trends just mentioned have created social groups within the country that are the primary source of demand for goods and services that contradict and undermine the stated objectives of the Bhutanese state's development policies. For example, self-reliance is undermined by the growth of consumerism, which can only be supported by the importation of foreign goods. This also undermines the attempt to create a national Bhutanese culture both as a value in itself and as a defense against homogenization with the rest of the world, which would undercut the very *raison d'être* for Bhutan, which would, in other words, undercut the entire thrust of modern Bhutanese history in the Kingdom's attempts to remain separate from the subcontinent's historical trends. This can also be

clearly observed in the struggle to establish the primacy of the Dzongkha language. A national language is not just a cultural conceit, as His Majesty repeatedly points out. English is the agent of the cultural homogenization that is the servant of economic global integration, of Globalization. To the extent that English dominates over Dzongkha in the daily life of the Bhutanese state, the goal of cultural self-reliance and independence recedes into the background.

At the same time, the intellectual weakness of Bhutan's position with regard to formulating a Bhutanese policy for development, rooted in national interest, has opened the process up to the dominating influences of theories and practices that reinforce the tendency to homogenization with the rest of the world. We must be very clear about this. Reliance on the private sector and on market forces is an historical artifact that is a consequence of political developments in the outside world rather than of any scientific or "natural " forces. In other words, the importance accorded to the private sector in terms of development is an ideological and political decision not necessarily dictated by theoretical or objective criteria or by national interests. Given the primacy of the modernizing Bhutanese state in the process of national development, the tendency to try to place greater reliance on the private sector and on market forces is contradictory. Moreover, the tendency toward homogenization with the rest of the world contradicts the ideological, emotional, and psychological foundations of the Bhutanese state and of Bhutan itself.

It follows from all of this that the growth of these kinds of contradictions during the reign of the Fourth King requires some form of resolution, a resolution that will find its institutional and cultural expression in the formulation of educational, cultural, social, and economic policies that will be aimed at achieving the goals that the society and culture may implicitly desire.

His Majesty's promulgation of the idea of Gross National Happiness as a national policy pointed in the direction of seeking a resolution to the contradictions Bhutan faces. The challenge now facing the country is the operationalization of this idea, which means challenging, not accepting, the received wisdom of the West. It is precisely the general acceptance of the received wisdom of the West in these matters that undermines the National Project. What the country must now undertake is the definition of the national project. Reflection on this issue, supported by new research into all aspects of Bhutanese society, is the mark of the maturity of the Monarchy and the Kingdom. Gross National Happiness is at one and the same time reflection on theories of development, on policies of development, and on the values that should guide those policies. It is self-analysis and critical thinking in the definition of the nation's future rather than simple acceptance of guidance from abroad.

This is why GNH is so significant. It must now encompass both ideological programs and practical policies. GNH is a national necessity for the survival

of the country within the context of the particular conjuncture of developments at this time in the world at large, developments that are fraught with all of the issues that constitute the core of the very existence of a nation. These developments we gather under terms like “globalization” and “WTO”. The rest of this paper will now address this constellation of requirements.

GNH AND DEVELOPMENT

In the decade since the fall of Communism, many thinkers and authorities have been attempting to define a “third way” between neo-liberal free market Capitalism and now defunct Communism. The attraction of GNH outside of Bhutan lies in this search. In this section we will look at GNH in this perspective.

GNH and Ideology

The word “ideology” has come in for much opprobrium in recent decades, largely for two reasons: First, it was appropriated by one side in the struggle for dominance in the world, the Soviet side, to refer to what that side considered to be correct thinking and analysis; consequently, it was disparaged by the West and given a negative connotation. Second, the negative connotation given to “ideology” was used to assert what the opponents of Communism argued was the scientific basis of their own thinking. Thus “ideology” was opposed to “science” and, therefore, to “truth,” as the latter term was used more and more to refer only to what science itself could demonstrate. Nonetheless, in order to understand GNH and to give it the multi-dimensional meaning it requires, the term “ideology” serves good purposes, at least for our present discussion.

The concept of “ideology” was born from the French Revolution, which, in fact, gave birth to three separate, if not entirely distinct, “ideologies”. The concept is very closely related to another concept, “modernity” and to the processes of “modernization,” i.e., those processes that are intended to reach or create the condition of “modernity”. We will return to the question of “modernity” later.

What is “ideology,” at least as we will use it? Ideology is, first and foremost, a political program. To be more precise, it is the constellation and construct of ideas that, taken together, define a political program. It is understood that the term “political program” means the plan and the objectives of the plan that are pursued by a state and government to achieve certain objectives. As a political program, ideology consists of the following elements: (a) It is an image or a description of what is going on in the society, in the political economy, at a particular time. It is not just a description of events and processes; it is an analysis of them, of their causes and effects. (b) Ideology gives an image or a description of what is going on that is prompted by, and exists in contrast to, what the past was, and an understanding, its own understanding, of how the past was ended by a particular event. For example, in Western history that event was the French Revolution. In Bhutanese history, that event was the foundation of the Monarchy in 1907.

(c) Ideology provides an evaluation of the past as a point of departure for action in the present. Again, note the significance of 1907 in Bhutanese thought. (d) Ideology is one of the mechanisms by which people cope with change and modernity. Change, which in today's dominant system of thought is called "modernization," is always unsettling, always disturbing to people's expectations and modes of behavior. Ideology makes it possible for people to cope with that problem either by explaining it positively or by providing a basis for resistance to it. (e) Ideology suggests specific actions and frameworks for action that make it possible to cope with the processes of change that are implied by the condition of the world after the event or events which end the past. Each of these five characteristics applies to the concept of GNH.

Weltanschauung is another word that is useful in defining GNH in the context of contemporary Bhutanese society. Any given period of history can be defined as a combination of two factors. The first is the particular social and cultural reality that exists at any given period of time. For example, we can say that a particular social reality was "Bhutan" until some event occurred that we see marks a break in history. The creation of the monarchy in 1907 is such an event. The second factor is the Weltanschauung that accompanies the particular social reality. The word Weltanschauung means "world view" and is, to put it succinctly, the understanding that people who inhabit a particular social reality have of the way the world works. Obviously, a particular social reality and its Weltanschauung exist in a dialectical relationship. Changes in one lead to changes in the other, and the domain that dominates is social reality. The two may not change in tandem, i.e., there may be unevenness in change, so that, for example, the Weltanschauung of a particular period of history may last longer than the social reality that gave rise to it. In the view of modernity, this is what is often referred to as "backward thinking." Weltanschauung differs from "ideology" in that it does not possess the characteristics discussed above, i.e., ideology is a mechanism for coping with change in the combination of social reality + Weltanschauung. None of this is to imply, incidentally, that change is, or is not, to be desired. This is merely a mechanism to describe a process, not to evaluate it.

Three broadly defined ideologies emerged from the French Revolution. First, conservative ideology was a reaction against modernity. The objective of its political program was the reconquest of power in order to restrain the process of modernization. In its weakest form, conservatism sought to limit the damage of change and to hold back, or slow down, as long as possible, the changes that were coming. In its strongest form, it wanted to return to, to reestablish, the past. Conservatives understood very well that the state was the key instrument to achieve their goals.

Second, liberal ideology, which defined itself as the opposite of conservatism, based itself on what it considered to be "the consciousness of being modern." Liberalism claimed to be universalistic, which is to say that it claimed to apply to all human beings everywhere. Because of this, liberals

believed, liberalism could be intruded into the logic of all social institutions and processes. It was the key to burying the past and giving birth to the future. While conservatives were concerned with the restoration of the particular past that they felt was disappearing, the liberals believed that the future they outlined applied to all mankind, regardless of any particular characteristics. Moreover, in order for history to follow its natural course -- a natural course that was confirmed by the scientific observation of change in nature, particularly by Darwinism -- the liberals insisted that it was necessary to promote conscious, intelligent, continual reformism in the full awareness and conviction that "time was the universal friend, which would inevitably bring greater happiness to greater numbers." It should be very clear that contemporary neo-liberal economic and social theories belong in this category of ideology. Liberalism believed that progress was inevitable, but it could not be achieved without some human effort, without a broad political program. Moreover, the existing political institutions, created in the break with the past, were necessary to achieve the political program of liberalism. It is apparent from Western experience and politics that liberalism is not clear about the relationship between particular political institutions and its political program. In any event, liberalism is a particularly Western position, as we can see from its claim to universal validity.

The third ideology to emerge from the French Revolution and its aftermath was socialism. Socialism differed from Liberalism in that it was convinced that the achievement of progress required a very conscious helping hand, without which progress would be very slow. Liberalism and Socialism agreed that change and progress were part of the "natural order of things," i.e., of history and nature, but while the Liberals were willing to "let nature take its course", more or less, the Socialists believed that the application of reason could define the objectives of change and the means to achieve those objectives; moreover, history could be accelerated by this application of reason. Primary examples of socialism today are the Scandinavian countries, the Netherlands, New Zealand, Australia, etc. Whether they have "Socialist" governments or not, they fall under this ideological rubric.

In summary, Conservatism sought to limit the dangers change posed and, if possible, to reverse the process; Liberalism sought to achieve human happiness through the application of Western logic and reason; Socialism agreed with liberalism but sought to achieve happiness through careful planning to reach specific goals. These distinctions are analytically important although there has been a great deal of overlap among the three ideological positions. GNH, in its potential ideological and pragmatic formulation, commands international appeal and interest because it is an alternative to the three positions outline here.

The "subject" of ideology and change

GNH is an ideology in the sense described above, which is to say that it is, or must become, a program of social and economic change and development. Consequently, it must concern itself with the question, "Who

is the subject?" or, to put it another way, "Who is, or should be, the principal political actor in defining and carrying out the political program of GNH?"

The existing ideologies, Conservative, Liberal, Socialist, have never been able to resolve this question. It was raised by the French Revolution because the revolution declared that the people, not the monarch, was sovereign. In other words, the French Revolution raised an issue that nobody has ever been able to resolve clearly: where does sovereignty reside? Each of the three ideologies discussed above has provided its own answer, however unclear. The Conservatives argue that traditional groups in society, those groups that carry continuity with the past, with "tradition," ought to be sovereign. These often include the family, the church, and even medieval guilds. The Liberals insist that the individual is the historic "subject" of modernity and that, therefore, the individual is sovereign. The Socialists argue that the whole people, taken as a group, as an entity, is sovereign. For them, the issue is: who is a member of "the people"? Quite obviously, these positions raise more questions than they can answer.

Here are some of these questions. If all individuals are equal, does this mean that each individual has the same right to determine the future of society as any other individual? Is the future of society to be determined simply by counting numbers? Is it not the case that, with the spread of information technology and the unwillingness or inability of the society to control either the quality or the content of the information available, the very existence of faulty or even false information limits the ability of each individual to come to reasonable conclusions concerning policy and the future. If that is the case, is a simple counting of numbers (votes) a sufficient way to determine the good or the happiness of the whole? Does this not mean that control rests with those who do indeed command the nature and the dissemination of information?

Moreover, is it not also the case that not all individuals can participate in determining the good or the happiness of the whole? For example, children, the insane, criminals, all are excluded in many societies from participation in the process. Where do we draw the line? To cite an important example: If Bhutan joins the WTO, it surrenders, by very definition, the right to determine who participates in defining and achieving the happiness of the Bhutanese whole to external forces, even individuals, who are not members of the Bhutanese community, who do not share its values, its history, and whose own definition of good or of happiness has developed without reference to Bhutan at all. In other words, Bhutan surrenders to market forces and to the powers that are dominant in the market its own sovereignty, its own right to determine what is its gross national happiness. It thereby limits the freedom of the Bhutanese state to function on behalf of the Bhutanese people. The "subject" of Bhutanese society, of Bhutan's political program, not only ceases to be Bhutan but becomes an external, foreign, actor.

Let us assume that Bhutan does not join the WTO and retains sovereignty for itself. This leads to another question: Where within Bhutanese society does sovereignty lie? Does it lie with His Majesty the King? Does it lie with "the people"? Does it lie with the government? This is not an easy question to answer, and we can find much evidence that points to this difficulty. For example, Bhutan is admired throughout the world for its environmental policies. It is considered very progressive and wise in pursuing these policies. But who decided to pursue those policies? Bhutan's environmental policies may inhibit happiness in quite different sectors of society. The private sector is inhibited in the pursuit of the happiness of private entrepreneurs because Bhutan's environmental policies place off limits the use of important natural resources for private achievement of happiness and, some would argue, for the improvement of the social whole. Second, they limit the happiness of all or many village communities, and of the individuals who live in them, because environmental policies place off limits the use of these resources for the pursuit of their economic well-being, i.e., their happiness. And yet, it may also be argued that these policies promote the welfare of all, even though certain individuals and sectors of society would not agree. This argument suggests that the "Actor", the primary subject of the political program of gross national happiness, may not be the people as a whole or even the sum of individuals. Indeed, the issue of the environment and its future has been determined on the basis of a set of values that are not defined democratically or by those who are most directly affected by the policies adopted. This problem is not unique to Bhutan. In many Western countries it is being argued and resolved in various ways on a daily basis. In actual practice, Bhutan has resolved it in a particular way even if it has not named that way: Bhutan has decided that somewhere in its polity is located the power of sovereignty, that is to say, the power to determine that, for example, the environmental policies Bhutan is pursuing are correct for the entire people even though the people did not choose these policies. Most people would agree that this is not unreasonable.

Whatever may be their position with regard to the location of sovereignty, all ideologies, which is say all political programs, necessarily see the state as the primary instrument for carrying out the agreed-upon political program, however that program may have been agreed upon. That is the case with Bhutan's environmental policies.

Another issue that all three ideologies have in common is the relationship between the state and society. One of the major consequences of the French Revolution was the appearance of the concept of "society" as an entity separate from, and in opposition to, the State. This concept spread around the world, and in its most contemporary form, "civil society," it is used in Bhutan too. Indeed, in Bhutan today there are studies of "civil society", precisely as the concept was defined after the French Revolution, i.e., society as self-existing, outside of or in opposition to (not contrary to but different from), the State. For example, the State is understood to be "coercive" in one or another way, while "civil society" is assumed to be, somehow, volunteristic. Of course, this is too simple because it does not take into

account the coercive elements in civil society, such as peer or community pressures to conform and perform. These were always present; indeed, they are at the core of “traditional society,” but they have only recently come to the attention of social theory as “civil society” emerges onto the analytical screen in contrast to the State. It is important for GNH theory to recognize the function of coercion even in civil society.

The three ideological positions that have co-existed in the West since the French Revolution have been the subject of much debate, and in the 1960s many began to argue that, after all, there was only one ideology of which these were simply three variations. That ideology was called “Liberalism,” and both Conservatism and Socialism were redefined as variations of it rather than as separate and distinct ideologies. In any case, what is important from our point of view of GNH is the questions these ideologies raise, most particularly the questions of the “subject” and of the relationship between the State and Society.

GNH and Change

The Age of Liberalism, in which change and development were first considered to be a good, began with the French Revolution in 1789 and lasted to the fall of Communism in 1989. This was the period in which in which the liberal idea that progress and change could be achieved in a measured and reasonable fashion by the application of science to the management of change dominated Western thought. The five-year plans, whether Bhutanese or Indian or Russian, exemplify this idea. This was the ideology of liberalism.

Before the French Revolution, the *Weltanschauung* of almost all societies and the systems of empires and other political entities had assumed the normality of political, social, and economic stability. In a way, this is what was meant, afterwards, by “tradition”. In this world of stability, sovereignty was visibly present in the person of the ruler, and a whole set of equally stable customs and regulations controlled who had power to rule and under what conditions. Change was considered exceptional and had to be justified in exceptional terms.

With the French Revolution, all of this changed and a new *Weltanschauung* developed, or began to develop, which by the time of the European revolutions of 1848 assumed the normality of change. Indeed, change itself, change in political systems, economic systems, and, of course, changes in technology and changes brought about by technology, became the norm. The assumption of change as normality became a point of departure even in politics: changing one's political rulers was both desirable and normal. The only difference between conservatives, liberals, and socialists concerned attitude toward change; conservatives were not happy about it and socialists wanted to make it happen more coherently, more directly, and faster. But nobody questioned change itself.

Not only did people not question change; they did not reserve areas of life outside of change. Obviously, the tension between change and not-change is very much at the root of contemporary fundamentalism and other similar movements. It is in this context that GNH becomes at one and the same time a critique of Western theory and an attempt to formulate a different approach to the issue of change. GNH offers a fourth possibility, one that does not rest on the unquestioned assumption that change is, in and of itself, either good or inevitable. GNH needs to posit the following: In the West change is seen as "natural", "unavoidable," in itself, while GNH suggests that change needs to be seen in a moral and cultural perspective. In the West, all points of view accepted change, and the issue was the speed and the instrument of change. The function of specialists was to record change; they could not prevent it. As time went on and development became a program, specialists assumed a different role, as we will see. The Socialists claimed to create specialists in change, but in reality their concept of change was the same as that of the Liberals and Conservatives. GNH, in contrast, argues that change itself must be placed under analysis, and that the process needs to be guided by certain values and specialists in those values. At least, that should be what the GNH argues.

One of the consequences of the French Revolution, one of the hallmarks of the "Modern", was the shift of the locus of theoretical sovereignty from the ruler to the people. This opened up the question of whether any particular state reflected, or was the embodiment of, the will of the people. In this nexus appears the primary schism in Western thought between state and society, a dichotomy that has dominated Western thought from the early 19th century down to perhaps 1989. 1989 is the date some people would use to mark the end of this dichotomy. In that year, the fall of the Berlin Wall, symbolizing the fall of Communism, released the dominant classes in the West from the necessity of using the apparatus of the state to control change. Communism had posed a direct challenge to the West precisely in the field of change both theoretically and practically. Once Communism passed from the scene, the state was no longer an absolute necessity; it was really only necessary for control, but the state itself could now be dismantled and privatized for the benefit of those who controlled the means of production, which meant the managerial class. It was fortunate for that class that technology, particularly communications technology, had reached the point where it was relatively easy to control public attitudes and perceptions. The present situation, therefore, is a consequence of a fortuitous confluence of developments. The argument is being made today that, first, the state inhibits natural processes of change and development. The state is a danger to the natural freedom of the reified individual and of the natural power of the free market. Here we have to make it very clear that this is itself an ideological position, an historical artifact, and it does not carry either the force of science or of reason. Bhutan must deal with this question very seriously in GNH. In Bhutan, the transfer the locus of theoretical sovereignty from the ruler to the people has not yet taken place, if indeed it has even begun. Bhutan is therefore in a position to consider this matter carefully and pursue a course more suited to its own situation and

needs. In Bhutan the issue or dilemma of state vs. society has not been part of the political discourse. In fact, the role of the king in Bhutan suggests that this dichotomy, so central to all Western social thought, has never really existed. GNH ideology needs to reflect on the implications of this and on its meaning and potentiality in the definition and process of development.

In the Western *Weltanschauung* of modernity, the individual has become a reified being, which means two things: it means that the individual is assumed to exist in and of himself, and he is a thing in nature. Of course, this is contrary to both village society and culture and to Buddhist thought and practice. In the West, this reified individual, this thing in nature, is, by virtue of its natural existence, assumed to possess certain "inalienable rights" which neither the state nor society can contravene. This assumption lies at the heart of the Western suspicions of the state, which is considered inimical to these alienable rights; therefore, much of Western social, political and economic theory is concerned with protecting the rights of the individual. Since 1989, however, in the new "neo-liberal" world, the state is still seen as the enemy, but now the market has the right to transcend the rights of the individual. This is a serious and practical matter. The market does not need to account for the welfare of the individual. In fact, it is now assumed that the welfare of the individual will be taken care of by the market, and the market is protected by the theory from being called into question. The market is a transcendent natural force. In Bhutan, quite obviously, none of this pertains. GNH must critically examine these assumptions and provide its own set of assumptions based upon the experience of Bhutan, not the West. All this means that Bhutanese development is now taking place in a radically new context, in which the old liberal verities of the West have been canceled and replaced by new ones. Ironically, this effect allows Bhutan to pursue its own path.

The development and supremacy of market forces in the 19th century West was a political program that was based to a large extent on the emergence of an entity called the "nation". Originally, the concept of the nation emerges as a definition of a commercially viable market. In other words, a nation constituted that region and or people within which a common language, shared tastes, sheared conceptions of law and order, a shared system of weights and measures, allowed commerce to take place more easily than across linguistic and other boundaries. Based upon the market, a polity that could control the market arose. Gradually, a consciousness of the market emerged in the form of cultural and other nationalisms, so that the socio-economic unit of the market was reified into the nation-state, which then was granted a new past through the study of history (in fact, history itself, as an academic and educational subject, developed in this context).

After World War II, new states, including Bhutan for all practical purposes, emerged into a different world than that of the 19th century. This gives Bhutan an opportunity to define itself for itself, a question that is raised by GNH's concern to use culture as a defense of the nation's independence. It is important to note that liberal economic theory legitimated the nation-state

as a natural entity that existed along side the reified individual. We are well aware that in the last decade or so, particularly since, say 1989, the legitimacy of the nation-state has been called into question on at least two counts. First, it has been called into question by the assumption of the new supremacy of the market, particularly the global market, which trumps the interest of the state to protect itself. Second, it has been called into question by the movement for human rights, here under the guise of multiculturalism. The State is now being returned to itself, defined once again as a threat, and it is being dismantled at the same time. How is Bhutan to think about this in terms of its own interests? The New World Order is no longer the order of nation-states whose interactions are governed by international law. It is a world of disorder controlled, if it is controlled at all, by the forces of the market.

GNH and Development

A vital shift has taken place in the focus and theory of development since 1989 and the fall of Communism. Incidentally, we should note that the public discussion of GNH in the West, or at least in English, probably began about the same time, in 1987 or 1988. Consciously intended or not, this is a symbolic event.

Since the 16th century, European thinkers have been concerned with the problem of the increase of the wealth of their respective political entities, the wealth of the state (and empire) and, later, the wealth of the nation-state. In the great age of discovery, exploration, and conquest, the age of mercantilism, all debates in the social and economic realm centered on how to create more wealth for the state, how to increase the income of the state, to increase income over export. This led to regimes of controls of all kinds in order to prevent consumption and the uses of wealth that would diminish it. The importation of gold and other precious metals was encouraged; trade advantage was a prerequisite for power.

The extraction of gold and other precious objects from the Americas after their conquest, accompanied as it was by the almost merciless exploitation of the "native" peoples, was a perfect example of mercantilist economic theory. The British Empire's trade policies, restricting trade, to the extent possible, between, for example, South Asia and Britain and excluding other trade relationships, i.e., the old "imperial preference" system, was another example of mercantilism.

By the time Adam Smith's Wealth of Nations was published in 1776, a shift had taken place away from the theory and practice of mercantilism to the belief that only by maximizing the individual merchant's ability to trade and accumulate wealth could a nation's wealth increase. This new approach to economic activity was the obvious concomitant of the emergence of a capitalist class of individual entrepreneurs. The individual had replaced the state, and individual economic activity in a free market had replaced state controls and monopolies in the pursuit of wealth.

A least two characteristics of this kind of thinking are significant for GNH. First, development per se was not a part of either system of thought. It was the accumulation of wealth that was significant, not development. There was no necessary relationship between the two. Moreover, and this is the second point, power was the significant variable in the equation. Under mercantilism, the power of the state to conquer was crucial to the accumulation of wealth at the least possible expense. Since the state, with its power to monopolize, was the primary economic and political actor, power was the most significant economic factor, and this meant military and naval power primarily. After mercantilism, under capitalism, with its emphasis on the individual entrepreneur, the state's power was no less important but was now directed differently. Now its purpose was to create those conditions that allowed the individual entrepreneur or corporation to maximize its advantages. This meant that the cost of maintaining a trade regime and the law and order that were beneficial for the private entrepreneur or for a corporation was the business of the state. The cost of doing this was often borne by the colonized peoples or, in some cases, by the people of the metropolitan power through taxes. A perfect example of the shift from mercantilism to capitalism is the abolition of the East India Company's monopoly of the Indian market to the post mutiny colonial regime in India.

However, the state did not disappear from commerce. In order to trade, which means to have goods and services for export, states and nation-states sought to maximize advantages for their own merchants and producers. This meant the development of tariff systems that created advantages for one's own people in the development and production of goods.

Finally, by the time of World War I, it had become apparent that a combination of technology and trade had resulted in the emergence of a class of nations that were "developed" and the rest undeveloped. At least this was the expression we used until the 1990's. The technological basis of development was, first, a consequence of the need for military and transportation technology, in the periods of mercantilism, to enable certain states to conquer distant lands and to exploit them. This technology, for example military technology, geographical technology (maps) and sailing technology were crucial for the development of empires. Second, under capitalism technology became the basis for comparative advantage in production and commerce. It was widely recognized that technology was the basis for a new kind of productive power that would advantage those who possessed it over those who did not. In fact, a whole system of patents and trademarks, etc., developed to prevent the transfer of technology to those who might also be advantaged by it.

Development as such was not an issue until the Russian Revolution of 1917. That was the ideological turning point in the entire thinking about World economics and the world system. Two historical moments in Western history symbolize this shift. On April 2, 1917, Woodrow Wilson, the American president, gave a speech declaring war on Germany. He said, "The

world must be safe for democracy. " To all intents and purposes, this meant that the world must be opened to the kind of trade that the developing nations of the West found it advantageous to pursue. Democracy meant free trade, the abdication of the power of the state to control trade for its own benefit and the transfer of that power to the bourgeois class. The second date was November 7, 1917, the symbolic beginning of the Russian Revolution. The Russian Revolution was based upon the idea that it is not the bourgeoisie, not the capitalists, but the workers who actually produce wealth and should control it, and that, as the agent of the workers, the state had the primary responsibility for managing the economy in order to increase the standard of living of the working class, which meant increasing the wealth available for improvement. These two events symbolize the emergence of two totally different systems that were now in competition with each other. Competition between nation-states and empires now became competition between different ideologies and socioeconomic systems. The one used universalism, that is the argument that capitalism was natural, to argue for the political conditions that permitted the kind of trade that would advantage its own middle class of individual entrepreneurs. The other used the particularism of the interests of a particular class, the working class, to argue for a totally different trade regime. For the first, making the world safe for democracy, the slogan of "self-determination of nations", meant creating a trade and economic regime advantageous to the already developed nations. For the second, advancing the interests of Communism meant exploiting everything in sight in the interests of a particular class, and this meant reducing all trade to state controlled trade and production.

It is in the context of this contradiction between the two systems that the concept of development came to the fore, particularly after World War II. In fact, the concept of development was advantageous from many perspectives. First, in the contest between the two systems, each holding out different possibilities, development was advantageous to each in the competition with the other. For the Western nations, the capitalists, development was advantageous because it was a way of denying or negating the political attractions of Communism. However, that kind of development was not intended to be disadvantageous to the developed countries, so that, for example, the issue of knowledge transfer, of what is now called intellectual property, the question of development policy that would be politically advantageous but not economically disadvantageous, became crucial. This is one of the reasons why "uneven development" became a serious issue in the developing countries. Furthermore, the development policies of the West were intended to encourage the increase in strength of those classes and political groups in the developing countries whose interests would ally them with the capitalist countries. A perfect example of this is the Vietnam War. This was a war fought not over capitalism vs. Communism in a narrow sense but over the issue of who would be advantaged by development. The regimes in post-colonial Africa, corrupt and unstable but always serving the interests of the developed countries, provide another example. For its part, the Communists encouraged development to win political battles in the

competition with the West and to build military power, which it saw as a primary necessity in the competition with the West.

The non-Western and non-Communist nations, a kind of third-party in the struggle between Communism and capitalism, understood that in this contest the only hope they had was to engage in "nation building", to increase and modernize infrastructure in order to withstand the pressure and control of the two major camps. The whole theory of nonalignment was based on this, with development theory and political nonalignment between the two powerful economical political camps as the foundation of this approach. (We should note that although the rest of the world thought China and Russia were allied, in fact we now know that they were not; they were fearful competitors.) "Development theory" developed in the context of this world struggle, and it is important to note that no development theory proved to be really valid or successful.

In the perspective of both Capitalism and Communism, as well as in the perspective of the Non-Aligned powers, justice and happiness were understood to be a consequence of development but not to be the compelling reason for development. Development itself, not happiness or justice, was the goal. Capitalism argued that the individual would be happy if he or she accumulated more goods and wealth. In order for the trade system to work, consumerism had to be encouraged both in the developed and in the underdeveloped worlds. Consumerism was the way in which the capitalist system insured social stability so that production would not be interrupted. Communism argued that future generations would enjoy the advantages created by the present, so that the harsh regime of the present would pay off in future happiness. Both systems accepted the idea that injustice might be a necessary concomitant of their *Weltanschauung*, of their worldview.

The fall of the Berlin Wall in 1989, symbolizing the end of Communism, meant the end of the competition between the two world systems that contradicted each other. The field, the entire world, was now left to one of the world's systems, capitalism, and this radically changed the *Weltanschauung* of development. The Development State, to which we will turn shortly, the instrument for development in the period before 1989, is now being replaced by a new theory and a new phenomenon.

The new world system, the new economic regime, is globalization. In this new system or regime, development is no longer a primary economic or political objective. There is no need for it, in fact. Today, integration of all economies into one is claimed to be to the advantage of all. Because there is no competition, the global system of capitalism can now function without the need for development as it was understood in the 20th-century. Not the interests of the nation, not the interests of the people, but the interest of the market itself, reified, has become the focus of attention. Moreover, another consideration, which began to appear prominently toward the final quarter of the 20th century, was the rise of the multinational corporation to a commanding position as the primary player in the international economy,

replacing national corporations and individuals. Once again, now without development because development lacks any political purpose, the new global system sees happiness and justice as byproducts if they are important at all. Furthermore, in order to remove them as primary concerns or objectives, they have been reduced to individual concerns, so that the question of social justice or happiness in a society has been reduced to the question of the distribution of Justice as a commodity, which is the Liberal position today (see, for example, the American legal theorist Rawls), and happiness has become a matter of individual disposition with all kinds of measurements and therapies to improve individual happiness. We can even take drugs to be happier, so that happiness itself becomes a commodity on the market available to those who can afford it.

Two more issues must command Bhutan's particular attention. First, in all of this, small states have always been disadvantaged. Differences of scale are vital and are in fact differences of kind. None of the ideologies of development in the past have taken into account the fact that small states, small societies, are different. They lack the political power to withstand encroachment. For the most part, they lack resources to develop their own advantages. They lack the human resources to develop their own approach to their own concerns. Capitalism and, later, globalism have argued that small states should simply join the system. The rules of the market economy are universal, it is claimed, and apply to small states and societies just as they do to large ones. The asymmetry of power is not considered a significant factor. For Communism, the same criticism was valid. Communism argued that the analysis it made was valid for all societies, a kind of universal law of history. Gravity operated the same in Bhutan as it did in America or Russia.

Second, to the extent that small states accepted and made policy on the basis of the assumptions sold to them by the universalistic claims of the contending ideologies, they themselves were weakened in their attempt to find their own ways to the future. Now, under globalism, they are even told that they must surrender sovereignty to the global system, which itself is a playing field of asymmetrical power. Therefore, to the extent that small states buy into both the theoretical and the ideological claims of the specialists from outside, they weaken themselves.

This is the context within which GNH becomes significant. The reason why it has attracted attention is precisely because of the challenge it poses to the theories, ideologies, values, and politics of the powerful. It is, in fact, an experiment.

GNH and Culture

Both Capitalism and Communism legitimated the acquisition of greater wealth, though for different purposes and with different rationalizations. For both camps, however, the objective proved hard to achieve, and when a statistical improvement in the economy of a particular country appeared, new wealth was often so maldistributed within that country that social and

political unrest increased rapidly. With time, the optimism of the period immediately after the end of World War II began to confront the incontrovertible fact that there was a growing gap between the developed and the underdeveloped countries, between the “North” and the “South”. The terminology may have changed but the fact did not. “Development” became the term applied to the process of overcoming the gap.

For many reasons, pessimism with regard to the possibility of overcoming the gap increased with time, particularly in the 1970s. A factor had to be found both to explain the gap and to suggest the reasons why it existed. Both in Capitalism and Communism, “culture” entered the discourse to explain this gap. “Culture,” often equated with “tradition,” “traditional culture,” was deemed the culprit in the increasingly unequal development. Curiously, the Communists had identified the culprit from the very beginning and had pursued active, often violently aggressive policies to eradicate old cultures and introduce new ones. The Chinese “Cultural Revolution” was just such an aggressive attack on tradition and an attempt to wrench China from the clutches of the old culture and force it into a new one more conducive to development.

In Western thought, the concept that industrialization was a culture in itself, that the introduction of modern means of communication also required the introduction of the culture of modernization, became current. This ran all the way from insisting that modernization required the replacement of the “traditional” extended family with the nuclear family to abandonment of all kinds of “traditional practices” that hindered the emergence of the Western-type of individual entrepreneur. In short, the “underdeveloped” peoples of the world had to undergo social, cultural and psychological modernization if economic progress was to be made. “Science” had to replace “traditional values” and scientific disinterest had to replace the parochial interests of any part of a culture or the culture itself. It was, by the way, here that the idea of “technical assistance” and “development specialists” came to the fore, i.e., help and individuals that were scientific and disinterested in the question of value conflict.

This is not a trivial question by any means. Bhutan must be well aware of the fact that in its own region, the agents of development have introduced changes that are destructive of whole cultures. In fact, the issue has become sufficiently pressing that international organizations now speak of “cultural genocide,” by which they mean the cultural cost of introducing socioeconomic change that does not factor into its processes the question of the development of culture as well. His Majesty’s insistence that culture must be an instrument for the protection of the nation reflects this reality and calls for a creative response within GNH thinking.

Buddhism and GNH

In light of this discussion so far, an important question that has to be considered is the relationship between Buddhism and GNH. Two factors seem paramount. First, Buddhism may be considered, for the purpose of

this discussion, as a set of values that are quite different from those of the culture, Christian, in which development theory and modern political theory developed. For example, in the Christian *Weltanschauung*, the individual is considered to be a totally unique being, possessed of a unique soul, and to be the primary actor in all regards in the drama of his or her own salvation. This quite obviously impacts seriously on development theory and on the role of the individual. The great Western sociological thinker, Max Weber, emphasized the relationship between Christianity and the rise of Capitalism. Buddhism, for its part, refuses to reify the individual or any other entity. Consequently, the *Weltanschauung* of a culture that is Buddhist will be very different from that of one that is not. This, of course, is true for all cultures. However, it must be taken into particular account in Bhutan, where Buddhism and Bhutanese culture are almost isomorphic. To the extent that Bhutan is a Buddhist and not a Christian or Muslim society, its *Weltanschauung*, its social, cultural and political ethos, rooted in Buddhism, must be the foundation of its public policies. Change, in other words, must be based on Buddhism, not on other constructions of the world. This is the particularity and importance of GNH for Bhutan. To the extent that GNH has validity beyond Bhutan, it is because it raises vital questions that have heretofore not been central to political and social discourse.

Second, although we divide life into various domains, such as the personal, the social, the political, the religious, the psychological, etc., in fact life is not lived that way. It is a commonplace to recognize that my psychological condition will have an impact on my social life and that my economic situation will have an impact on my psychological life. In fact, life is a seamless whole. In this context, Buddhism and culture are part of that seamless whole. If in one part of our lives we engage in activities that are radically different in their quality and in their ethos compared to our activities in other parts of our lives, the whole fabric will change. Consequently, if we value Buddhism and if we value Bhutanese culture, the strategies and tactics we use for economic development must be intricately and intimately part of Buddhist and Bhutanese culture and its *Weltanschauung*.

This is a crucial challenge. Let us assume that a major directive, the prime directive, of Buddhism is to not harm others. Let us also assume that a prime directive of Buddhism is to create those conditions that allow all sentient beings to move along the path to enlightenment. If that is the case, then GNH must take as its own prime directive the development of those strategies and tactics that, first, do not harm sentient beings in the process of change, and, second, are immediately aimed at decreasing the obstacles, the "Negativities," that impede the search for enlightenment. If one takes this seriously, and if one assumes the seamlessness of life as a whole (itself a Buddhist concept), and if one understands that Buddhism as a value system differs from other value systems, as all value systems differ from each other, then GNH must approach development from a different perspective. Note that this is not a question of individual happiness or of

happiness in any immediate sense. The "Happiness" that we are considering as the objective of GNH means the removal of obstacles, the condition in which any negativity is diminished, not the immediate satisfaction of the individual as such.

The "happiness" of Gross National Happiness, in other words, is not to be understood in metaphysical terms. It is a very immediate and practical concept. It is possible to identify those developments and those already existing conditions that impede the realization of the values a society and culture, Bhutanese society and culture, hold high, hold to be important. The challenge of GNH is to design practical policies that achieve this objective. This must involve the redirection of resources to this purpose and, equally important, the development of education that self-consciously has the same purpose. It is indeed true that, for example, consumerism grows partly because of the introduction of TV and other forms of information technology. TV and IT cannot be removed once they are introduced, and any attempt to do so would probably be counterproductive in terms of the values of GNH. However, their presence must be accounted for in the development both of regulations controlling consumption and the development of an educational system that will strengthen or redirect the attention of the next generation away from consumerism and toward the values GNH is promoting.

THE GNH STATE

After World War II, "development" emerged as the primary strategy to close the widening gap between the developed and the "underdeveloped" economies. For the capitalist West, this strategy had two important purposes. First, in the conflict of the Cold War, "development" was a political move that enabled the West to prevent one or another country from joining the Communist side in the Cold War. (During a certain period, the United States, the chief power of the West, considered even non-alignment equivalent to be opposition to the West.) Second, in the turmoil of the anti-colonial struggle that characterized politics in Asia, Africa and Latin America from the late 1940s to about 1970, "development" was a technique to bring the rebelling societies under control by holding out the hope of socioeconomic improvement while granting them formal independence; "development" almost always meant political ties, and even lines of control, with the power granting aid. Development was the alternative to the reassertion of colonial control, which the independence wars in Southeast Asia after 1945 showed the West were too expensive. Development was, in the long run, cheaper, financially and politically, and it continued the Capitalist powers' access to the raw materials of the underdeveloped regions.

The Communist camp entered into the same "game" with almost the same objectives. The primary difference was that while each side wanted to prevent "underdeveloped" countries from allying themselves with the opposing group, the Soviet Union wanted to deny the West access to the raw materials of the developing countries, hoping thereby to inflict some economic damage on its opponents. Not long after the victory of the Communist revolution in China, China and the Soviet Union also entered

into competition to sponsor development in the “Third World,” although this was recognized in the West only after about 1960.

This combination of relationships was precisely what gave the impetus to the creation of the non-aligned movement, to which Bhutan adhered.

The primary instrument for development, whether sponsored by the West or by the Communists, was the State, and the primary concomitant of economic development was a process that came to be called “nation building”. “Nation building” is a term that refers to the construction of the institutional infrastructure that will provide the political structure of the State, whose primary task in this historical conjuncture was to guide and channel the economic change in the directions the providers of economic aid expected. Very often, the construction and strengthening of the security forces was the primary form taken by nation-building. Nation-building also included activity in areas like education, which had two purposes: (a) the preparation of the personnel resources required for economic development, primarily in technology, and (b) ideological, the construction of a sense of identity, of a mentality, that would accept, even demand, modernization and that would protect the interests of the sponsoring powers. “Specialists,” ranging all the way from military specialists, specialists in the production of power, in agriculture, and in law, to specialists in child-rearing and in education, were provided by the sponsoring nations, and organizations for the recruitment and dispatch of these specialists became a primary vehicle for the process. The United Nations eventually entered into this domain in an attempt to provide “disinterested” direction and aid, uncommitted to either side in the Cold War. (The latest avatar of the organization of “disinterested” specialists is the NGO.)

We can call the State that was created to serve as the primary agent of this process the “Development State,” whose role was central to national development throughout the “Third World.”

The Development State and GNH

We can define “development state” as a state whose primary *raison d’être* is economic development, and the function of the development state is to coordinate and concentrate the nation’s resources on development, rather than on any other competing objective. Indeed, the development state is the kind of state that is most consonant with contemporary neo-liberal socioeconomic theory and practice. It was characteristic of the development state that it was required, by and large, to accept as its own the sponsoring power’s general economic theories and theories of development.

Bhutan, never colonized by an external power, embarked on the path of development earlier than most of nations of the “developing world,” which achieved independence only after World War II. Some “developing nations,” such as Korea and Taiwan, had already benefited from the economic policies of the empires of which they had been a part, but for the most part

development began only after World War II, more frequently only after independence. Bhutan started itself on this path much earlier.

When Bhutan became aware of the importance of the economic and technical disparity between itself and the surrounding world, and of the need to close the gap, is not entirely clear. Certainly during the Duar War, the disparity was not yet pronounced. In fact, reports that "Bhutanese" soldiers may have been using rifles or guns of some sort suggest that the disparity was not as pronounced as it was later to become. Infrastructural and institutional changes introduced during the early decades of the Monarchy were probably more intended to strengthen the control of the new state over the country than they were to close the gap between Bhutan and the outside world. It is also probable that consciousness that the asymmetry of power and development between Bhutan and the more developed world could be a threat to national existence developed as a consequence of events in the subcontinent and to the north in Tibet in the period from 1947 to 1950 or thereabouts. And that would explain, in a certain way, the establishment of the National Assembly in 1953 as a means to mobilize the people for the project of development.

The concentration on economic development and infrastructure during the reigns of the Second, Third, and Fourth Kings, that is to say, the emphasis on the character of the state as a Development State, can be understood more clearly in this light. However, given the nature of Bhutanese culture and society, the character of the state as a Development State necessarily remained incomplete. The very asymmetry of power, that is to say, the vulnerability of Bhutan, suggested that development *per se* was an insufficient response to the magnitude of the asymmetry between Bhutan and India on the one hand and Bhutan and China on the other. The magnitude of the asymmetry must have become more and more apparent as Bhutanese, particularly the Kings, began to visit India and as the magnitude of what was happening in Tibet began to impinge itself on the consciousness of the nation's leaders.

While the Bhutanese state developed a monopoly of coercive power, it was never an unlimited state because of the various factors, including geography, which inhibited the assertion of unlimited power, and because of the existence of local power in the villages, which had a traditional basis reinforced by poorly developed communications, etc. While in the developed West the limitation of the state is institutionalized in constitutions and, historically, by the parallel existence of the church and of civil society (particularly after the 17th century), no such institutions existed in Bhutan, unless, of course, one considers village society as a civil society. Is interesting to think about the fact that the Zhabdrung's polity, in which the political and religious were combined both symbolically and materially in the Dzong, was almost the opposite of the polities developing in the West at the same time, whose modern avatars are the sponsors of development and nation-building. The present process of introducing a constitution and Western-style law, a key part of the process of "nation-building", may be less

an attempt to limit the state, as happened in the West, then it is to give a sense of legitimacy and structure to an already existing state, particularly in its dealings with the outside world as it seeks more development investment, and to bring itself into concert with foreign norms. Because the Bhutanese state already existed independently before it came into close communication with the world economy (unlike certain independent states in, say, Latin America, which were part of the world economy before independence), and because it was “independently independent”, that is to say, it was always independent and did not gain its independence from a former colonial power through which it was integrated into the world economy, Bhutan constitutes something of an exception in the process of development and of nation-building.

The unique qualities of Bhutan’s nation-building and development processes may be highlighted by comparison with others. In the United States, which is one model for construction of national institutions, there is a “limited state” by virtue of the constitution. In Great Britain, on the other hand, the state is unlimited precisely because it has no constitution. Tradition, custom, and the famous British sense of fair play are what limit the British state in contrast to the American state, which is limited by a written document. In this sense, the British state is a total, even a totalitarian, state that may legislate on any subject whatsoever, while the American state is greatly restricted on what it may legislate about. Now what is important about this is the fact that the British state, in the absence of a constitution, is probably more a model of peace and liberty than the American state is with its constitution. In Bhutan, without a tradition of parallel structures that limit the state or a tradition of civil society defined as separate from the state, the state itself seems to need to impose upon itself certain constraints. Whether consciously or not, the ideology and, therefore, the practice of GNH imposes certain constraints on the power of the state.

If the Hobbesian view of the state, “Leviathan”, were correct, and without the state we would live a situation of war of all against all, then Bhutan, in the period before 1907, would have been characterized by such a war. In fact, however, it is obvious that Bhutanese society in and of itself did not disintegrate into such a war. Only the polity disintegrated; village society survived. This suggests that the Hobbesian view does not apply to Bhutan, but it also suggests that many of the issues that confront Bhutan today are the consequence of the still problematic relationship between the new institutions of the state and Bhutanese society itself.

How can the Bhutanese state, now in the process of transformation, handle the social and moral consequences of development? How will GNH deal with these consequences? We may assume that in traditional village society a certain degree of trust and of mutual dependence provided stability for continuity of social interaction and of social life. In traditional society, corruption was a function of the asymmetry of power within the society and could be considered oppressive within that asymmetry. Modernization, as we can see in Bhutan, suggests a shift, as it does elsewhere, from a culture of

traditional mutual trust to a culture of accountability. A culture of accountability suggests the need for the values of the society to be made explicit if any system of accountability is to work. Even then, as we have seen in the West, this shift from a culture of trust to a culture of accountability seems to lead to more tension and strife, to a more litigious culture. Many examples of this can be cited. In this context, GNH must be an assertion of the values that underlie a growing culture of accountability that is replacing the culture of tradition in Bhutan. In the modernizing culture, corruption may still be a consequence of an asymmetry in power, but the values that inhibit it are seriously eroded. Law, in other words, Western-style law, is not sufficient to prevent corruption; in fact, it does not inhibit crime, strife, or tension; on the contrary, experience from other societies shows that it may be a source or cause.

The growth of the modern state in a very real way converts power into an instrument of the ruling class, but it also becomes a vehicle for the emergence of the ruling class. For example, in Bhutan, the extent to which the new bureaucracy, the civil service, is able to use asymmetrical power to its advantage in the acquisition of sources of wealth and income as well as of privilege, suggests its emergence as a new kind of modern Bhutanese ruling class that did not exist previously. This new modern ruling class is a consequence of development policy, of modernization; it is not the same thing as the classical bourgeoisie in the West because it is created by the state to serve the state's purposes; it did not develop apart from and in rivalry with the state. The state, therefore, can become an instrument of corruption that this new emerging modernized ruling class may take advantage of because it is part of the state. Within the context of the erosion of traditional modes of social behavior, which would define lawlessness as contravention of tradition, traditional lawlessness now becomes a legal question. It also needs to be emphasized, or at least pointed out, that the conscious assertion of traditional modes of etiquette reinforce the use of traditional social attitudes to support the emergence of the modern new ruling class. His Majesty's promulgation of GNH becomes a problem for the bureaucracy as the new ruling class precisely because it asserts a set of values deeply rooted in the traditional culture and ethos that contravene the self-interest of the bureaucracy itself. This is one of the reasons why it has been so difficult to operationalize GNH. Moreover, it is a reason why strong leadership from His Majesty himself, the only focus in the society of traditional social values by virtue of the loyalty and respect he commands among the people, will be absolutely necessary for GNH to succeed. In a way, His Majesty will have to provide this leadership by leaping over the bureaucracy which modernization created in the modernization process that he himself has promoted. There is a deep irony here. Anthropology has shown that stateless societies have a far lower level of anti-social behavior than modernized or modernizing states. And yet, in the contemporary world, not to modernize is to disappear, to be absorbed. To the extent that GNH is a self-conscious attempt to modernize traditional values and systems of thought so that they can function to guide and control the process of modernization, GNH requires action and demonstration.

GNH, in other words, can be understood as functional in the historical context of modernization as a basis for policy formation rather than as an expression of high moral Buddhist values. It is this dimension, rather than the Buddhist dimension, that makes GNH significant for non-Buddhist societies. Within Bhutan, GNH is the vehicle for the transformation of the model of the generic development state into a state that exemplifies Bhutanese, and therefore Buddhist, values. As counter-intuitive as it may seem to development specialists and theorists, driglam namzha is a sine qua non of GNH.

There is an irony here: Traditional societies are, on the whole, socially conformist societies. In such societies, and traditional Bhutan was certainly such a society, nonconformists had a traditional outlet, to wit, the mental or spiritual world Westerners call religion. Drukpa Kinley, for example, is a superb example of a nonconformist who, as such, played an important role in a conformist society. Modernization contains a component of nonconformity, and this gives rise to the question of regulation of nonconformity. Conformity and nonconformity are always culture specific. Here again, GNH is attempting to reassert traditional values. GNH does have a spiritual, mental aspect, and it needs to be understood in this context. The imposition of Western-style law and legal systems, a crucial development in development theory, does not substitute for or improve upon tradition. Quite the contrary, without an elaborated understanding of GNH's relationship to traditional values and behaviors in this sense, the Westernization of the legal system may be counterproductive.

There is another profound contradiction between Western development policy and GNH. Development policy in its present form and in the present context, particularly in its insistence, at least verbally, on the use and growth of the private sector, must of necessity emphasize the primacy of individual advantage as the motivation for growth. Like it or not, development within the context of capitalism cannot escape this fact. GNH, on the other hand, at least as we tend to speak about it, emphasizes not individual advantage but, precisely, "Gross National Happiness", which is not simply an aggregate of individual happinesses (this is precisely why any attempt to measure individual happiness contradicts GNH). This is an inescapable contradiction that cannot be papered over with any reference to traditional or Buddhist values. Quite the contrary, it can be resolved only by means of policies specifically designed according to GNH. The GNH state, in contrast to the development state, has as one of its primary functions the transcendence or resolution of the conflict between individual advantage, which is the very cornerstone of capitalism-inspired development, and the common good. In any society individuals can act in ways that are individually rational but socially destructive, or rational in terms one objective and but destructive in terms of others. This contradiction, before the emergence of the Bhutanese state, would have been resolved within the context of traditional structures and at the village level. Now, however, that

potential resolution has eroded or been superseded by modernization. Consequently, the GNH state must play that role.

It now becomes apparent that if the development state is focused primarily on the process of economic development and nation-building, the GNH state, the state based on the theory and practice of GNH, must consciously incorporate, and enforce, a set of values, must develop institutions, policies and actions based on those values, and must understand itself as a social mechanism dedicated to development within, not apart from, those values. Indeed, GNH values and institutions are the necessary framework without which Bhutan will lose its specificity.

A similar argument can be made with regard to Bhutan's entrance into the WTO. GNH aims at the preservation of Bhutan's sovereignty. Now, it is painfully clear to everyone that the WTO institutionalizes the asymmetry of power that characterizes any society lacking a strong sense of fair play values. This became very apparent at the WTO negotiations in Cancun in the fall of 2003 and at the Western Hemisphere negotiations in Miami shortly thereafter. GNH insists upon a set of values that ensure that the interests of the whole will predominate in Bhutanese society. The GNH State, therefore, must be the guarantor of the values and policies of GNH. This is one of the traditional of functions assigned to the state in Western political theory: the preservation of a level playing field. Of course, we know from practical experience that in most cases the state does just the opposite: it preserves or promotes the advantages of one sector of society over others. The WTO is society without a state. Were Bhutan to join the WTO, it would by very definition place itself in the position the disadvantaged. If there were a global superstate that functioned to preserve the level playing in the global economy, the GNH state would find the WTO a reasonable opportunity. But there is no global superstate, and Bhutan would remain totally disadvantaged in a game skewed in the interests of the strong, namely North America and the European Common Market. (It must be kept in mind that at the present time, Bhutan benefits from the strong ethical values of nations like Japan and the countries of Western Europe that are donors of development aid, but this is not systemic.) Bhutan needs to study closely the implications of the Cancun and Miami negotiations in light of GNH policies before it makes a final determination with regard to application for WTO membership. In other words, the desire to preserve national sovereignty and Bhutan's own path to development and the decision to apply to the WTO may be contradictory not just for reasons of danger to national culture, etc., but because of the very asymmetry of power implicit in the structure and processes of the WTO.

A discussion of the development and the GNH state must also take account of the distinction between state and government. In fact, the Kasho of 1998 institutionalized this distinction when His Majesty decreed the establishment of the Government. This was a radical departure. Previously, in the 1960's, the Third King had a Prime Minister, but that Prime Minister was not the "head of government;" rather, he was the primary assistant to,

and representative of, the king. This is a very important point to make. The coexistence of, or rather the distinction between, the government and the state suggests that the government is not simply the representative or agent of the king. Indeed, the king has made it very clear that that is not his intention. It would seem that the question now must be asked: Is the Bhutanese government supposed to control the state, that is to say, is the Bhutanese state not to be defined as the instrument for the execution of the government's policies? This is certainly is the understanding of the concept of government elsewhere. But the Bhutanese government was established in 1998 before any mechanisms were created by which the policies of the government could be determined. In some Western societies, this determination is made by "democratic politics"; in others, it is made by a party organization, by the military, or by some other instrumentality. Nothing like these methods exists in Bhutan. Nor, in the abstract, is there any necessary consonance between the concept of democratic government and the concept of good governance, which is an important idea in Bhutan. There is no guarantee of the one by the other. Plato raised this issue at the very beginning of political theory in the West, when he made two arguments: First, he argued that only people trained in the appropriate values -- those he called "philosopher kings" - should rule. Second, he argued that the entire structure of the state had to rest on a "noble lie." In other words, good governance required both careful guidance and an over-arching myth. It must be understood that Plato's concept of "myth" did not imply falsity; he understood that the state, any state, required a theory, an ideology, to function well. Aristotle, historically the second great political thinker in the West, was, for his part, suspicious of both democracy and Plato, but he too argued that "the excellent" must rule if society and the polity were to be stable. In Bhutan, GNH may well provide the over-arching myth that is one of the keys to Plato's good governance and Aristotle's stability. But this leaves the question: who will be the philosopher kings? Who will be the "excellent"?

The GNH State

By now it should be apparent that any discussion of GNH must also be a discussion of the GNH State. Otherwise, GNH remains a theory, even a slogan, with no practical policy application. The concept of the GNH state is a potentially revolutionary one for Bhutan and, by example, for other societies beyond Bhutan.

The history of the Bhutanese state has already been discussed. It is the history of the development of the state as the primary actor, the "subject", of political action in Bhutan. Between 1907 and 1998, "coercive power," that is, the power to make things happen, was increasingly concentrated in the person of the King, and the creation of certain institutions, such as the National Assembly in 1953 and the Royal Advisory Council in 1965 contributed to that concentration.

Leadership, however, while primarily located in the person of His Majesty, was not completely concentrated in him. The Je Khenpo, who is almost co-

equal with the King, as suggested symbolically by the fact that they wear similar colored scarves and are always portrayed as sitting on almost the same level, had and had responsibility for the Monk Body, which to all intents and purposes remains a separate community. This structure goes back to the Zhabdrung's polity and is reinforced by the presence in the National Assembly of representatives of the Monk Body who were not chosen, and now are not elected, by the electors as a whole; they sit as representatives of the Monk Body itself. Finally, at the village level leadership continued to be lodged in the person of the gup, though over time the method of selecting the gup changed and to no small extent the gup has become an instrument of the State.

The centralization of appointment and control of provincial leadership (Dzongdas on down), which the First King began, is the process of extending the Center's "coercive" power and leadership down through society (indeed, this can be seen in the progressive incorporation of the country into the 'national' administrative structure in the succeeding reigns through the extension of the system eastward).

The creation of the Royal Civil Service Commission and, indeed, the entire concept of the Civil Service, can also be understood as an instrument for the penetration of central control down through Bhutanese society.

The policy of decentralization, an integral part of "good governance" at the present time, contradicts, on the one hand, the concentration of leadership and power that is the very definition of the State. On the other hand, the center's policy of decentralization concerns the extension of the legitimacy of the central state to local institutions, because decentralization flows from the center to the periphery and was not forced on the center by the periphery, as happened in other societies. By extending legitimacy downward through decentralization, the state is really concentrating legitimacy in itself. This is necessary if the state is to legitimate GNH as its prime directive and was a process undertaken with great foresight.

Because economic planning and development have been the primary function of the Bhutanese state in the last decades, this process of decentralization has to no small extent been concentrated within the economic planning and development sphere. The roles of the DYDs and GYDs point in this direction.

The GNH state consists of three primary components. Its institutions are already in place, created by the development state in the more than ninety years since 1907. Its personnel are also in place in the form of the Civil Service, although some attention may need to be given to the further training of the Civil Service in GNH values. The third component, to which attention now needs to be directed, is the specific ideological and operational aspects of the GNH state.

The Characteristics of the GNH State

In the final analysis, all political and institutional actors in the Bhutanese polity must be guided in the development and execution of specific policies by generalities that can be described as the characteristics of the GNH state. These can only be sketched in broad terms; their realization is a matter for policy formulation and implementation.

As a Buddhist, more specifically a Mahayana Buddhist, state, the Bhutanese state assumes primary responsibility for the creation of a society in which the individual's progress toward enlightenment is not impeded by unnecessary suffering, material or mental. This is the very heart of GNH and what distinguishes GNH from other development programs. It is the point of departure for the formulation and implementation of GNH development policies. The GNH state undertakes, therefore, to minimize those material conditions that can be disruptive. All citizens must have a means to obtain an adequate livelihood, which suggests that the State must adopt a full-employment policy and must be the employer of last resort. The GNH state does not assign ultimate responsibility for this to the private sector or to the market; they are only a means to an end for which the State itself is ultimately responsible. Furthermore, since significant inequality of income can lead to disturbance both in the social and the mental domains, the GNH state is committed to minimizing the spread of income and the concentration of wealth among the Kingdom's citizens. The use of natural resources, the development of economic enterprises and the development and operation of public services must be managed on the basis of these principles.

The GNH state also encourages the development of a social and cultural environment that parallels the economic environment and is conducive to the same ends. The stability of the traditional family, the promotion of a life-style, particularly a village life-style, and the development of a cultural life in which all members of the society can participate, are integral parts of GNH policy.

All this must be supported, indeed must be realized, through an education system that has as its primary concern not only training in literacy and other skills but also in GNH values and ideas. In many countries in the world, "civic values" are an important part of the curriculum in all schools. Successful modern societies depend upon educating each succeeding generation in the values that are at the core of the social existence they will lead. Bhutan has made remarkable strides in the development of its educational facilities. Special attention now will need to be paid in the educational system to the inculcation of GNH values and a mental attitude that will find GNH practices to be both satisfying and the object of expectation.

THE OPERATIONALIZATION OF GNH

Introduction

The operationalization of GNH now appears as a reasonable and logical development in the history of Bhutan and of the Bhutanese state. The Zhabdrung introduced the first polity and law code into Bhutan of which we have documentary record. The polity was based on the intrication, the virtual identity, of the administration of the formal Buddhist institutions, the monasteries and the Monk Body, and what, in modern terms, we would call the secular. We must understand that in our understanding of the Zhabdrung's times, this division was formalistic and represented different administrative needs; it was not a clear distinction between different domains either sociologically or ideologically. In real life the two "domains" were part of the whole in which some people specialized in productive activity and others in dharmic activity. The Zhabdrung's administrative division between the Desi and the Je Khenpo reflected these different activities and responsibilities.

Although the period between the time of the Fourth Desi and the establishment of the monarchical state in 1907 was an era characterized by the absence of an integrating polity, an era of disunity and conflict within the geographical Bhutan of the time, Buddhism remained a constant in Bhutanese cultural and daily life. In other words, both the people of Bhutan themselves and those who established and developed the monarchical state were participants in a common culture that, for reasons not germane to this paper, did not experience the appearance or growth of secularism. In practical terms, this meant that institutional Buddhism and Buddhism as thought and practice constituted the broad and profound Weltanschauung of the Bhutanese people, and this is no less true today. Buddhism is the shared experience of all classes of the Bhutanese people, from the upper to the lower reaches of society. This observation finds constant symbolic expression in every aspect of Bhutanese daily life.

As Bhutan and its state apparatus developed, the question of the direction of development appropriate to Bhutan quite naturally led to His Majesty's promulgation of the idea of GNH. All the experience of the Bhutanese state and society led to this point. We may ask why the idea of GNH has become a conscious challenge instead of an implicit assumption that gives form and content to the development process. The answer to this question is important for the discussion of the operationalization of GNH. This paper has argued that the changes that took place in the world around Bhutan changed the context within which the changes within Bhutan were taking place; changes in the external context of Bhutanese development themselves became a part of the process of change and development within the country. At the same time, the changes within the country required reflection on change and on the question of the institutional and practical expression within the process of development of the conscious direction Bhutan wishes to pursue. GNH, then, arises out of the very nature of Bhutanese history and of the Bhutanese polity and is a reflection on that

historical experience while it is, at the same time, a description of the future path Bhutan will travel.

While GNH grows out of the experience of Bhutan, it has been recognized that the concept of GNH has applicability in the broader worldwide reflection on the present condition of both developing and developed societies, all of whom are beginning to experience discomfort and crisis, and on the future of development theory, policy and practice. This is of great significance for Bhutan, because it will provide, as time passes, a context within which Bhutan itself will be able to review and revise its own thinking on these matters. In other words, the applicability of GNH outside of Bhutan, even in non-Buddhist societies, will provide Bhutanese thinkers and policy makers with valuable interlocutors. (It may be noted at this point that, within the Kingdom of Bhutan, there are non-Buddhist people who are subjects of the King. They certainly belong to the Bhutanese polity, if not to the Bhutanese-Buddhist culture, and will benefit from GNH as will all the Kingdom's Buddhist subjects. This is an example of the way GNH may have applicability to non-Buddhist communities at the same time that it is the expression of Buddhism in socioeconomic development. This is no different from the presence and participation of non-Christians in essentially Christian societies in Europe and the Western Hemisphere. Secularism is not a pre-requisite for multi-culturalism.)

GNH and Economic Development

Development for its own sake is not GNH. By development for its own sake we mean development that aims primarily at statistical growth in the material domain (development of material resources and the production of primarily material goods and of services); development whose success or failure is measured statistically but does not take into account the by-products of policies formulated and implemented; and development that is primarily sectoral in terms of evaluation and does not take full account of the integrated consequences of the development policies formulated and implemented. Unintended consequences are of the result of insufficient attention being paid to the ways in which each part of development fits into the whole and impacts other sectors or domains.

The difference between GNH and economic development per se may be defined in this way: Economic development is concerned with the increase of the means of production, including human resources as a means of production. The Five-Year Plans are excellent examples of this. The integration of the various components of the Five-Year Plans is a crucial variable, i.e., lack of appropriate integration may lead to uneven development of one sector over another, with consequent difficulties.

GNH, therefore, is an integrated and systemic approach to change, with certain particular objectives, into which economic development must be consciously integrated as one, but only one, component. Economic development, as defined above, is part of, but neither the whole of GNH nor

its primary objective. Ultimately, GNH must determine the course of economic development and not vice versa.

GNH requires comprehensive planning, whose point of departure is the complex of values that define GNH. The evaluation and implementation of policies must take place within the framework of GNH values. Existing and future resources must be directed to the achievement of the goals of GNH. GNH requires economic development. Economic development is unavoidable in today's world, but the direction it takes and the objectives it seeks to realize are a matter of choice, and we must exercise that choice if we want them to be masters of our own future.

GNH and Buddhism

We have defined GNH in non-metaphysical and non-individual terms: It is a policy that seeks to remove from the political, social and economic life of the Bhutanese people those conditions that lead to, or lend themselves to, the development of the conditions that Buddhism defines as "negativities," which means those factors that inhibit an individual's progress toward enlightenment. GNH, in other words, is not about the realization of Buddhist values as such. It is the creation of those conditions that enable the members of the society to realize Buddhist values; it is about the elimination of those conditions that prevent the eradication of the obstacles that stand in the way of the realization of Buddhist values.

Buddhism may be a worldwide phenomenon today, but our immediate concern must be the operationalization of GNH within Bhutan itself, to which we shall now turn. What does this mean in practice? Let us take an example. We can argue that those conditions that give rise to anger, resentment, and social distractions are the conditions to which GNH, as a policy must attend. We can make a fairly clear distinction between those issues for which a Buddhist GNH state should take responsibility and those issues which, presumably, can be assigned to the responsibility of, let us suggest, individuals or the monk body. For example, those conditions which give rise to anger from social and economic conditions are the province of the GNH state and its policies, while those conditions which give rise to anger from personal or private conditions, such as marriage problems, psychological problems, and the like, should be assigned to other provinces, for example to the monk body, psychologists, etc.

We may assume that a great disparity in income between the higher levels of society and the average people is a source of resentment and anger on the part of the people. Similarly, we may assume that the real or potential anger of the people may become a source of fear on the part of the higher levels of society. To some extent, both ends of the income spectrum may suffer from a significant disparity in income. It follows from this observation that the GNH state must make policies that will diminish, to the greatest extent possible, the income disparity in society. From this we can conclude that the state must make policy to maximize national income for the purpose of redistributing it in such a way as to diminish income disparity. Note that

this cannot be done by the operations of the market in any neo-liberal, or WTO, sense. It is widely recognized that membership in the WTO does not necessarily improve income distribution within a member's economy. In fact, it may exacerbate it. Globalization has led to increased income disparity even in the United States, for example.

We may also assume that unemployment can become a source of social discontent with consequences that are easily predictable. Such consequences will inhibit the realization of those values about which we are concerned. It follows, therefore, that the GNH state must make policy that will assert the overwhelming importance of the objective of realization of full employment in the society. A realistic assessment of the prospects of the private sector leads to the conclusion that while the private sector may contribute to alleviating potential unemployment, it is incapable of accomplishing this task alone. The GNH state must become the employer of last resort. This is a major conclusion. For example, it suggests that a reconsideration and reformation of the civil service may be useful if the GNH state is to achieve its objectives, and very serious attention needs to be paid to the question of factors that are extraneous to the issue of employment or are becoming a factor in shaping Bhutanese employment patterns.

Carefully controlled urbanization and a very aggressive policy of creating conditions that will encourage people to remain in the villages are an absolute necessity if urbanization is not to take place in such a way that urban problems become, as they are becoming, sources of those conditions that will inhibit the realization of our values. Urbanization is not an end in itself, nor should urbanization be considered an historically unavoidable process. Nor is there any reason why Bhutanese modernization should follow the same patterns as other societies. Bhutanese policy must be made not in terms of modernization as symbolized by urbanization but, rather, it must be formulated in terms of the kind of society we want to create in the future and the policies that are absolutely necessary today to achieve that future society. Therefore, careful consideration should be given to the kinds of urbanization that will benefit the GNH state and to those policies that may lead to the encouragement of people to find it more attractive to remain in the country rather than migrate to urban centers of any kind. We can give some specific examples: the creation of one or two schools, perhaps one in Bumthang and one in Trashigang, to mention two places, that are of such superior quality that they are better than any school in Thimphu, and whose graduates will be guaranteed civil service positions, but whose parents must live in Bumthang or Trashigang, or who must be peasants in those areas, will do more to keep people out of Thimphu than to encourage them to move here. This is only one example. We can imagine ten such schools established throughout the country with such conditions as we have suggested. Decentralization, in other words, accompanied by particular advantages for those who remain out of the urban centers, will do more to accomplish our objectives than the kind of planning currently being undertaken. It doesn't matter whether the schools are public or private, as long as they follow the officially prescribed curriculum.

The number of people in Bhutan who reach retirement age will increase with time. The GNH state can develop policies that will specifically advantage people who retire to the countryside from jobs in urban centers, and it can also develop policies that will encourage people living in the countryside to remain in the countryside.

GNH is not a psychological problem. It is not a religious problem. GNH is not a problem of defining or measuring happiness. It is a policy problem, the formulation and implementation of policies that are guided by the overarching principle of GNH and whose success (or failure) is measured and evaluated in terms of this principle. That is what the operationalization of GNH requires.

We now turn to some practical examples of these general principles.

Proposal for a GNH Directorate

The operationalization of GNH requires an institutional framework for development and guidance. Without such a framework, GNH will remain a slogan and a hope but will not become a reality. This implies an administrative innovation: the creation of a GNH Directorate, as we shall call it here. This Directorate would be a small, highly efficient and mobile group whose mission would be the development and management of the GNH program.

The GNH Directorate would have primary responsibility for developing the GNH plan and for ensuring the integration of economic planning and other activities into the overall GNH plan.

The GNH Directorate will have primary responsibility for the evaluation of all social, economic, educational, and social programs of the government and the private-sector to determine their impact on the development of GNH and to recommend those changes, developments, innovations, etc., that would bring the programs into line with GNH. This would be something like a GNH audit or an environmental audit, and it would be carried out on a continuing basis.

The GNH Directorate would be responsible for research in those fields that are deemed particularly significant for GNH. (See below "Research")

The GNH Directorate would be responsible for planning and organizing volunteer groups and for other institutional arrangements that would particularly serve the purposes of GNH.

The GNH Directorate would have responsibility for recruiting and dispatching selected personnel overseas for training in particular fields of importance.

In order to assure the importance and significance of the work of the GNH Directorate, the members of the Directorate should be appointed directly by His Majesty the King, and the Directorate should report directly to His Majesty or to whomever he designates to act in his place in matters concerning GNH. The Directorate should make an annual report both to His Majesty and to the National Assembly. This report should be published and widely disseminated throughout the kingdom. The people's representatives should be invited to comment on the report in the National Assembly, and their comments should be included in the report published for dissemination. The report should be written in a language that anyone who has completed six years of school could understand.

The ongoing recommendations of the Directorate should be submitted to His Majesty for approval and then conveyed to the various responsible figures in each sector. The Directorate should then monitor the results of its recommendations.

There is no question that the creation of a GNH Directorate would be a momentous innovation in the further development of the Bhutanese state. However, its potential for creative and imaginative deployment of present and future resources in support of the objective of operationalization of GNH is immense.

GNH projects

The boundaries of potential GNH projects, projects that constitute the core of GNH operationalization, are the same as Bhutan itself. There is no aspect of public or even private life in Bhutan that does not fall within the field of GNH concern and that does not suggest ways in which GNH can be operationalized on a very practical basis. We have suggested some areas of concern above. What follows here are only suggestions. Ultimately, the determination of priorities and the initiation of projects must be the responsibility of the proposed GNH Directorate or some similar body.

The construction of a national community and the national consensus

GNH rests upon, and must result in, the construction of a national community that itself participates in the GNH project. By National Community we mean the community in which each citizen of the kingdom feels himself or herself to be a member of a common project that is Bhutan and the construction of the GNH community. The foundations for this community must be laid through education and through the conscious use of the decentralization process to incorporate people directly into the project. Given the nature of Bhutanese society with its strong hierarchal cast, it may be advisable to develop a core of facilitators whose function it would be to attend meetings at all levels in order to encourage participation by everyone in the national discourse. A small group of facilitators could be trained and given an institutional home in the GNH Directorate. For example they would attend GYT and DYT meetings to encourage truly open participation in discussions and to provide an independent report of opinions.

In addition to the development of a national community, attention should be paid to the construction of a national consensus that supports both GNH and good governance. The national consensus would be the consequence of the kind of conversation that the facilitators would encourage. In fact, the concept of a national community and the concept of a national consensus are really two facets of the same process.

Sectoral planning

The operationalization of GNH will require the integration of sectoral planning in the course of the present and future five-year plans under the aegis of the GNH Directorate. Those responsible for sectoral planning and for overseeing the implementation of the five-year plan in each sector should be required to attend carefully planned GNH seminars in which not only are they encouraged to think of their activities in GNH terms but also to produce plans both for cooperation and for integration of their respective sectors into the larger GNH Project. The facilitators corps of the GNH Directorate could provide the framework for this activity.

Furthermore, as the time approaches for planning the 10th five-year plan, those responsible for the overall plan should undertake to develop it within the GNH framework.

Research

All GNH activities depend upon, and require, research aimed at establishing the real conditions at each level of attention; this is necessary to create the framework for determination of particular GNH projects and for the evaluation of GNH activities. Research is particularly important in the villages. The simple fact of the matter is that most or all planning ultimately takes place in Thimphu and is accomplished by individuals who are strongly oriented to the urban setting. While many Bhutanese living in Thimphu maintain close ties to their villages, their frame of reference for work remains Thimphu. Social science and economics research in the villages, along with opinion research, is a sine qua non for the operationalization of GNH. This means that there is a strong need for social science researchers who are seriously lacking in the Bhutanese environment. Nobody doubts the importance of trained specialists in the various fields of engineering, commerce, and education. However, a healthy society requires in-depth knowledge about itself if it is to make productive decisions concerning its own future. The operationalization of GNH requires that a certain number of graduates be given the opportunity to study abroad in the fields of sociology, anthropology, economics, and in those fields in which these subjects are combined, such as economic anthropology, etc. A research corps needs to be an integral part of the civil service or the GNH Directorate, and once people are trained in these fields they need to be assigned for long periods to work in them. Careers in specialized research need to be encouraged. The curriculum of Bhutanese educational institutions also needs to be revised to make room for basic training in these fields at a level that will make it possible for graduates to go abroad for further study. Once such a mechanism is established, it should become possible to train researchers and research assistants inside Bhutan.

Volunteer corps

Volunteerism needs to be encouraged in Bhutanese society. Indeed, we argue that volunteerism is an expression of the Buddhist ethos. The spirit of volunteerism needs to be inculcated throughout to the school system through both teaching and activities. Over time, the GNH Directorate can establish volunteer corps in a variety of fields: teaching in remote areas, primary medical care delivery in areas not yet reached by the medical system, community construction work, youth work, etc. These corps would include programs for school leavers at various stages, training programs for a certain period of time, and maintenance income. The volunteers would learn skills as part of their volunteer activity which would improve their opportunities when they finished their volunteer work. The model for such GNH corps would be the Peace Corps, the Teach for America Corp., the Habitat Program, etc. It should be added that such an approach would also contribute alleviating certain potential problems, at least on a temporary basis, such as youth unemployment.

An especially interesting project may be the development of a Village Youth Corps that would bring volunteers from urban centers to the villages during vacations, particularly students of the 9th to 12th year, and would bring young villagers from one region to another, to work with the village youth on a variety of projects. Such a volunteer effort would have the advantage of encouraging urban and village young people to interact and of giving an opportunity for young people from one region of the country to visit and interact with young people in other parts of the country, thus encouraging a greater consciousness of the variety of Bhutanese culture and, at the same time, building a sense of belonging to a national community.

One very useful application of the idea of a Volunteer Corps would be the training of high school students in the use of tape recorders and the idea and techniques of recording folklore, the stories and songs of the villages, memories, oral local and family histories. For a minimal expense for the purchase of tape recorders and for training programs, Bhutan could use volunteers to build an important archive that would preserve for future generations the oral and musical culture of the country and that would become the raw material for many potential ventures in the creative arts. This would be an important contribution to the process of involving young people in the national project and in the construction of the national community GNH should encourage.

Education

One of the pillars upon which GNH must rest is education. The entire educational curriculum of Bhutanese schools needs to be infused with the GNH ethos. GNH values need to be taught at all levels of the school system. Textbooks and other training materials that specifically reflect Bhutanese and GNH values need to be written and used. In this way, GNH will become a reality for future generations.

Alongside the introduction of general GNH values into the curriculum, three particular problems need to be addressed. First, given the fact that so large

a percentage of Bhutanese live in villages, village life should become a central theme of education at all levels. The educational curriculum must help in developing the kind of mental attitudes that will make improvement of village life as well as continuation of village life attractive for young people. Of course, this must be accompanied by improvement in the real conditions of village life, which is also a necessary concomitant of GNH.

Second, the quality of schools in rural areas needs to be improved to the point that people prefer to remain in the villages so that their children may attend local schools because their quality is preferable. (We have referred to this idea above.) This may be accomplished, for example, by requiring all new graduates of teachers' training colleges to spend the first five years of their careers in village schools, thereby bringing to those schools the latest techniques they have learned in their training programs and the enthusiasm of their youth.

Third, and this problem is crucial for Bhutan, the teaching of the Dzongkha language needs to be improved and modernized. A major objective of this must be the spread of literacy in Dzongkha, and that can only be accomplished by improving the quality of teaching in Dzongkha, but employment of modern teaching techniques, and by increasing the availability of Dzongkha reading materials for all age groups. While there is no question that English must be the required second language for all Bhutanese schools, the simple fact of the matter is that it is Dzongkha that has become the second language in reading and more especially in daily interactions in official life. The creation of a national ethos is strongly dependent on the growth and enrichment of the national language.

Religion

At the present time, it can be argued that the members of the Monk Body are not fully participant in the national project. Many believe that the members of the Monk Body need not become active members of this project; their purpose is to do what they are doing. On the other hand, experience suggests that many members of the dharma community could play a very significant role in bringing a higher level of consciousness of Buddhist and GNH values to the villages, particularly to the village children. Teaching is a significant activity in Buddhism, and perhaps a certain social responsibility is also part of the commitment to this lifestyle. The GNH Directorate should undertake to explore ways in which members of the dharma community may become active in social affairs. There are many examples of this in the present-day Buddhist world.

Culture

The promotion of Bhutanese culture is a vital aspect of GNH. There are many vehicles to accomplish this purpose.

The traditional culture of the villages, expressed in the form of festivals, arts and crafts, stories and songs, etc., needs to be nourished and further and protected to the extent possible. There needs to be research and conversation about the ways and means in which the cultural life of the

villages can be protected from the consequences of increased tourism while not being denied the economic advantages that come from tourism. As tourism increases in Bhutan, particular attention must be paid to this matter by those responsible for the tourist industry. The GNH Directorate should take an active role in this.

Modern technologies of communication, particularly television, are powerful instruments for change, for renewal, and for preservation. The recording of material from traditional performances, stories, and songs, rebroadcast through television to the countryside as that medium spreads, will enhance the sense of self-respect the villagers have for their own culture in the face of the attractions of modern urban and foreign culture. There is ample evidence from other cultures that the modern media may strengthen, rather than weaken, "traditional" cultures. Careful attention needs to be paid to the way in which programming on radio and television can be used for this purpose. The GNH Directorate should make a study of this matter and report.

At the same time, if people are to be encouraged to stay in the villages, attention has to be paid to the enrichment of daily life in the countryside. Literature and the arts can be used for this purpose. A carefully planned system of traveling performances that would both entertain and convey GNH values to the villages would be extremely useful in this regard.

At the same time, attention has to be paid to the development of culture in the urban centers. As the attractions of modern urban and foreign culture become stronger, means of expression of modern sentiments in terms of Bhutanese culture should be explored. The literary corner of Kuensel has made an interesting beginning in this regard. The GNH Directorate should consider the possibility of encouraging not only traditional arts but also expression in modern styles, particularly among young people. Conferences of young people who want to write or perform should be held to encourage creativity.

Another modern avenue of cultural creativity that already has a foothold in Bhutan is the film. The amount of Bhutanese cultural material that can be used in film to develop national identity and GNH consciousness is very great indeed. Folklore material, stories from Bhutanese history, Buddhist stories, and the like, can be adapted to the film medium with great benefit. Cartoons can be used effectively. The film medium is easily and inexpensively portable throughout the country and has great potential in every respect.

Village Life

The improvement of village life and of employment opportunities in the countryside is absolutely crucial if attempts to encourage people to remain in the villages are to have any hope of success and if migration to urban centers is to be discouraged. This means, among other things, improvement of income wherever possible. One technique that has proven successful in other parts of South Asia and beyond has been the development of a system

of micro-loans with low interest rates and guaranteed not by collateral but by the communal action of the village. This system can be introduced into Bhutan, based on experience elsewhere. Bhutanese banks have significant liquidity, and this would be an important use of those funds. It is an excellent example a GNH program.

An extremely important avenue of approach would be to identify arts and crafts in particular villages, to use micro-investment to organize production cooperatives in these arts and crafts among the people in the villages, and to provide a mechanism for purchasing the arts and crafts from the villages and marketing them in Thimphu and, eventually, abroad. There are foreign markets, particularly the high-end Christmas market, that can be developed for this purpose. This technique has been used very successfully in India, Indonesia, and Latin America and has contributed both to villagers' income and to the maintenance and development of arts and crafts at the village level.

The Law

Bhutan is in the process of developing and enacting legislation creating a modern structure of Western-style law. This will contribute significantly to the creation of a legal environment that will be conducive both to economic development and to good governance.

However, the development of a Western-style legal system may have the consequence of creating a discontinuity between the developed, largely urban, population and the villages, with their own processes of conflict resolution and ways of dealing with the issue of crime and punishment. The ethos of GNH suggests the usefulness of strengthening the "traditional" community systems of handling conflicts and crimes as a means of integrating villagers into the process of change and development in terms that are supportive of village life and Bhutanese culture. In other societies, discontent among villagers has become a social and even a political problem when insufficient attention has been paid to this important area of village culture. Bhutan need not follow a path that could lead to similar problems.

Measures that can be taken in this regard are straightforward. First, regional and village legal and conflict resolution practices need to be studied and recorded. Second, Bhutanese legal specialists and social scientists need to begin developing techniques for the strengthening of these processes. The first step would be to carry out a national inventory of knowledge about these matters, and inventory of people in Thimphu and in the various Dzongdags and Geogs who can serve as informants.

Conclusion

This paper discusses the operationalization of GNH, and its primary focus is the practical implementation of GNH through institutionalization and the development of specific GNH projects.

The contextualization of GNH was considered necessary to lay the groundwork for a discussion of ways to operationalize the concept.

Therefore, we have discussed such subjects as the history of the Bhutanese State in the perspective of GNH, the concept of GNH in the context of the history and ideology of economic development, the idea of a GNH State, and the relationship between Bhutanese Buddhism and GNH. By way of conclusion we want to reiterate some points we consider to be vital to the success of the GNH project.

Certain preconditions have to exist, have to be created, to achieve the objectives of GNH. Among these are:

The construction of a national community and a national consensus around the concepts of Bhutan and of Gross National Happiness central to the future of Bhutan as an independent and sovereign nation.

The national community and the national consensus have to be built through, and be based on, a national ideology that incorporates both national and social objectives and that makes the advantages of GNH clear to the people.

The success of GNH will rest on the construction of a system of good governance, which is already underway.

Public discussion of GNH must be conducted, whatever the medium, in a language that is clearly understood by all levels of Bhutanese society.

GNH must be institutionalized in an organization that will provide leadership, research, planning, and evaluation of the operationalization of GNH.

The educational system must take responsibility for the creation of GNH values in succeeding generations.

Mechanisms must be developed for the inclusion of people from all walks of life in the discussion of GNH. This is important for both GNH and for good governance.

The GNH state must develop those areas of expertise that serve the purposes of GNH, including the social sciences and humanities, just as Bhutan has developed a cadre of experts in engineering, education, medicine and commerce.

We are fully aware that objections will be raised concerning the costs of these recommendations, and it cannot be denied that this will be an issue. Nevertheless, we believe that a modest beginning on the project of GNH will attract both worldwide attention and investment.

The proposed GNH Directorate, or its equivalent, must have the responsibility for designing and taking the initial steps. This suggests that the very first step must be the creation of an institutional framework.

Redirecting or channeling the energies and activities of existing agencies in such a way that they reflect and exhibit the values of GNH can accomplish a considerable amount. They will become, then, examples for others to follow. This is particularly the case in the field of education. Finally, careful and reflective planning can take place with a relatively small investment in order to lay the groundwork for the operationalization of GNH.

The very idea of GNH was designed and promulgated by His Majesty the King, upon whose continuing strong and enlightened leadership the future of Bhutanese society depends.