

**ROLE OF TOURISM IN SOCIO - ECONOMIC DEVELOPMENT OF
BHUTAN, 1991 - 2011**

*Dissertation submitted to Jawaharlal Nehru University
in partial fulfillment of the requirements
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MASTER OF PHILOSOPHY

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DECLARATION

I declare that the dissertation entitled "**ROLE OF TOURISM IN SOCIO-ECONOMIC DEVELOPMENT OF BHUTAN, 1991 - 2011**" submitted by me in partial fulfillment of the requirements for the award of the degree of **MASTER OF PHILOSOPHY** of Jawaharlal Nehru University is my own work. The dissertation has not been submitted for any other degree of this or any other University.

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We recommend that this dissertation may be placed before the examiners for evaluation.

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*I dedicate this dissertation to my Late BABA (Grandfather)
and "MAA" - "BABUJEE".*

*Without their support, understanding, patience, and their
unconditional love and blessing, the completion of this work
would not have been possible.*

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Finally in this work omission and commission, if any, are exclusively of mine.

*New Delhi,
23 July, 2012*

Sunil Kumar Gautam

ap: Political Map of Bhutan



Source: <http://www.datarecoverytools.co.uk/dr-asia-oceania/data-recovery-bhutan/>

Map: Political Map of Sothern Asia



ABBREVIATIONS

ABTO	Association of Tour Operator
ACAP	Annapurna Conservation Area Project
ASTA	American Society of Travel Agents
GDP	Gross Domestic Product
GMOs	Genetically Modified Organisms
GNH	Gross National Happiness
GNHC	Gross National Happiness Commission
GPI	Genuine Progress Index
HDI	Human Development Index
JATA	Japan Association of Travel Agents
LATO	Indian Association of Tour Operators
LMOs	Living Modified Organisms
MDGs	Millennium Development Goals
NEC	National Environment Commission
NES	National Environmental Strategy
PATA	Pacific Asia Travel Association
RGOB	Royal Government of Bhutan
RSTA	Road and Safety Transport Authority
SAARC	South Asia Association for Regional Cooperation
SAU	South Asian University
SCCI	SAARC Chamber of Commerce & Industry
SDG	SAARC Development Goal
TAB	Tourism Authority of Bhutan
TCB	Tourism Council of Bhutan
TDC	Tourism Development Committee
TDF	Tourism Development Fund
UNCTAD	United Nations Conference on Trade and Development
USP	Unique Selling Proposition
VAST	Voluntary Artist's Studio, Thimpu
WTO	World Tourism Organisation

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CHAPTER 1:
INTRODUCTION

CHAPTER 1

INTRODUCTION

BACKGROUND:

Bhutan¹ is a landlocked country in South Asia. Bhutan, called by its people Druk Yul or the Land of the Thunder Dragon is home to a significant variety of climates and ecosystems. Bhutan is also known as last Shangri-La². Bhutan can be divided into three major parts, first is plains and river valleys in the south. Second is a mid Himalayan area, north of the valleys and third are the mountainous lands in the Himalayas. The Himalayas are important for their biological diversity. Bhutan is located at the eastern end of the Himalayas and bordered to the south, east and west of India and to the north of China. Bhutan is separated from Nepal to the west by an Indian state of Sikkim, and from Bangladesh to the south by the Indian states of Assam and West Bengal.

On 17 December 1907, the civil and monastic representatives unanimously crowned Ugyen Wangchuck³ as the first hereditary monarch of Bhutan. It was as a result of the influence of the strength and the farsightedness of Ugyen Wangchuck that for the first time Bhutan was united under a central authority, which provided the country with stability and opportunity for development. In 1926 his son Jigme Wangchuck, who ruled Bhutan until his death in 1952, succeeded Ugyen Wangchuck. The third Druk Gyalpo⁴, Jigme Dorji Wangchuck began a campaign of modernization and expansion of Bhutan's government and society based on the accomplishments of his two

¹ The word Bhutan may perhaps come from Sanskrit "Bhota-ant" meaning, end of the Tibet.

² It means an imaginary remote paradise on earth; utopia or a distant and secluded hideaway, usually of great beauty and peacefulness. In the 1933 novel *Lost Horizon* which is written by British author James Hilton. Hilton describes Shangri-La as a mystical, harmonious valley. Shangri-La has become synonymous with any earthly paradise but particularly a mythical Himalayan utopia, a permanently happy land, isolated from the outside world. However Bhutan is also known as the last Shangri-La because it is an eastern part of Himalayas.

³ Ugyen Wangchuck was the First Druk Gyalpo of Bhutan. The Kings of Bhutan are known as Druk Gyalpo (dragon king)

⁴ The Druk Gyalpo means "Dragon King" in Dzongkha language, is the head of state of Bhutan. He is also known in English as the King of Bhutan. Bhutan, in the local Dzongkha language, is known as Dryukyul which translates as "The Land of Dragons". Thus, while Kings of Bhutan are known as Druk Gyalpo, the Bhutanese people call themselves the Drukpa, meaning "Dragon people".

predecessors in uniting the country under a strong central authority. Hence, the National Assembly consisting of representatives of the people, the Monastic order and civil administration was re-established in 1953. The fourth Druk Gyalpo, Jigme Singye Wangchuk became the King in 1972. There had been steady decentralization of decision-making and institute building since His Majesty the King was enthroned. His Majesty's philosophy of Gross National Happiness guided Bhutan into the 21st century. The most momentous change in the structure of the government came in 1998 after the devolution of the executive power by His Majesty the King to the Council of Ministers. The Fourth Druk Gyalpo initiated the drafting of Bhutan's first Constitution in 2001 and the Constitution was eventually enacted in 2008. The King abdicated the throne in favour of crown prince in 2006. The fifth Druk Gyalpo, His Majesty King Jigme Khesar Namgyel Wangchuck acceded to the throne on December 14, 2006 and was crowned on November 6, 2008. In December 2008 election took place in Bhutan and it becomes constitutional monarchy with his Majesty the king is the head of state. The head of government is the Prime Minister, who is elected from the ruling political party⁵. In this way Bhutan undergoes through a transition and finally adopted democracy instead of monarchy.⁶

The most peculiar things about Bhutan are its geographical location and extent, culture and traditions, climate, vegetation, and environment which really attract the tourists throughout the world. Bhutan is situated between China (Tibet) and India. It has an area of 38,394 square kilometers with the kingdom's longest east-west dimension stretching around 300 kilometers and 170 kilometers at its maximum north-south dimension. Bhutan is located in the eastern Himalayas and is mostly mountainous and heavily forested. It has 470 kilometers long border with Tibet (China's Xizang Autonomous Region) to the north and northwest and 605 kilometers with the Indian state. 70.5 percent area of the Kingdom is covered with forests; around seven percent with year-round snow and glaciers; nearly three percent is cultivated or Agriculture areas; and four percent as meadows and pastures, while rest of the land is either barren, rocky or scrubland.⁷

⁵ It refers to Druk Phuensum Tshogpa

⁶ RGOB, Statistical Year book of Bhutan, 2011.

⁷ Ibid

Moreover Bhutan is one of the most rugged mountain terrains in the world. It has elevations ranging from 160 meters to more than 7,000 meters above sea level. Bhutan's highest peak Jhomo Lhari⁸, overlooking the Chumbi Valley⁹ in the west, is 7,314 meters above sea level; nineteen other peaks exceed 7,000 meters. In the north, the snow-capped Great Himalayan Range reaches heights of over 7,500 meters above sea level and extends along the Bhutan-China border. The northern region consists of an arc of glaciated mountain peaks with an arctic climate at the highest elevations. Watered by snow-fed rivers, alpine valleys in this region provide pasturage for livestock.¹⁰

The Inner Himalayas are southward stimulated of the Great Himayalan Range. The Black Mountains, in central Bhutan, form a watershed between two major river systems, the Mo Chhu and the Drangme Chhu. Peaks in the Black Mountains range between 1,500 meters and 2,700 meters above sea level, and the fast-flowing rivers have carved out spectacular outlook in the lower mountain areas. The woodlands of the central region provide most of Bhutan's valuable forest production. Western Bhutan has fertile, cultivated valleys and terraced river basins. In the south, the Southern Hills, or Siwalik Hills, the foothills of the Himalayas, are covered with dense forest, alluvial lowland river valleys, and mountains that reach to around 1,500 meters above sea level.

As far as the climate of this country is concerned it can be divided into three distinct climatic zones corresponding to the three main geographical divisions. Climate is as varied as its altitudes and, like most of Asia; it is affected by the monsoons. Western

⁸ Mt.Jhomolhari is known as "the abode of the Goddess Jhomo", one of the manifestations of the Goddess Tara. The route to the base-camp is the most popular trek in Bhutan.

⁹ Chumbi Valley is a valley in Tibet at the inter section of India (Sikkim), Bhutan and China (Tibet) in the Himalayas. Two main passes between India and China open up here, the Nathu La Pass and Jelep La Pass. The valley is at an altitude of 9,500 feet and was at the forefront of the British military expedition of 1904 into Tibet. Since 1951 the valley has been under the control of China, which continued trade with India until 1962, when a 1954 treaty between China and India over the status of Tibet expired, and a border dispute between the two countries erupted. While economic rationality played a role in shaping the British preference in engaging the Chumbi Valley, Chinese preferences seem to be inspired by strategic motivations. It is pertinent to mention that Mao Ze Dong had defined Tibet as the palm which had five fingers -- Ladakh, Sikkim, Nepal, Bhutan and Arunachal Pradesh. The significance of Chumbi Valley has geo-strategic importance.

¹⁰ RGOB, Statistical Year book of Bhutan, 2011.

Bhutan is particularly affected by monsoons that bring between 60 and 90 percent of the region's rainfall. The climate is humid and subtropical in the southern plains and foothills, temperate in the inner Himalayan valleys of the southern and central regions, and cold in the north, with year-round snow on the main Himalayan summits. Temperatures vary according to elevation. Temperatures in Thimphu, (capital of Bhutan) range from approximately 14° C to 25° C during the monsoon season of June through September but drop to between about -3° C and 14° C in January. Most of the central portion of the country experiences a cool, temperate climate year round. In the south, a hot, humid climate helps maintain a fairly even temperature range of between 15° C and 30° C year-round, although temperatures sometimes reach beyond 35° C in the valleys during the summer.¹¹

Annual rainfall ranges widely in various parts of the country. In the severe climate of north, there is only about forty millimetres of annual precipitation primarily snow. In the temperate central regions, a yearly average of around 1,000 millimeters is more common, and 7,800 millimeters per year has been registered at some locations in the humid, subtropical south, ensuring the thick tropical forest. Thimphu experiences dry winter months (December through February) and almost no precipitation until March, when rainfall averages 20 millimeters a month and increases steadily thereafter to a high of 220 millimeters in August for a total annual rainfall of nearly 650 millimeters.¹²

Bhutan's generally dry spring starts in early March and lasts until mid-April. Summer weather commences in mid-April with occasional showers and continues through the early monsoon rains of late June. The summer monsoon lasts from late June through late September with heavy rains from the southwest. The monsoon weather, blocked from its northward progress by the Himalayas, brings heavy rains, high humidity, flash floods and landslides, and numerous misty, overcast days. Autumn, from late September or early October to late November, follows the rainy season. It is characterized by bright, sunny days and some early snowfalls at higher elevations. From late November until March, winter sets in, with frost throughout much of the

¹¹ Ibid

¹² Ibid

country and snowfall common above elevations of 3,000 meters. The winter northeast monsoon brings strong wind force through high mountain passes.¹³

The vegetation is overall expression of various ecological factors, and it is one of the basic analytical tools for developing and understanding the mountain environment. There is a well-defined difference in the vegetation cover in three different zones of the country. It is mostly due to the prevalence of varied climatic conditions across the kingdom. The southern foothills are mostly covered by the dense and thick trees while the inner regions are dotted by an infinite variety of plants, flowers and trees including birch, pine, chestnut, oak, apples, peaches and plums are also grown in the fertile valleys.

Similarly the culture and traditions of Bhutan is another attractive destination for the tourists. In the age of modern era where whole world marching towards modernisation and have been influenced by globalisation, Bhutan still have preserved its old culture and traditions.

As far as environment of Bhutan is concerned it is pollution free. Preservation of environment is important component of GNH. Government of Bhutan had enacted several laws to promote and protect environment. Bhutan's anti-tobacco enthusiasm goes back to December 2004 when it became the first nation in the world to ban the sale of tobacco. Two months later, smoking was banned in public places like pubs and restaurants¹⁴. Bhutan has recently put the world's strictest anti-tobacco legislation into action. Passed in June 2010 and implemented in January, the new law forbids the sale or smuggling of tobacco into Bhutan, and hands out jail sentences of up to three years to anyone caught smoking in a restricted area such as a bank. In both the cases, there is no chance of being granted bail¹⁵. Print and broadcast media has been used to inform people about hazards of tobacco use. Advertising of tobacco products on all

¹³ Ibid

¹⁴ For more details see, www.health.gov.bt

¹⁵ Wangdi, Kench (2011), "Do Bhutan's anti-smoking laws go too far", Time World, 12 April 2011.

national media has been banned since 1995, along with ban on the sale of tobacco products through the country with effect from 17 December 2004¹⁶.

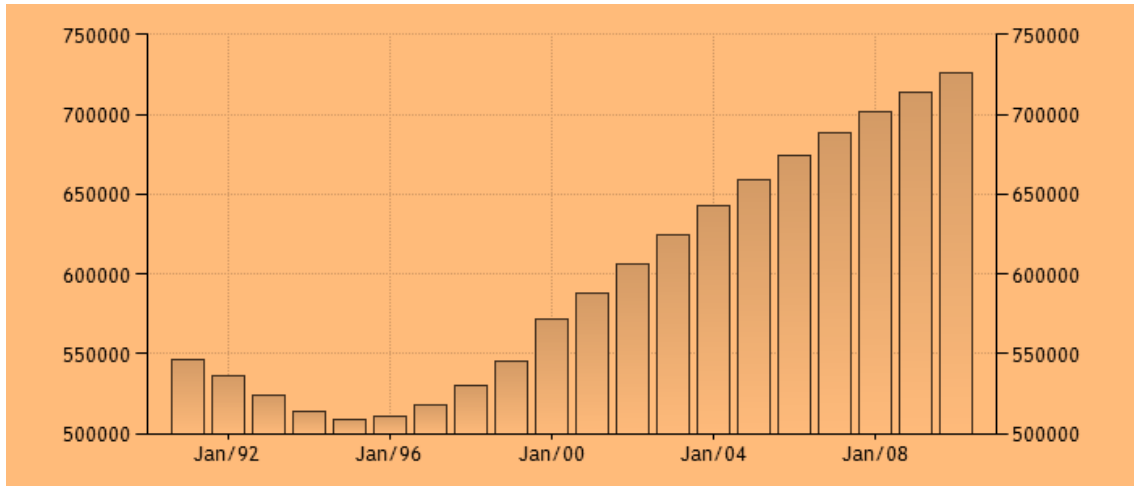
Along with these factors and peculiarity as well as government policy towards tourism, made Bhutan an important destination for tourists. However international organisations and NGOs have also contributed a lot to Bhutan's tourism. Bhutan, with its natural beauty, rich wildlife and unique culture makes a wonderful and interesting tourist destination. It delights travellers with its unexplored mountains and forests, little visited valleys, Buddhist monasteries and temples etc. It attracts travellers with its amazing natural beauty. Bhutan has lots to offer its visitors coming from different parts of the world. Thimphu, Paro, Punakha, Bumthang, Trongsa, Gasa, etc are important places in Bhutan. Tourism in Bhutan has increased greatly in recent times due to mix of tourist attractions consisting of green lush meadows, amusing valleys, attractive snow capped mountain ranges, flowing waterfalls, fertile valleys, wildlife reserves, dense forests etc. Bhutan has something to every tourist whatever their preferences are, like hiking, trekking and bird watching and similar recreational activities.

However, it has to be mentioned that it was only in 1974; Bhutan had opened for international tourism, beginning modestly with only 287 visitors. Bhutan has unique and special in the modern world, a spiritual, cultural and natural heritage which it shares with others in a spirit of reciprocity and mutual learning. One of the main attractions for tourists is the country's culture and traditions. Bhutanese tradition is deeply saturated in its Buddhist heritage. Hinduism is the second dominant religion in Bhutan, being most prevalent in the southern regions. The government is increasingly making efforts to preserve and sustain the current culture and traditions of the country. Bhutan's tourism policy focuses on responsible tourism. It is because, responsible tourism respect the culture and traditions of the people and their natural environments. It also contributes to the conservation of natural and cultural heritage and improves the well-being of citizens within the overall concept of Gross National Happiness. Since 1974, Bhutan has followed a policy of careful growth, high value,

¹⁶ Based on the resolution ma-7 of the 82nd national assembly of Bhutan.

and low volume tourism policy. Government has actively managed visitors in keeping with policy.

Figure: 1.1: Population in Bhutan



Source: World Bank report, 2010.

According to a World Bank report the total Population in Bhutan was 725940.00 in 2010 and 713665.00 in 2009¹⁷. The data show that how the population of Bhutan varies between 1991 to 2010. In 1995 the population of Bhutan is lower in given phase. This figure clearly shows the population of Bhutan is increasing continuously since 1995. After analysing the given data in details, we come to the conclusion that the way population is increasing it would require more infrastructural development likes, road, school, hospitals, electricity, and telecommunication etc. On the one hand hydro power project generating income resources on the other it is necessary to promote tourism sector for sustainable development. However, growth of tourism in Bhutan is important for socio-economic development.

Bhutan Tourism Corporation which deals with tourism was established in 1974. Since its beginning the company enjoys a high reputation for providing reliable, personalized and professional services to tourist. Having placed an innovative role in the development and promotion of tourism in Bhutan, the company with the help of

¹⁷ For more details see, <http://www.tradingeconomics.com/bhutan/population-total-wb-data.html>

its highly trained, experienced team of 180 dedicated employees and its quality tourism plant facilities, provides Bhutan with “experiences at the highest level”. The Company’s comprehensive portfolio includes handling inbound tours including cultural, trekking and special interest tours, management of hotels, lodges, cafeterias, camping sites and an excellent transport fleet. The organization is also member of several international trade bodies such as The Pacific Asia Travel Association (PATA), American Society of Travel Agents (ASTA), Japan Association of Travel Agents (JATA), Indian Association of Tour Operators (IATO), further enhancing its credibility and reputation. While Bhutanese citizens are free to travel abroad, Bhutan is viewed as inaccessible by many foreigners. Another reason for it being an unpopular destination is the cost. Though the entry is free for citizens of India and Bangladesh, but all other foreigners are required to sign up with a Bhutanese tour operator and pay around US\$200 per day that they stay in the country.

The importance of tourism in south Asia had been recognized since establishment of SAARC. The leaders during the second SAARC summit held at Bangalore in 1986 underlined that concrete steps should be taken to facilitate tourism in the region. A Technical Committee on Tourism was created in 1991. During the first meeting of the Technical Committee on Tourism held in Colombo in October 1991, an action plan on tourism was formulated¹⁸. These steps provided ample opportunities for the Bhutan to facilitate its tourism, as well as its socio-economic development.

Through regular meetings and initiatives to promote tourism in south Asian region, Colombo resolution was adopted in meeting of the SAARC Tourism Ministers which was held in Colombo in September 1997. Again in 1999, the task of promoting tourism was assigned to the SAARC Chamber of Commerce & Industry (SCCI)¹⁹ Tourism Council. The twenty-fourth session of the Council of Ministers (Islamabad, 2-3 January 2004) approved establishment of the Working Group on Tourism²⁰. The working group on tourism prepared plan of activities which includes promotion of SAARC as a common tourist destination, to encourage private sector in promoting

¹⁸ For more details see, <http://www.saarc-sec.org/areaofcooperation/cat-details.php>

¹⁹ In 1991 to establish a SAARC Chamber of Commerce and Industry to bring about improvement in the business environment disseminate information about potential tradable goods and identify joint ventures in the SAARC region.

²⁰ For more details see, <http://www.saarc-sec.org/areaofcooperation/cat-details.php>

regional cooperation in tourism, human resource development, promotion of South Asian identity through tourism, cultural and eco-tourism development. The Working Group was authorized to periodically review implementation of this action plan. Hence the action plan taken in 1991 and subsequent steps taken further motivated the Bhutan government to formulate its tourism policy in support of GNH.

Bhutan has refreshing green valleys, wonderful snow-capped peaks, variety of the floral species, rare and interesting faunas, streams of copper-blue waters and attractive waterfalls and several attractive natural and man-made tourist spots. Bhutan is widely acclaimed as a Botanists' Paradise. It has a rich variety of the floral species that include some rare specimens like rhododendrons, junipers, magnolias, carnivorous plants, rare orchids, blue poppy (the national flower), edelweiss, gentian, medicinal plants, daphne, giant rhubarb, high-altitude plants, tropical trees, pine and oak. Some exotic faunas also found in Bhutan are the notable ones are langur, red pandas, black-necked crane, snow leopard, takin, musk deer, Himalayan brown bear, Himalayan marten, tiger, hornbills, pheasants, mountain goats and timid blue sheep. Paro, the second largest town in Bhutan, is the most charming and thus one of the most visited tourist destinations in Bhutan. Paro is home to some of Bhutan's oldest palaces, temples and monasteries. The museum in Paro preserves sculptures and other items that reflect the ancient Bhutanese way of life. At Thimpu, there are numerous museums, fortresses, temple complexes and monasteries among other sites. Norzin Lam, the National Folk Heritage Museum, VAST (Voluntary Artist's Studio, Thimpu) and the National Institute of Traditional Medicine are some of the key attractions of Thimpu Valley.

Phuentsholing is a small town in Bhutan with clean environments and a separated place to those tourists who are nature lovers and prefer to spend some lonely hours in quiet and privacy. Phuentsholing is the home of the Royal Insurance Corporation of Bhutan and headquarters of the Bank of Bhutan, both of which lie on a hilltop, very close to Kharbandi. The chief tourist attractions of Phuentsholing are Amo Chuu, the Crocodile Breeding Centre, Chukha Hydro-thermal Project and Karbandi Monastery. The notable places to visit in the mystical Bumthang Valley are the Kurjey Temple²¹

²¹ It consists of three temples. The one on the right was built in 1652 on the rock face where Guru meditated in the 8th century. The body imprint of the great master can be distinctly seen in the rock

and the many monasteries dotting the place. Bumthang valley is at an elevation of 2,600 meters and is the religious hub of the nation and home to some of the oldest Buddhist temples.

However, the importance of tourism in Bhutan is to promote employment opportunities in Bhutan. The people of Bhutan engaged themselves in the service sector like hotels, restaurants, transportation etc. They also sell their domestic products through which its make engagement to the poor people for their own development. The engagement of the poor people in the small industry has promoted the livelihood and development of their socio-economic condition. Due to the globalization, the tourism in Bhutan has flourished along with recognition of its society, culture and tradition to the other parts of the world. Because of the globalisation the media is also playing an important role to promote the tourism in Bhutan.

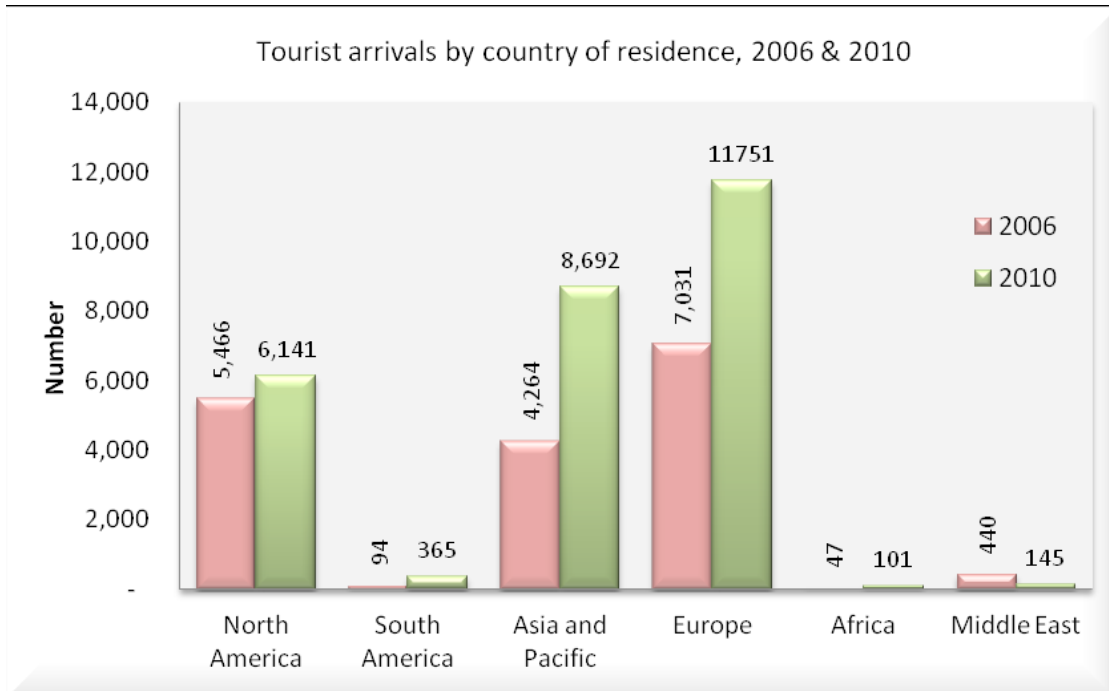
The year 1974 is a milestone in Bhutan's tourism industry when government of Bhutan allow for international tourism. The government agency, earlier Bhutan Tourism Corporation, controlled tourism until its privatization in 1991. There were 676 registered local tour operators in 2010 in Bhutan which marked an increase of plus 8.68% compared to in 2009 but only 318 were operational in 2010. The potential as far as foreign exchange earnings are concerned is very high. The revenue generation from the tourism sector has increased from over US\$ 2 million in the late 1980's to over US\$ 38 million in 2008. The gross earnings from international tourism also increased to a total USD 35.98 million, an increase of plus 12.86% over 2009²². The tourism industry in Bhutan enjoyed continued growth rate with the tourist arrivals in the country rising steadily during the 1990s through 2000, while in 2001 there was a comparative decrease in tourist arrivals owing to terrorism and outbreak of SARS. However, the industry saw growing number of international tourist arrival thereafter. In 2008 tourist arrivals had grown significantly than the usual trends owing to the Coronation and the Centenary celebrations where Bhutan had unprecedented media coverage. Also the Smithsonian festival in 2008 put Bhutan into the international limelight and must have contributed to the growth in numbers, (Statistical Year book

cave enshrined in the temple. Second temple was built in 1900 by the first king when he was still the governor of Trongsa. The third temple was built in 1990 by Ashi Kesang, the Queen Mother.

²² RGOB (2011), Statistical year book of Bhutan, National Statistical bureau.

of Bhutan, 2011). In 2010 there were 27,195 tourist arrivals compared to 23,483 in 2009 which has increased by 3712.

Figure: 1.2, Tourist Arrival by Country of Residence, 2006 & 2010.



Source: Statistical Year book of Bhutan (2011)

Following similar trend from the previous years, tourist arrivals from the European region dominated in 2010. Country wise, the highest number of tourist came from the United States of America accounting to 19.08% of the total arrivals in 2010, followed by Japan 10.89%, Germany 8.27% and United Kingdom 6.52%. There was also significant increase in visitors from other countries too. There is unequal distribution of tourist arrival in Bhutan in terms of time of their visit. Majority of tourist arrivals are in autumn (August-October) and spring (February-April) season. “Culture and Nature” has always been the Unique Selling Proposition (USP) for the tourism industry of Bhutan²³.

²³ RGOB(2011), Statistical Year book of Bhutan, National Statistics Bureau, Royal Government of Bhutan, p155

Fig: 1.3, Bhutan's tourist map



Source;

http://www.windhorsetours.com/bhutan/images/bhutan_map/largermaps/large_tourist_map.jpg

Tourist destinations

Paro

Paro is located in West of Thimphu, Distance from Thimphu is 65 km and its Elevation is 2,250m. Paro is a broad and beautiful valley with a very good network of road and is home to the Paro International Airport, the only port of arrival as well as departure by air for international tourists. All the houses in Paro are archetypal with brightly painted traditional motifs on the walls and now, corrugated sheet metal roofs. The ground floor normally serves as a cattle barn and the upper floor as the living quarters. Large red phalluses painted on walls and doors are a common sight in Paro. Some decorate their houses with carved wooden phalluses crossed by a sword, and

hanging them on the four corners of the house. It is in the Bhutanese belief that this mold will ward off evil from coming into the house²⁴.

Thimphu

Thimphu is located in the Western part of the country and the Elevation is 2320m. Thimphu became the capital of Bhutan in 1961. The city is located in the heart of the Wang Valley and is the most happening place in the whole of the country. All the head offices of the various government ministries and agencies are located here. Thimphu is comprised of one Drungkhag and ten Geogs. The lower region is much more developed than the upper region in terms of economy, infrastructure, and social services contributed mainly by the wide telecommunication and road coverage, and good access to local markets. Besides the southern Dzongkhags that share border with the Indian States, Thimphu is one big commercial centre for vibrant business transactions. Though, in remote regions the main economic activities are rice, wheat and vegetable cultivation of orchard plantation and as well as livestock farming. Hundreds of Buddhist temples, monasteries and stupas²⁵ are found scattered cliffs, on remote hillsides, on uneven enclosures, indicating that Buddhism is flourishing in its ever youthful state. The unique Bhutanese architecture is validated in all the buildings considering that it is one of the most striking features of the country, besides the rich cultural heritage and definitive symbols that represent Bhutan's distinctive quality²⁶.

Punakha

Punakha is located between Thimphu and Wangdi, Punakha Dzongkhag has nine Geogs with a total of 2001 households. Except for Talo and Guma Geogs, most Geogs are located along the banks of Pho-chhu and Mo-chhu. Despite favorable climatic conditions and very fertile agricultural land, farm productivity is low. Majority of the farm households still lack direct access to motor roads which pose considerable difficulties in transporting farm surplus to market. Punakha has many religious sites manifested with monasteries, temples and chhortens with significant historical values. The most spectacular view is the diversion of the Pho-chhu and the Mo-chhu and their

²⁴ For more details see at <http://www.abto.org.bt/destinations/paro/>

²⁵ Stupas are used as a place of worship by Buddhists.

²⁶ For more details see at <http://www.abto.org.bt/destinations/thimphu/>

meeting again, to form the Puna Tsang-chhu. The Dzong stands majestically on the little island formed by the two rivers²⁷.

Bumthang

Bumthang is located in Central Bhutan, east of Trongsa, and its Elevation is 2,600m. Bumthang is known as the spiritual heartland of Bhutan. Bumthang houses some of the most ancient and precious Buddhist sites, chhortens, fluttering prayer flags, prayer wheels and other symbols of Buddhism which leave the deepest impression. The age-old traditions are very much alive, and it is a unique example of original Himalayan culture which adds to the number of distinctive priceless assets of the country²⁸.

Trongsa

Trongsa is located in Central Bhutan, Trongsa is located in the central part on Bhutan; it has a network of roads that lead to different direction. And despite its hold of the East-West highway, most villages in the Dzongkhag are remote and far-flung. Positioned prominently above the Mangde-chhu, stands the Trongsa Dzong with a high degree of magnificence. Beyond any doubt its size, design and position make it the most impressive Dzong in Bhutan. It is one of the most aesthetic and magnificent works of traditional Bhutanese architecture.

Besides the striking presence of the Dzong, there are palaces of the royal family scattered in the Dzongkhag. These palaces were built mainly to serve as winter residences to overcome the cold in Bumthang. The imposing Ta Dzong which is located on the hill overlooking the Dzong, is of great significance to the history of conquest over numerous battles fought in the past. The Trongsa Dzong was built by Ngagi Wangchuk, the great grandfather of the Shabdrung, in 1543. The intricacy of its maze of buildings on successive levels is clearly visible from the town. Beyond any doubt its size, design and position make it the most impressive Dzong in Bhutan. It is one of the most aesthetic and magnificent works of traditional Bhutanese architecture.

²⁷ For more details see at <http://www.abto.org.bt/destinations/punakha/>

²⁸ For more details see at <http://www.abto.org.bt/destinations/bumthang/>

Ta Dzong²⁹, It is the watch tower that overlooks the Dzong. It was built in 1977, as a dedication to King Gesar, the deity and the hero of the great epic. Its architecture with two aisles protruding from the main building is unusual. It gives a glimpse of Bhutan in the last hundred years³⁰.

Mongar

Mongar is located in Eastern Bhutan, between Bumthang and Trashigang. Mongar is the eastern commercial centre and lately it is prospering with industrial boom. Like other towns in the East, Mongar town is also located on the top of a hill. The prominence of the Dzong is an exciting although it is newly built to replace the old Zhongar Dzong which now stands in ruins. But the Dzong still houses the artifacts of the Zhongar Dzong. In addition to these, there are places of pilgrimage like the *Aja Nye* and the *Hungja Nye*, besides hundreds of lakes which are considered sacred and must-visit sites in one's lifetime. Drametse monastery is another place of sanctity, and its splendor is entrenched with profound history.

Mongar Dzong was built in 1930 and its design was similar to Lamai Geonpa in Bumthang, the residence of the first King Gongsar Ugyen Wangchuck. This Dzong was constructed as the administrative Headquarter for the District and to house the spiritual monks. The Dzong also houses the artifacts of the old Zhongar Dzong besides the other relics. The Dzong festival Tsechu is held annually in the month of November/December corresponding to 8-10th day of 10th month of Bhutanese calendar year. These dates vary from year to year according to the Buddhist calendar³¹.

REVIEW OF THE LITERATURE:

Bhutanese tourism policy has been studied by various scholars in a different manner. The literature available on this subject provides a better understanding of Bhutanese tourism policy and objectives both. Literature available on this research topic is in the form of books, research articles, government's report and document as well as the

²⁹ It refers, Trongsa Museum

³⁰ See more details, <http://www.abto.org.bt/destinations/trongsa/>

³¹ See more details, <http://www.abto.org.bt/destinations/mongar/>

related websites. Similarly research articles, government reports and survey, newspaper articles, website of international organisation and media, provides information about transition of tourism role in the modern age. It is in this context that the literature review has been divided into the following three broad themes:

Cultural and Natural Heritage of Bhutan and Tourism

Bhutan is a Buddhist nation and has unique culture and geographical condition in south Asia region. Singh (1972) has dealt with basic understanding of history and culture of Bhutan. The economic importance of arts in Bhutan mentions the cultural heritage, arts and crafts like- the art and industry of Bhutan cover a wide range of activity, beginning with artistic production of objects of gold, silver, and copper and including production of weapons like sword and daggers. This book gives lot of information, for example Bhutan has been reproduced in colour along with three miniature paintings of Lord Buddha, Goddess Tara and Guru Padama Sambhawa. The author tries to assess the nature of complementary relationship between the arts and culture. It sets out the degree to which tourists provide audience for the arts and assesses the importance of the arts as a draw of tourists. The prospects for arts and crafts and the nature of the market, it concludes that there is a major opportunity for developing the mutual relationship between the arts and tourism. This book provide the wide knowledge of language and culture, various types of folk dance which is related to religious and nonreligious, printings and paintings. Bhutan is a treasure house of precious and colorful traditions. This rich inheritance has been truly handed down from old times and kept alive in new environment of rising technical development to which the Bhutanese adopt themselves in a practical and unprejudiced open-mind way.

Dorji (2009), explore Bhutanese traditional culture like folktales. It explores the social context which led small people to express their dissent through folktales. The author examines an exemplary Bhutanese folktale for elements of dissent to show how themes, plots, and characters satirize the existing social and political order to the extent of overturning the status quo. Folktales are, therefore, a popular medium of the common people to express their discontent with the inequalities of a social order dominated by elites. The composition, narration and even adaptation of such folktales are of significance for all social classes according to author.

Dorji (2001) focuses that local involvement and input are essential for the long-term economic and environmental sustainability of tourism in Bhutan. If local communities are involved and have a stake in tourism activities, it will be in their interests to ensure that tourism is sustainable. Furthermore, partnership between the government, the private sector, and the local people can open up a wide range of opportunities that make good economic sense and benefit all the partners. Tourism will be sustainable only if tourism planners and operators give due consideration to the carrying capacity of our natural resources, recognise that people and communities, customs and lifestyles contribute to the tourism experience and, therefore, accept that these people should also get some of the benefits from tourism.

Dhirendra (2006) mainly focused on the situation of ecotourism and sustainable development in Bhutan and analyse various dimensions. Bhutan face problems such as economic backwardness, poverty, lack of basic amenities and infrastructure, which can be solved by maximizing the revenue and employment etc. while maintaining the sustainable development.

Bhutanese Tourism Policy and Gross National Happiness (GNH)

Gross National Happiness (GNH) is an evolving concept through which the Bhutan tries to maintain the unique cultural identity and way of socio- economic development. Tenth five year plan (2008-2013), Volume1: Main Document mentions that the tourism industry has become a major service industry that provides employment and generates valuable foreign exchange. The industry also figures consistently among the largest generators of convertible currency. It is important document of Bhutan government to know about the policy and action taken by the government of Bhutan. All the policies, making by the government of Bhutan are for achieving the GNH.

Ura and Galay (2004) proceedings of the first GNH Conference held in Thimphu, Bhutan in 2004 focused that His Majesty King Jigme Singye Wangchuck, the Fourth King of Bhutan, first enunciated the principles of the philosophy of Gross National Happiness, using this specific terminology in the late 1980s. The concept itself, however, is very old in the local tradition. Under his leadership, and the leadership of his predecessors, Bhutan had embarked upon a process of change and modernization that was beginning to have both intended and unintended impact on the lives of the

people and on their society and culture. Bhutan first opened itself to the outside world in the early 1960s. The introduction of new ideas and institutions picked up pace in Bhutan and the outside world. GNH speak about a specific Bhutanese path to development in pursuit of values that were consonant with Bhutan's culture, institutions and spiritual values. Rather than values that were defined by factors external to Bhutanese society and culture. This reflection was the genesis of the concept of Gross National Happiness.

Tourism as a Tool of Development in Bhutan:

Bhutan can be termed as a rich cultural and adventure destination amongst south Asian countries. Endowed with rich cultural heritage of Buddhism, Bhutan has different shades of this religion in many different aspects. Besides this, numerous places of spiritual attraction are admired by tourists across the world. The neatly carved wooden houses and superior quality crafts of Bhutan makes it a preferred location for tourists around the globe. The age old civilization, prosperous cultural diversity, exclusive culinary delights, vast geographical attractions, fascinating heritage sites and above all the warm hospitality of people make the South Asian countries an amazing region for tourism. SAARC Tourism, an esteemed portal provides comprehensive travel information on these South Asian Countries that together form the "SAARC Countries". The portal highlights the prominent natural, archaeological, spiritual attractions as well as the top tourist activities.

Cochrane (2008), discussed about positive aspect of tourism and their contribution to the development of society and economy. This book helps to better understand the environment of Tourism in Asia. Asia is growing faster than anywhere else in the world, driven by the increasing wealth of countries like Taiwan, South Korea and Malaysia, and by the huge populations of China, India and Indonesia. This research addresses this imbalance by providing collection of chapters which explore the domestic and intra-regional tourism in Asia.

Dorji (2001) elaborates tourism and their relationship with the economy and society. The author also examines about tourism, types of tourism, nature of tourism, how far tourism is important for economy and lastly their relationship with society in Bhutan.

This article was written in 2001, so the emerging of tourism in age of globalisation and their relationship with society is missing.

International tourism organisations generally hold the view that tourism is not totally independent in Bhutan. While acknowledging a growing openness, they point out that Bhutanese tourism is generally not free to working openly the issues concerning the culture, heritage and the various issues of Bhutan.

DEFINITION, RATIONALE AND SCOPE OF THE STUDY:

Tourism has become a popular global leisure activity. Tourism is the sum of the phenomena and relationships arising from the travel and stay of non-residents, insofar as they do not lead to permanent residence and are not connected with any earning activity. In 1976 Tourism Society of England defined it as "Tourism is the temporary, short-term movement of people to destination outside the places where they normally live and work and their activities during the stay at each destination. It includes movements for all purposes." The World Tourism Organisation defines tourists as people "traveling to and staying in places outside their usual environment for not more than one consecutive year for recreational, leisure, business and other purposes". Wealthy people have always travelled to distant parts of the world, to see great buildings, works of art, learn new language, and experience new cultures and to taste different cuisines.

The proposed study will discuss the growth and development of tourism in Bhutan and the changing trends from 1974 onwards. It will also analyse the factors responsible for changing trends of tourism in Bhutan. Due to the socio-economic gap between urban and rural population it limits to the tourism access. It also focuses how the private tour agency have led to the competition among the tourism in Bhutan as well as brought the social and cultural changes in Bhutanese society.

Rationale of this study is to enrich the understanding about tourism and its development in Bhutan. In the 20th century tourism in Bhutan was under the control of state. Due to the socio-economic and political changes in 21st century tourism emerged as industry. In this age of information Bhutanese tourism cannot keep aside and it has been influenced by modernisation and globalisation. This study will focus particularly

on changing trends of tourism. Since 1974 onwards the government of Bhutan has adopted a liberal policy toward tourism. As the Technical Committee on Tourism was created in 1991 in the SAARC summit in Colombo, it paved the way for promotion of tourism in South Asia. So this study will look up on the Bhutan strategy as well as its policy towards tourism from 1991 to 2011. However, at the one hand Bhutan took utmost care to preserve its cultural identity and traditions, on the other hand it is also allowing to grow tourism independently. Hence this study will also examine that, in an age of modern era how Bhutan would promote tourism along with preserving its unique cultural and religious identity.

OBJECTIVES

1. To study the evolving trends, pattern and tourists arrives in Bhutan.
2. Impact of culture and traditions on tourism policy of Bhutan.
3. To discuss the contribution of Bhutan tourism in the concept of Gross National Happiness.
4. To analyse the approach of Bhutan towards promotion of tourism and conservation of environment.
5. To discuss the importance of tourism in socio-economic development of Bhutan.
6. To analysis the role of government, international organizations, tourist organizations and local communities to maintain and sustainability of tourism in Bhutan.

RESEARCH QUESTION

1. Whether the tourism helps to prosper Bhutanese economy?
2. Is there any impact of tourism on the concept of Gross National Happiness?
3. How Bhutanese traditions and culture help to promote tourism in Bhutan?
4. The proposed study also seeks to examine that how Bhutan is coping with promotion of tourism and conservation of environment?
5. How tourism helps Bhutan to develop its relation with other countries?

HYPOTHESES:

1. Tourism has major impact on the Gross National Happiness.
2. Tourism has helped Bhutan to spread its culture and tradition in other parts of the world.

RESEARCH METHODS

In the proposed research, the historical, analytical and descriptive methodology will be followed, particularly with regard to the Tourism policy of Bhutan during the period of this study. The proposed study will be based on available primary sources, such as government documents in the form of government action plans and plan implementation, constitutional documents on Bhutan's tourism policies. These primary sources will be supplemented by secondary sources such as books, journals and newspapers etc. Different speeches, statements and reports concerning government policy-making and its implementation available with Bhutan tourism ministry and various tourism agencies would also be consulted through websites on the internet.

CHAPTER 2:
ROLE OF CULTURE, TRADITIONS IN
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ROLE OF CULTURE, TRADITIONS IN BHUTAN'S TOURISM

Culture and tradition in Bhutan has been evolving along with human civilisation. By the culture of Bhutan changes with the change in people's will, thought and habits. In Bhutan, cultures became more prominent in the eighth century when Guru Rinpoche³², supposed to be the second Buddha, introduced Buddhism to Bhutan. Most of the Bhutanese cultures are religious and based on Buddhism. Prior to Bhutan becoming a Kingdom, there were many self-sufficient settlements in different valleys. There was almost no communication among the people from different valleys, leading to emerging of different cultures in different valleys. Although Bhutan is a small country, it is very rich in cultural heritage today. We can define Culture in form of Tangible and Intangible³³.

Cultural heritage includes living cultures, mainstream and minority, as well as historical, religious, and archaeological sites. Tourism can offer opportunities for continuation, restoration or enhancement of traditions and a way of life. Culture is rarely static; it changes according to time with adaption of some new things. Whereas linking tourism may bring benefits as well as changes and challenges for a community to address. Tourism projects need to include a programme to monitor economic and cultural benefits so that vulnerable cultures can access and manage the impacts of tourism on their communities. Aside from the intangible benefits, most commentators believe that investment in cultural heritage is among the most significant, and usually profitable, investments in a society, or tourism sector³⁴.

³² It refers an honorific used in Tibetan Buddhism. It literally means precious one, and used to address or describe Tibetan lamas and other high-ranking or respected teachers. Guru Rinpoche refers to Padmasambhava, the "Second Buddha", who brought Vajrayana Buddhism to Bhutan.

³³ Tangible cultures can be physically seen or touched while intangible culture cannot be seen or touched but can be felt, through reflection or imaginary. Tangible cultures are born out of intangible cultures. Intangible culture is the base or root of all other cultures. For example, a house or a bridge can be a form of tangible cultural heritage while the whole idea, planning and the mechanism to materialise that structure is intangible. Languages, stories, mask and folk dances and their values are all a part of intangible culture. Thus, behind all tangible cultural heritages there is intangible cultural heritage.

³⁴ See the detail; Tourism, Investing in energy and resource efficiency, (United Nations Environment Programme, 2011), pp432-33

2.1. Peculiarity of Culture and Tradition in Bhutan

Culture of Bhutan is among the oldest, most carefully preserved cultures in the world. People of Bhutan have always been careful about conserving their centuries old culture. Even today in the age of modernisation, Bhutan has been able to preserve its peculiar characteristics. The major profession of the people of Bhutan is farming, who live in small rural villages. These villages are scattered in small pockets and not easily accessible. However, as the people are getting educated, they are migrating towards towns in search of other occupations. Whole Culture and tradition are sources of identity. In some countries such as Bhutan it exerts a pervasive influence on identity. 'Bhutanese traditions' is a broad term that includes rituals, customs, and dress, code of etiquette, religious ceremonies, and customs, among others. It is considered very important by a majority of respondents in Bhutan to maintain Bhutanese traditions to identifying oneself with a group or groups, which is essential for overall well-being. A sense of identity is also known to correlate with social capital. People form associations when they share common identities, which help to develop social capital³⁵.

Buddhism is practiced throughout the country. In the south, most Bhutanese people of Nepali and Indian origin practices Hinduism. *Yeshi Gonpo* or *Mahakahala* is the main protective deity of Bhutan, often appears in the form of Raven. Religion Before the arrival of Buddhism to Bhutan, various forms of animistic such as bonism was followed by the people in Bhutan. However in some parts of the country, we can still witness these traditions and rituals being still practiced by minority groups. In eighth century Guru Rinpoche brought Buddhism to Bhutan. After this, Bhutan has become home to many sages and saints. The official state religion of Bhutan belongs to the *Drukpa* sect of *Kagyudpa*, school of tantric Mahayana Buddhism, the Great Vehicle. It is similar to the Tibetan Buddhism, yet it has its own set of unique beliefs and practices. The religion in Bhutan is strongly supported by the all walks of life. Monks, nuns and *gomchens*³⁶ play a very important role in the people's daily lives. The monk body also includes monks, nuns and *gomchens* who are not part of state sponsored

³⁵ Sangay Chopel, Culture, Public Policy and Happiness, Journal of Bhutan Studies Vol. 26 Summer 2012 p.83.

³⁶ Its refers lay priest.

institutions. Bhutanese people are very religious and the importance of the Buddhism is evident in its every portion of life in the Bhutanese people.

Just as the kingdom's history is characterized by religious landmarks, the influence of religion is highly visible in everyday life of the lay population. Bhutan is a spiritual nation. Hundred of sacred monasteries, stupas, religious institution, prayers flags and prayer wheels which dot the countryside provide a strong infrastructure and atmosphere for the teaching of their living faith. Both urban and rural Bhutan, religious ceremonies and rituals are performed here regularly and with reverence. On auspicious days Bhutanese families make pilgrimages to monasteries to offer prayers and butter lamps. The horoscope of Bhutanese life is drawn from the scriptures. In the National festivities, coinciding with the season, are major events for the entire population of the year around. The Buddhist world, thus, regards the kingdom with special importance as the last bastion of the Mahayana Buddhism. In late nineteenth century, an ethnic Nepalese minority immigrated to Bhutan and settled in the southern region of the country. They brought with them Hinduism which is regarded as being closely related to Buddhism.

There are mainly three ethnic groups in Bhutan. The Sharchop are living in the eastern part of Bhutan, who originated from the tribes of northern Burma and northeast India. The Ngalops are living in the western part of Bhutan, who introduced Buddhism in Bhutan after migrating from Tibet. And the third ethnic group is Lhotsampas who are living in the southern part of Bhutan, but they originally belonging to Nepal. Oral traditions include folktales, local myths and legends, songs, *tsangmo* and *Lozey*,¹ riddles etc. are important part of Bhutanese life. These oral traditions have been a source of value education as well as entertainment in our traditional rural societies, and they hold the essence of our unique culture and traditions. For Bhutan, a country which accords top priority to the preservation and promotion of culture as one of the pillars of Gross National Happiness, the importance of preserving and promoting our oral traditions is no trivial matter. Yet, Bhutan's efforts so far at preserving and promoting these oral traditions have been less than laudable³⁷.

³⁷ Tshering Cigay Dorji(2009), Preserving our Folktales, Myths and Legends in the Digital Era, Journal of Bhutan Studies Vol 20 Summer 2009, p94.

Bhutanese folktales collections have mainly covered the folktales from the western, central and southern regions of Bhutan. As it may be expected, folktales vary from region to region although the overall theme and sometimes even the main plot of the story remains the same³⁸.

Bhutanese folktales are based on those of eastern Bhutan. Bhutanese folktales include the following kinds: fairytale like stories, stories of *Masang* (men of super-human physical strength), stories of *Sinpo* (demons) and *Sinmo* (demoness), stories of stupidity and wit, sexually-oriented stories, funny stories, stories of poor man's son and rich man's son, stories involving talking animals, ghost stories, *rolang* (vampire) stories, story of jealousy where the jealous one gets punished, story involving the deities and spirits etc. These stories give us a glimpse into the morals, values and lifestyle of the Bhutanese³⁹.

Some folktales satirize people in power and authority, slyly inverting and subverting existing socio-economic and political orders. A least-likely person (an orphan, poor man's son, or lazy boy) becomes the king, while the king loses his throne. The traditional folktale "The Lazy Boy and the King" provides a prototypical version of this reversal of fortune. A king is outwitted by a lazy boy, who becomes the king himself. Society cannot do without a ruler particularly a compassionate, wise and forgiving one. In this tale the king is a paragon of royal vices, who must receive his comeuppance from below⁴⁰.

Human culture is wealthy with myth and legend, stories of past that cannot be described by science. An adventurous traveler can meet the myths of the past directly by visiting these places of ancient history and modern beauty. Many places in Bhutan have legends and myths behind the origin of their names or those surrounding the shapes of landforms. These legends and myths provide vital insights into local history and beliefs. Tshering Cigay Dorji describes about how a place came to be called Menchari and it is named. He writes, "I grew up in a place called Menchari located in

³⁸ Ibid, p95

³⁹ Ibid, p95.

⁴⁰ Penjore, Dorji(2009), Oral Traditions as Alternative Literature: Voices of Dissents in Bhutanese Folktales, Journal of Bhutan Studies Vol. 20 Summer 2009, p25

lower Bartsham⁴¹ long time ago. A mithun⁴² belonging to a rich household in Yangkhar, a village located in central Bartsham, went missing. After a long and futile search, the owner traced the mithun's footprints down the Yangkhar Zor (Yangkhar hillock) towards Zongthung Shong (Zongthung stream). The footprints led him further across the Zongthung stream through the lush green forests of rhododendrons and oak and then to the drier areas of towering chir pines.... The owner had almost given up hope of finding the mithun in an area with no source of water, when he just found him sitting calmly in a little clearing on a hillock. The owner wondered how the mithun quenched his thirst in such a dry area. When the owner looked around a bit, he was surprised to find a spring at the side of the hillock.⁴³

The culture of Bhutan is deeply associated with their traditional customs and festivals. These festivals are very delightful for their people and the tourist who come from worldwide. The Bhutanese celebrate their festivals with pleasure. They dance, sing and eat, and follow embarrasment of customs which are deep associated with these festivals. Watching them perform these festivals is a wonderful and interesting sight. Bhutan is one of the most religious countries in the Tibetan Buddhist world. And like in all Buddhist nations, festivals have a special place in the hearts of its residents. Most of the Bhutanese festivals celebrate the deeds of the Buddha, or those of the great masters of Buddhist tradition.

Bhutanese culture is characterized by religious celebrations. Its people love socializing, attending festivals, joking, playing, and doing all the things that help them to be in the spirit of celebration. Religion and social life are so linked in the culture that some festival appears to be taking place somewhere in Bhutan throughout the year. Among these festivals, one of the most recognized and attended by the masses is the Tsechu festival⁴⁴. The Paro Tschu festival is one of the busiest festivals in Bhutan;

⁴¹ A place under Trashigang Dzongkhag in eastern Bhutan. Dorji, Tshering Cigay, (2009), "Preserving our Folktales, Myths and Legends in the Digital Era", Journal of Bhutan Studies, Volume 20, Summer 2009 pp. 93-108

⁴² Ibid, The author has named mithun for bulls or yaks

⁴³ Dorji, Tshering Cigay, (2009), n .10

⁴⁴ It refers; festival is celebrated to commemorate the great deeds of the 8th century Tantric Master Guru Padmasambhava. Tsechu (day ten) are annual religious Bhutanese festivals held in each dzongkhag(district) of Bhutan on the tenth day of a month of the lunar Tibetan calendar. The month depends on the place, but usually is around the time of October. Tsechus are religious festivals of

dances are performed by trained monks and laymen wearing amazing costumes. For example a picture is given below.

Figure: 2.1, Paro Tsechu Festival



Source:http://www.acethehimalaya.com/tripdetails.php?trip_id=45

Festivals has not just the time for people to get together, dress up and enjoy a convivial light hearted atmosphere, but also a time to renew one's faith, receive blessings by watching the sacred dances, or receive 'empowerment' from a lama or Buddhist monk.

Haa Summer Festival: It offers a lively and uplifting combination of traditional living culture, nomadic lifestyle, and demonstration of Bhutanese cuisines, processing of local Ara⁴⁵, traditional sports, religious performance, dances, songs, artifacts, and

Drukpa Buddhism. The Thimphu tsechu and the Paro tsechu are among the biggest of the tsechus in terms of participation and audience. Tsechus are large social gatherings, which perform the function of social bonding among people of remote area and village. markets also congregate at the fair locations, leading to brisk commerce' The focal point of the tsechus are the sacred Cham Dances, which are banned in neighbouring Tibet. These costumed, masked dances typically are moral vignettes, or based on incidents of the life of Padmasambhava and other saints.

⁴⁵ It's refers a type of drink.

natural alpine flowers. Tourist can also stay the night at one of the many farm houses and enjoy the hospitality of the local people⁴⁶

Figure: 2.2, Haa Summer Festival



Source: <http://www.tourism.gov.bt/what-to-do/haa-summer-festival.html>

Gho and kira are the national dress of Bhutan. To preserve the ancient customs from being influenced by the West, the Bhutanese government has made it compulsory for all Bhutanese to wear only their national dress in public. The national dress of Bhutan originated from the time of the first Shabdrung. The men in Bhutan wear a "gho," a wraparound, coatlike, knee-length garment, with a narrow belt. The women wear a "kira," which is an ankle-length dress, made of a rectangular piece of cloth held at the shoulders with a clip and closed with a woven belt at the waist, over a long-sleeved blouse.⁴⁷

⁴⁶ <http://www.tourism.gov.bt/what-to-do/haa-summer-festival.html>

⁴⁷ Hutt, Michael J. (2003), *Unbecoming Citizens: Culture, Nationhood, and the Flight of Refugees from Bhutan* (1st edn.; New Delhi: Oxford University Press).

Social status was indicated by the amount of decorative details and colors of the *kira* and the quality of the cloth used.⁴⁸ Both men and women sometimes wore elaborate earrings, and both sexes also wore scarves or shawls, white for commoners and carefully specified colors, designs, and manners of folding for higher ranking individuals. Only the Druk Gyalpo and the Je Khenpo were allowed to wear the honorific saffron scarf. Other officials were distinguished by the color of the scarves they wore: orange for ministers and deputy ministers, blue for National Assembly and Royal Advisory Council members, and red or maroon for high religious and civil officials, district officers, and judges. Stripes on scarves of the same base color denoted greater or lesser ranks.⁴⁹ For better understanding the national dress of Bhutan, gho and kira are given below in the picture.

Figure: 2.3, National Dress: Gho & Kira



Source: http://www.raonline.ch/rao_promobtg.html

The Bhutanese diet is rich in meat and poultry, dairy, grain and vegetables. Rice and chillies are the major features of Bhutanese diet. Emadatse (chilly pepper and cheese stew) is considered the national dish with many interpretations of this recipe

⁴⁸ Global Investment and Business Center, Inc., (2000). Bhutan Foreign Policy and Government Guide. World Foreign Policy and Government Library. 20. Int'l Business Publications. pp. 59–61.

⁴⁹ For details, refer to http://www.mongabay.com/reference/country_studies/bhutan/SOCIETY.html

throughout the country. Poultry and meat dishes, pork, beef and yak, are lavishly spiced with chillies, and it is common to see bright red peppers drying on rooftops in the sun. Salted butter tea, or suja, is served on all social occasions. Chang, a local beer, and arra, a spirit distilled from rice, maize, wheat or barley, are also common and widely favoured. Doma or betel nut is offered as a customary gesture of greeting. The chillies are considered a vegetable and not just a spice. Bhutanese dishes are mostly fiery but uniquely Bhutanese in every sense.

Dzongkha is the official language of Bhutan, but many regions in Bhutan still retain their native dialects due to their isolation. Apart from Dzongkha, English remains the only other medium of instruction in Bhutan.

2.2 Significance of culture and tradition in Bhutan tourism

The evolution of a culture also is influenced by its contact with other disparate cultures. When cultures interact, there is an inevitable exchange of ideas, values, rituals, and commodities. Ideally, the exchange is of the most effective and equitable elements of each society those elements that lend themselves to the attainment of a socially and environmentally sustainable society. Cultural diversity represents the expanded opportunity for learning through intercultural dialogue. Because each culture has evolved in a unique environment with a unique set of physical and human resources, each has a distinct set of guidelines for living to add to the cultural pool⁵⁰.

Because of Western culture's global reach, there is a multitude of contact points between Western and non-Western cultures. Tourism is an especially powerful vehicle for cultural exchange. Through tourist host interactions, the West meets the rest of the world through the common people the agents of cultural evolution. Ironically, tourism is often driven by a search for variation in an increasingly homogenized world; yet tourism itself is an instrument for the expansion of homogeneity⁵¹.

⁵⁰ Reinfeld, Marti ann (2003), tourism and the politics of cultural preservation: a case study of Bhutan, journal of public and international affairs, volume 14/spring 2003,p1

⁵¹ Ibid, p2

Bhutan's traditional society has been defined as both patriarchal and matriarchal, and the member held in highest esteem served as the family's head. Bhutan also has been described as feudalistic and characterized by the absence of strong social stratification. In premodern times, there were three broad classes: the monastic community, the leadership of which was the nobility; lay civil servants who ran the government apparatus; and farmers, the largest class, living in self-sufficient villages. In the more militaristic pre modern era, Bhutan also had an underclass of prisoners of war and their descendants, who were generally treated as serfs or even as slaves. In modern times, society was organized around joint family units, and a class division existed based on occupation and, in time, social status. With the introduction of foreign practices in recent centuries and increasing job mobility outside the village, however, emphasis has been placed on nuclear family units.

Social status is based on a family's economic situation. Except among the Hindu Nepalese in southern Bhutan, there was no caste system. Although Bhutanese were endogamous by tradition, modern practices and even royal decrees encouraged ethnic integration in the late twentieth century. The state of being the firstborn of the same parents and seniority by birth among children dictates the right of inheritance traditionally but in some central areas the eldest daughter was the lawful successor. In contemporary Bhutan, however, inheritance came to be more equally distributed among all children of a family.⁵²

Except for the royal family and a few other noble families, Bhutanese do not have surnames. Individuals normally have two names, but neither is considered a family name or a surname. Some people adopt their village name, occasionally in abbreviated form, as part of their name, using it before their given name. Wives keep their own names, and children frequently have names unconnected to either parent. Some individuals educated abroad have taken their last name as a surname, however. A system of titles, depending on age, degree of familiarity, and social or official status, denotes ranks and relationships among members of society. The title *dasho*⁵³, for example, is an honorific used by a prince of the royal house, a commoner who

⁵² Refer to "Bhutan-Social System" online at http://www.mongabay.com/history/bhutan/bhutan_social_system.html

⁵³ Members of the royal family in Bhutan are addressed as Dasho.

marries a princess, a nephew of the Druk Gyalpo, a deputy minister, other senior government officials, and others in positions of authority.

Traditionally Bhutanese houses are made out of mud, bamboo, and wood. The doors and windows of Bhutanese houses are decorated with animal, religious, or floral designs. The houses usually consist of three storeys. The cattle and other animals of the house reside on the ground floor, the second floor is for storage, and on the third floor are the living quarters, which often also have the shrine (i.e. Chosum). Hay, dry vegetables and meat are stored in the open-air between the third floor and the roof. The most important feature of Bhutanese houses is prayer flag placed in the centre of the roof⁵⁴.

Bhutanese architecture is characterized by structural designs and exterior paintwork (shapes, colors, and patterns), representing national identity and traditional meanings. Dzongs (fortresses), Gompas (monasteries), Chortens (shrines/stupas), Lakhangs (temples) and houses are some of the impressive and important structures in Bhutan.⁵⁵ Most of the monasteries and temples throughout Bhutan are built on steep hillsides and in other remote places. This ensures that the monks get solitude and serenity. All the monasteries in Bhutan have some common features though they also have their own design. Monasteries here have a central chapel with statues and separate sleeping quarters for the monks. There are prayer wheels around the outside and a round gold-coloured ornament on the roof. Temples are not very different from monasteries in design and look; the only difference between them is that they do not house monks.

Yaks in Bhutan play an important role in the religious and cultural life, especially for the pastoralists but also for the Bhutanese population in general. Though, there some problems associated with yaks in relation to geographical and social isolation for future development still it continues to be an important component of the Bhutanese landscape and society and will become an important attraction for tourism.

In Bhutan yaks are used as the pack animals especially for higher elevation treks to carry travellers and equipments. They are reserved for trekking for travellers and it is done by the locals at the starting point of trekking. It is the main source of livelihood for the Bhutanese population living at high altitudes. The yak production system has

⁵⁴ Referred from "Bhutan Culture", online at <http://bhutan.saarctourism.org/bhutan-clture.html>

⁵⁵ Referred from the online source, <http://www.bhutanmysticbliss.com/bhutan-travel/culture-bhutan.html>

considerable national importance, unlike in many other yak-rearing countries. Though, yaks are used as riding and pack animals to transport goods across the rugged mountains. But it provides milk and meat as the most important products. They also provide fibre, fuel and fertilizer i.e. use of manure or ash after burning manure.

Fig.2.4: Bhutanese Pack Animals, Yaks !



Source: <http://www.enjoybhutan.com/images/yaks3.jpg>

Packing with Yaks is a very special experience for travellers. Besides taking the loads in their back they are unique trail companions. They often spot wildlife and other back country travellers well before tourists. They often give vocal comments on trail conditions or their opinions about when it's time to take a break. More than one Yak may be tied together to form a Yak pack string. Yaks follow one another quite naturally while leading a string of Yaks requires extra attention. Travellers should look back frequently to check on them and take care when negotiating obstacles. While they may drink from streams along the trail, but interestingly, Yaks may also completely abstain from drinking during the hike to camp.

Bhutan is in a very fortunate position in terms of tourism. While tourism resources are being destroyed elsewhere, Bhutan's assets in the form of its natural environment and

culture are well preserved. The international community appreciates the Bhutan's policy of giving the highest priority to environmental and cultural preservation which is again helpful for Bhutan as a prime tourist destination. The tourism industry has created a wide range of opportunities for Bhutanese who have begun to grasp economic opportunities offered by the industry. Tourism has also been a self-financing mechanism for promoting the country's environment and facilitating an awareness and understanding of the uniqueness of this country. Tourism of Bhutan has resulted in some adverse impacts but the government has to recognise the need to address them.

Tourism of Bhutan has also promoted Bhutanese culture by creating employment opportunities for traditional musicians and dancers. It has also encouraged the resurgence of local festivals in different parts of the country. Although the government still maintains control over the industry, it has become much more diverse and complex since it was privatized in 1991. The private sector is being more involved in monitoring and developing future tourism policies. Tourism bodies like the Tourism Development Committee and the Association of Bhutanese Tour Operators have been established to foster partnership between relevant sectors involved in the industry and within the industry itself. Here, it can be said that the organisations are in their formative stages and still have crucial roles to play in determining the future sustainability of tourism in Bhutan.

Tourism offers a way of achieving the benefits of tourism with the country's development philosophy. Tourism of Bhutan offers, Adventure sport such as rafting and kayaking, which are highly promoted in Bhutan. Bhutan has a comparative advantage with river rafting due to its free-flowing numerous rivers. Opening up rivers around the country for white-water rafting and kayaking will bring tourism to parts of the country. Initially these were not visited and benefitted with fruits of tourism.

Other innovative schemes were initiated, such as providing meditation centres in national parks, replicating traditional and religious festivals so that the real ones are not corrupted. And to offer avenues for sustainable tourism, the cultures of ethnic

minority has been sponsored with exhibitions of traditions.⁵⁶ It has been done with the aim of returning a fair share of tourism revenues to these communities.

For the future development of the of tourism industry in the country a Tourism Master Plan is under preparation. However, it is suggested that there should be extensive consultation between various stakeholders before the document is formally approved and implemented. So far the government's policy of "high value-low volume"⁵⁷ tourism has been successful in regulating the growth of the industry and maintaining the number of visitors at an acceptable level. To ensure that valuable tourism resources in Bhutan are developed in a cautious manner, the government must continue to regulate tourism through its pricing policy. It should think of a well-defined and effective policy on sustainable tourism, especially ecotourism. Only the government can provide the strategic planning base for tourism. And it should also ensure that valuable and fragile habitats are identified, so that the overall needs and implications of tourism are assessed. It should also carry out the environmental impact assessments for major developments.

The tourism industry in Bhutan has been in unique in maintaining sustainability. Individual firms are taking the lead role by showing how self-regulation and work in practice.⁵⁸ They have been taking voluntary action to reduce pollution. They have initiated and abided by the Codes of Best Practices and by educating clients. Now, it is for the tourism industry association in Bhutan to continue in developing and adopt codes of conduct and good practice. It should also provide members with the information to implement them. The industry association must also develop mechanisms for effective self-regulation and introduce sound environmental practices.

Lastly, local involvement may be the involvement of the locals and inputs are essential for the long-term economic and environmental sustainability of tourism in Bhutan. To ensure that tourism of Bhutan is sustainable the local communities are to be involved with their culture and tradition and they should have a stake in tourism

⁵⁶ National Environment Commission, Royal Government of Bhutan: The Middle Path-National Environmental Strategy for Bhutan. 1998. "Tourism and Its Effects on the Culture and the Environment" p. 53

⁵⁷ Dorji, T., (2001), "Sustainability of Tourism in Bhutan." *Journal of Bhutan Studies* 3(1): 84-104.

⁵⁸ *ibid*

activities in their interests. Along with this, the partnership between the government, the private sector, and the local people is highly beneficial. It would certainly open up a wide range of opportunities that make good economic sense and benefit all the partners. Hence, the tourism in Bhutan will be sustainable with tourism planners and operators who give due consideration to the carrying capacity of country's natural resources. And more importantly, it should recognise that people and communities, customs and lifestyles contribute to the tourism experience.

CHAPTER 3:

BHUTAN'S TOURISM POLICY AND

CONSERVATION OF

ENVIRONMENT

CHAPTER 3

BHUTAN'S TOURISM POLICY AND CONSERVATION OF ENVIRONMENT

Tourism policy of Bhutan is a plan or course of action, laid down to guide in the achievement of identified goals and objectives. It is commonly regarded as a statement of intent or commitment to the driving vision. Bhutan's tourism policy is an instrument of GNH. The formulation of Tourism policy in Bhutan is seems to be a challenge, because at the one hand Bhutan needs sustainable economic growth while on the other, preservation and protection of environment is also important. In the era of industrialisation and globalisation the whole world is facing various types of environmental problems, in which Bhutan is also part of it. This is what makes Bhutan to think seriously about their tourism policy and to maintain balance between economic growth and eco-friendly environment. The concept of sustainable development is a best solution to solve the various types of problems. In this regard, on the basis of high value, low volume approach, the government of Bhutan slowly but sincerely formulating their tourism policy and controlling tourism as well.

3.1 Tourism Policy in Bhutan

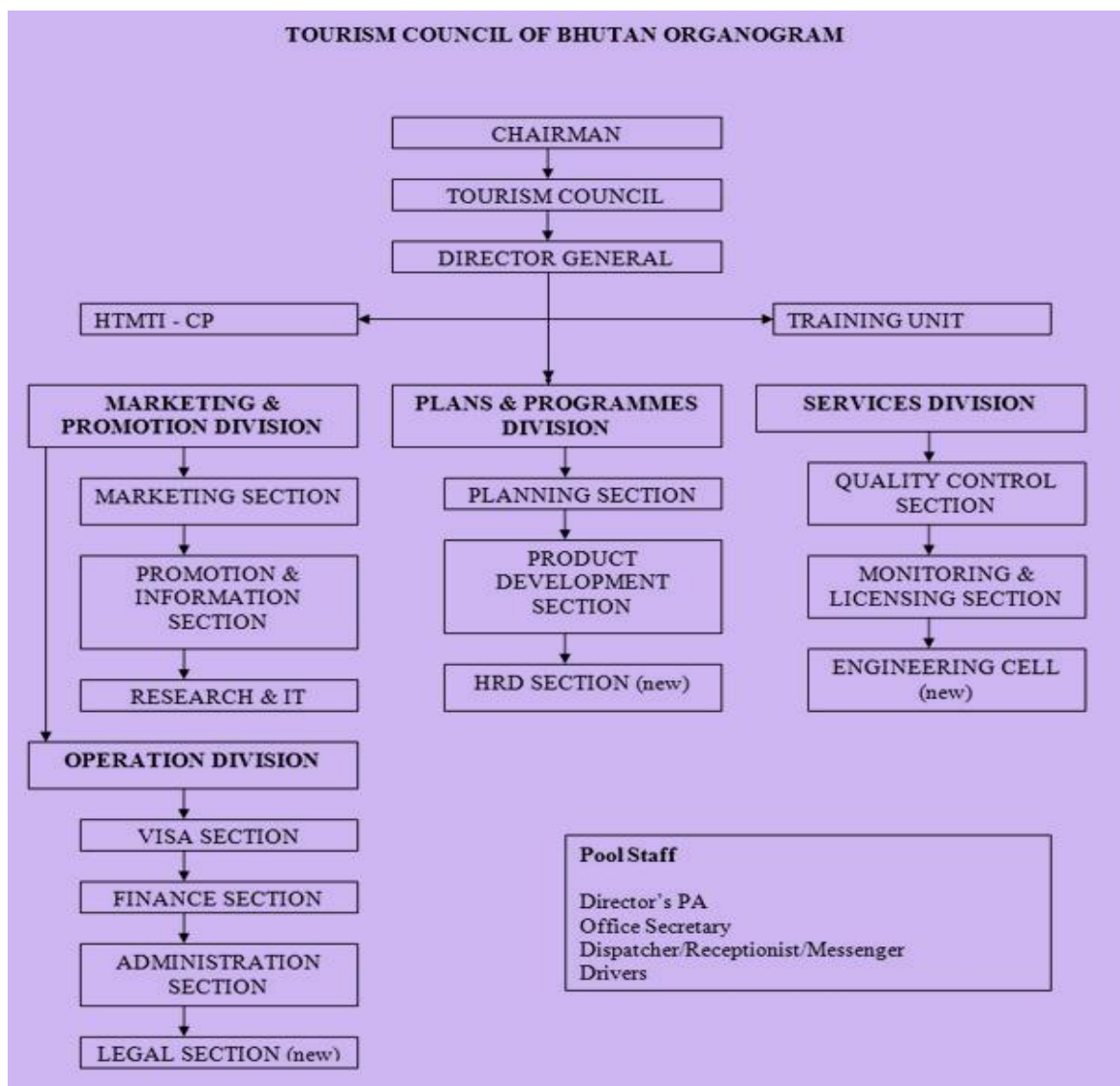
Tourism Policy making institutions

TCB⁵⁹ and ABTO⁶⁰ plays major role in formulation and implementation of tourism policy. Tourism being a multidisciplinary sector is often dependent on the initiatives of other sectors for its development. The previous Department of Tourism was instrumental in the formation of the (ABTO) as a bridge between the private sector

⁵⁹ It is a government organization, Tourism council of Bhutan which is regulating and monitoring the tourism in Bhutan. The importance of tourism in Bhutanese economy and society is growing up continuously. The website of TCB gives us precious information about tourism in Bhutan, which is very helpful for tourist and various tourist agencies also. For more details see <http://www.tourism.gov.bt/>

⁶⁰ Association of Bhutanese Tour Operators (ABTO) is an important organization in the area of tourism. Its founded in 2000 is the recognized representative of the tour operators in Bhutan. It is the mutual and official voice of all Bhutanese tour operators who constitute its primary membership. It is also an institution representing and protecting the collective interests of the tourism industry in the country.

and the government in making a concerted effort. The Tourism Development Committee (TDC) was established with representatives from all relevant sectors to providing sound and comprehensive functional guidelines. TCB try hard to bring such problems to the notice of the TDC to ensure that tourism development can take place in a properly coordinated manner. It also ensures active co-operation of all the agencies involved. A Tourism Development Fund (TDF)⁶¹ has also been created since 1999 with contribution by tour operators of US\$ 10 for every tourist they bring in. The Tourism Development Committee acts as the sanctioning authority for reasonable use of this Fund for all the approved plans and programmed.



⁶¹ The TDF fund was established in around 1999-2000 with USD 25,000 as an initiative to help development of tourism and tourism infrastructure in Bhutan. The TDF is a nine members committee, five, including the chairman, from TCB and four members from ABTO.

Source: <http://www.tourism.gov.bt/about-tcb>

Functions and responsibilities of Tourism Council of Bhutan.

1. Tourism Planning & Policy: Formulate, implement and update a national tourism policy and strategy in consultation with relevant stakeholders.
2. Regulation and Monitoring: Develop and implement relevant tourism guidelines and regulatory measures towards sustainable utilization of natural and cultural resources and ensure compliance.
3. Facilitation and Co-ordination:
 - Establish a safe, secure and healthy environment for visitors;
 - Promote and facilitate private sector investment in the tourism industry;
 - Promote tourism as an important national priority and mobilize adequate resources for its development;
 - Co-ordinate tourism related efforts among all stakeholders in the industry;
 - Facilitate daily operational procedures; and
 - Facilitate and assist in improving visitor relations and experience.
4. Marketing and Promotion: Actively carry out/facilitate promotion & marketing of the country as a tourism destination through tourism fairs, exploring potential new markets and promotional literature.
5. Development of Tourism Products and Services: diversify and develop new tourism products to create a balanced and sustainable tourism most compatible with the environment and society.
6. Human Resource Development: Facilitate manpower and skills requirements of the tourism sector through training and advancement opportunities.

The tourism industry in Bhutan is relatively young having been initiated only in 1974 at the time of the coronation of the fourth King. The industry totally operated by the government initially, in response to changing operational requirements was first corporatized in 1983 and finally with the privatization initiative of the government, privatized towards the end of 1991. The government took up the facilitating and regulatory role with the establishment of the Tourism Authority of Bhutan (TAB). The TAB was restructured and renamed the Department of Tourism under the Ministry of Trade and Industry. In 2008, realizing the importance of a multi-sectoral

approach towards tourism development, the Department of Tourism was granted autonomy under the chairmanship of the Prime Minister and renamed the Tourism Council of Bhutan.⁶²

The Royal Government of Bhutan adheres strongly to a policy of high value, low impact/volume tourism which serves the purpose of creating an image of distinctiveness and high yield for Bhutan. Therefore, government has adopted a policy of minimum price per day which ensures slow tourism growth in the hope of preventing excessive cultural and social impact. In 1999 approximately 6000 foreign (non-Indian) tourists visited Bhutan. Approximately US\$14 million gross expenditure, which although not large, provides significant foreign exchange earnings for a small developing country. The present policy consists of a fixed price set by government, with quality of service and visitor experience maintained by market share Competition between tour operators, and government regulation⁶³. Establishing a minimum price is an effective and efficient mechanism to regulate numbers for maximum yield that is, maximum return for minimum impact⁶⁴.

The Royal Government of Bhutan recognizes that tourism is a world-wide phenomenon and an important means of achieving socio-economic development particularly for a developing country like Bhutan. It also recognizes that tourism, in affording the opportunity to travel, can help in promoting understanding among people and building closer ties of friendship based on appreciation and respect for different cultures and lifestyles⁶⁵. Governments of Bhutan also focus on ecotourism which tend to protect and promote the environment.

⁶² Now a day Tourism council of Bhutan is regulating and monitoring the tourism in Bhutan. The importance of tourism in Bhutanese economy and society is growing up continuously. The website of TCB gives us precious information about tourism in Bhutan, which is very helpful for tourist and various tourist agencies also. For more details see <http://www.tourism.gov.bt/>

⁶³ It means licensing of tour operators, guides, hotels etc. and direction given by the government to them. It is necessary for preservation of cultural and natural heritage.

⁶⁴ Brunet, s.(2001) et al. Tourism Development in Bhutan: Tensions between Tradition and Modernity, Journal of Sustainable Tourism Vol. 9, No. 3, 2001, p 258

⁶⁵ So that we can see the tourism in Bhutan is broad prospect. For more detail we can see website of TCB, <http://www.tourism.gov.bt/about-tcb>.

The tourism industry in Bhutan is founded on the principle of sustainability, meaning that tourism must be environmentally and ecologically friendly, socially and culturally acceptable and economically viable. The number of tourists visiting Bhutan is managed according to Bhutan absorptive capacity to ensure promotion of natural and cultural heritage through high value tourism.

Similarly Government of Bhutan has also adopted a policy of restricted tourism. Therefore Tourist will not be allowed to visit inner sanctums of dzongs and lakhangs including goenkhangs, lhamoi nyekhangs, zhidai nyekhangs, zakhangs, sungkhor lhakhangs, gyelkhangs and tsenkhangs. Tourists will also not be allowed to visit holy sites like the nyes of Singye Dzong, Rinchen Bumpa and Bae yul Khenpa Jong. Aja Nye in Mongar will be restricted for tourists from the 15th day of the 4th Bhutanese month to 15th day of the 8th Bhutanese month. Tourists will be allowed to the Dechenphu Lhakhang courtyard in Thimphu only during the tsechu time there. Other restricted areas include the Rangung Karsapani Lhakhang, Tshe Zim and Ma Chen Zimkhang in Punakha Dzong and Sang Ngad Choeling in Talo. In Bumthang, tourists will not be allowed in Khe Chu Phu above Tharpaling Lhakhang in Chumey gewog from the 4th to 9th Bhutanese month; Drak Lhakhang in Upper Tang gewog from 3rd to 9th Bhutanese month; and La Tsho above the Kuenzang Drak Lhakhang from 3rd to 8th Bhutanese month.

The present tourism privatisation policy and method of implementing a minimum price is not going to encourage the private market for investment in the provision of accommodation, restaurants, retailing, trekking, protected area management, and other services and infrastructure required for an internationally competitive tourism system.

The present government review of tourism policy should undertake to remove these mandated accommodation and other tourism service prices to enable investment in improved tourism services. As mentioned, tourism is increasingly being seen by RGOB as the major option for economic diversification. Any review of tourism policy must consider a complex array of economic, cultural, social and environmental issues. To achieve desired outcomes will require action on many fronts⁶⁶.

⁶⁶ Brunet, s.(2001) et al. Tourism Development in Bhutan: Tensions between Tradition and Modernity, Journal of Sustainable Tourism Vol. 9, No. 3, 2001,p 258

The consequences of policy changes can be very complex and sometimes unexpected. It is vital that up-to-date, relevant and strategic information and research informs any policy review and subsequent changes. Although the situation is changing, the Bhutanese acknowledge that lack of relevant data often thwarts the implementation of effective policies to prevent undesirable environmental and cultural change. Indeed in global terms, data on 'the implementation of sustainable tourism, and thus also its quantification, is impeded by the unsophisticated state of understanding with regard to relevant indicators. Tourism and the development of related infrastructure are seen as providing employment opportunities for youth who are unwilling to involve themselves with traditional farming practice. With increased literacy levels, rural youth are seeking work in urban centres such as Thimphu to achieve a higher living standard than that afforded by traditional farming⁶⁷.

According to Tourism Council of Bhutan, Bhutan's tourism sector is regarded as one of the most exclusive travel destinations in the world. Bhutan enjoys an image of authenticity, remoteness and well-protected cultural heritage and natural environment. Today it is a vibrant business with nearly 600 private operators at the helm of affairs. The tourism industry as a positive force in the conservation of environment, promotion of cultural heritage, safeguarding sovereign status of the Nation for significantly contributing to Gross National Happiness is vision of Bhutan.

Tourism Reference Kit (TRK)⁶⁸, which is prepared by ABTO, gives the important information about tourism in Bhutan. This document is very helpful for tourist and tourist operator. Tourism has consistently been one of the highest revenue generators for the country. Its tremendous potential as a truly indigenous industry for socio-economic progress, in particular to alleviate poverty and create employment, have yet to be fully explored. This and the clear comparative advantages Bhutan enjoy make

⁶⁷ Ibid,p258-59

⁶⁸ The Tourism Reference Kit (TRK) is an informative document. The purpose of TRK is to provide value addition services to member tour operators through sharing of exact and essential information. TRK is a collection various information like, tourism related policy, various rules and regulations, attractions and procedures and formalities for various operations. This TRK is a vibrant document that needs to be updated frequently based on the changing needs and introduction of new tourism products and services.

for a compelling logic to promote Bhutan as a high-end tourism destination in a manner which accords with the premises of Gross National Happiness. The time is now for a paradigm shift to seize the opportunity for tourism. It primarily entails product diversification and enhancement of services which will enable spatial and a more equitable distribution of tourism benefits. Such a shift will need a vigorous policy for tourism promotion. A policy with a clear set of principles and strategies that will serve the realization of a vision through shared commitment to it⁶⁹.

3.2 Conservation of Environment

In Bhutan the interdependence of the people on natural resources is so strong that a breakdown in one link can create a chain of disorders with disastrous effects on human well-being. Despite the Royal Government's efforts in nature conservation, threats to biodiversity are emerging on the ground. Bhutan is at a crossroads. Within a few decades since the inception of planned economic development in the 1960s, development has accelerated to the point where the country is faced with many difficult issues and demographic changes. It is clear that Bhutan's conservation of biological diversity must be an integral⁷⁰ component of economic development⁷⁰.

Along with promotion of tourism in Bhutan there is also necessary to conserve the environment. According to Bhutan Third National Report⁷¹ Royal Government priorities to conserve the environment and cultural heritage of Bhutan restrict the flow of tourist. As a result, Government followed a policy of high value-low volume

⁶⁹ For more detail, we can see the Tourism Reference Kit, which is available on this website <http://www.abto.org.bt/wp-content/uploads/2009/08/Tourism-Reference-KIT>, P 7

⁷⁰ Ibid,p6

⁷¹ The National Environment Commission (NEC) sought financial assistance from UNDP GEF for preparation of this report. The NEC recruited a local consultant to prepare this report. Information was first compiled by the consultant from various relevant agencies from both the private sector and the government. The first draft report was circulated among all affected stakeholders and later discussed at length during a national level workshop. Workshop participants included key stakeholders from the government, civil society, and private sector. The workshop was held over a period of two days at Paro on the 4 and 5th of August, 2005. Working groups were formed based on expertise and the questionnaires were analysed, discussed, and filled by the most appropriate group. The comments from the workshop were incorporated into the final document and circulated to all the participants for their comments and suggestions. Finally, a focus group workshop was organized on the 16th of November 2005 to endorse the document/report during which some valuable comments and suggestions were made from the participants including the representatives from the UNDP Thimphu Office, MoA, Office of the Legal Affairs, etc.

tourism, controlling the type and quantity of tourism right from the start. Although tourism in Bhutan has been referred to as a model for other fragile mountain areas, there has emerged a number of pressing tourism related environmental and cultural problems in the last few years. Among the problems currently encountered are; the destruction of vegetation through the cutting of slow growing trees for fire wood in the alpine zone. This is more pronounced in the Bhutan's high alpine regions through which most of the trekking routes are located. The local people in these areas rely on wood for fuel and tourism adds more pressure on the forests. Erosion of delicate vegetation is another visible problem associated with tourism in Bhutan. Although tourism activities are not solely responsible for erosion in the high mountain areas, the use of horses and yaks during treks has a significant impact. Also the local residents tend to increase the size of their domestic herds for transport contracts with the tourism industry, which in turn adds to the limited carrying capacity of fragile mountain ecosystems. The creation of garbage trails from the indiscriminate proposals of non-biodegradable waste is another visible environmental problem associated with the tourism industry. It has been pointed out that tourism is promoting changes from sustainable farming and cropping patterns to other more profitable and less sustainable livelihoods to meet the needs of an affluent tourist. Some people also argue that interaction with the tourists have led to the erosion of Bhutanese culture and values systems⁷².

Although Bhutan's Biodiversity Action Plan demonstrates an awareness of problems and potential problems related to tourism. Bhutan will need to develop practical strategies to manage the environmental impact of tourism if it is to encourage increased use of its natural assets. For example, trekking in neighbouring countries such as Nepal has seriously contributed to environmental degradation in the Sagarmatha and Annapurna regions, mostly through lack of regulation in the 1960s and 1970s. But much has been learnt about sustainable tourism management in, for example, the Annapurna Conservation Area. The Annapurna Conservation Area Project (ACAP) has successfully implemented an alternative energy programme to reduce the alarmingly high use of fuel wood by local communities and those

⁷² Bhutan Third National Report, (2005), National Environment Commission, Royal Government of Bhutan, p 81

providing tourist facilities. Bhutan has devised a solution to one problem of waste disposal with the recent banning by the King of all plastic bags. Other areas that require monitoring include building roads and tracks within fragile environments; the impact of humans on wildlife, effluent degradation of waterways and so on.

According to the Bhutan Third National Report, (2005), threats to the ecological integrity of habitats and species stem from several sources and the main types of threats include:

- Land conversion causing habitat destruction and fragmentation, resulting in the loss of biomes, ecosystems and wildlife species that depend on the habitats, particularly in the tropical and subtropical zones of the south and the temperate zones of the interior.
- In certain areas overexploitation of land, causing habitat degradation and direct attrition or loss of plant and animal species.
- Competition with/replacement of indigenous species by domestic and/or exotic species and varieties.

Direct and underlying causes of threats to wild biodiversity encompass the following-

- Bhutan's annual population increase of 3.1 percent puts ever-increasing pressure on the country's fragile environment and natural resource base.
- Overgrazing by domestic livestock in certain locations, both in range and pasture areas leads to attrition or loss of species, reduction of productivity and erosion, in forest areas it seriously impacts national regeneration and changes in vegetation composition.
- Reliance on wood for fuel is exacerbated wherever there is human habitation.
- Gaps in implementation of general policies and legislation, although the policies themselves are environmentally oriented, may lead to loss of biodiversity or have unexpected environmental impacts.
- Unsustainable cropping practices - such as permanent dry land cultivation on steep slopes without proper soil conservation, or shifting cultivation where fallow periods are being reduced -result in declining soil fertility and diminution of species composition.

- Forest fires, mostly if not entirely caused by humans.
- Overexploitation of plants and animals, especially through collection (medicinal plants), poaching and heavy use.
- Limited human resources.
- Introduction of exotic species, especially those associated with agriculture, forestry and fisheries.
- Pollution, primarily of water in the vicinity of urban areas.
- Inadequate information on biodiversity, its management and use, and inefficient use of existing information.
- Transborder pressures including atmospheric pollution, smuggling of medicinal plants and poaching of endangered mammals.

Bhutan 2020 Vision, This is a vision statement, a strategy document providing a 20 year perspective and embodies a unique development philosophy based on increasing Gross National Happiness (GNH). The vision also attempts to balance development and environmental conservation, modernization with cultural maintenance, age old values with technology, and immediate needs with long term goals.

National Forest Policy 1974

This policy places priority on conservation of forests and associated resources for their ecological value. Economic benefit from forest resources is considered secondary and is to be derived within sustainable limits. This policy focus on Protection of land, its forest, soil, and water resources and biodiversity against degradation, such as loss of soil fertility, soil erosion, landslides, floods and other ecological devastation and improvement of all degraded forest land areas through proper management systems and practices. Similarly, it contributes to the production of food, water, energy and other commodities by effectively coordinating the interaction between forestry and farming systems.

It also make possible for getting the long-term needs of Bhutanese people for wood and other forest products. It makes sure, Contribution to the growth of national and local economies, including exploitation of export opportunities, through fully developed forest based industries. Bhutanese people have a culture and lifestyle that

are closely integrated with the natural environment in which they live. The people have often developed sustainable methods of managing the resources they use. The national policy objectives in biodiversity are:

- Biodiversity issues will be integrated into the economic development plans and programs;
- Special attention will be given to support parks and Protected Areas and effective buffer zones management; and
- Information on biological diversity will be developed for conservation and sustainable use of biological resources. Bhutan's policies on biodiversity parallel those of the CBD, particularly those which specify:
 - Conservation of biological diversity is a priority national objective;
 - Any use of biodiversity component must be sustainable; and
 - There should be fair and equitable sharing of the benefits arising from biological resources.

National Environmental Strategy (NES)

The NES is called the middle path and it seeks to balance environmental conservation with economic development. Three avenues of sustainable economic development are outlined: expanding hydropower, increasing agriculture self sufficiency, and expanding the industrial base. The NES examines each avenue in detail, taking into the current status of the sectors and enabling conditions for development and the implications of such development. Hydropower represents a sustainable and relatively clean source of revenue. Although only about 5% of the total hydropower will be harnessed by the end of 2006, it will account for one-third of Bhutan's total annual foreign revenue. Expanding this sector is expected to improve the living standards for the population and reduce the currently high levels of fuel-wood consumption. To expand this sector it is required to maintain the integrity of the country's watersheds.

The second avenue of economic development is to increase food self sufficiency. As expansion of arable land is not possible given the limited flat land area, the ways to improve food production are through intensive farming, diversification of commodities, and promotion of agro-based industries, sustainable soil management,

pest management practices, improved extension services and better rangeland management.

The third avenue is industrial development. It is currently based on four main resources: hydropower, wood, agriculture and minerals. Competition for different land use, topographical factors, transport and communication, and limited access of raw materials are constraints to industrial development. Some of the implications to industrial development include pollution and a variety of environmental problems. Environmental criteria need to be involved with industrial development planning. This involves setting of environmental standards, establishment of legal basis, and enforcement. Agricultural Policy

Environmental Assessment Act, 2000

In order to conserve the environment an important act comes in to existence in 2000. This act deals with Institutional arrangements and administrative procedures for controlling pollution. The Act requires line agencies to screen, monitor and enforce most of its provisions. The appraisal system needs to be re- oriented to integrate environmental criterion and the regional and central offices adapted to carry out the new functions. At the same time, the implementation of environmental assessment and monitoring has to be done without adding to costs and delays that will discourage investment.

The National Environment Protection Act, 2007

Another important act regarding conservation of environment enacted in 2007. This was the major breakthrough in protecting and preserving environment. It provides an effective system to conserve and protect environment through the National Environment Commission. The National Environment Commission is an independent authority and the highest decision-making body on all matters relating to the environment and its management in the country. The Commission exercise the jurisdiction and powers and discharge the functions and duties conferred under this Act. It deals with Protection and promotion of a safe and healthy environment. This acts focus over Prevention, control and abate environmental harm, including

pollution. It also ensures conservation and sustainable use of natural resources. However, it Institutionalize the environmental assessment process as an integral part of the development planning process through implementation of the Environmental Assessment Act, 2000 and Negotiate and enforce bilateral and multilateral environmental agreements.

Government agencies are concerned that, with a significant increase in the birth rate and increasing population mobility as well as youth unemployment in urban centres will create social problems . Employment in nature-based or cultural tourism enables youth to work in their local villages as a result it reduced the problem of cultural dislocation. Moreover, for those from remote areas provide them with a better standard of living. For example the Jigme Dorji National Park benefiting through increasing nature tourism experiences, such as trekking through the park, as it allows people in the remote areas of the park to benefit financially by providing accommodation, food and related services to tourists. One of the major problems facing the park was the illegal harvesting of rare and sometimes endangered plants used for traditional medicine. As tourism is highly regulated to encourage a high-yield, low-impact outcome, social problems typical of overused tourist destinations like violent crime, sex tourism and so on, are not evident. However, this can quickly change if tourism numbers increase rapidly⁷³ .

Moreover, there is increasing demand from tourists for ecotourism-type experiences. This will certainly lay impact on the Nature Conservation Section of the Forestry Services Division. Many species in Bhutan including tiger, black-necked crane, Himalayan Takin, Himalayan musk deer, golden langur and one-horned rhinoceros require expensive research, survey and management programmes in order to survive in the long term. Well-managed nature based tourism could provide direct and indirect environmental benefit in Bhutan's protected area. If there is pressure to expand, habituation of local animals at camp sites, the introduction of exotic vegetation and waste disposal facilities may interfere with migration and breeding habitats. However, effectively managed tourism could provide opportunities for a revenue flow as well as its crucial conservation and protection activities. A core component of Bhutan's

⁷³ Ibid,p259

tourism policy is to ensure a sustainable cultural and environmental carrying capacity seems a challenging task as it is particularly difficult to determine carrying capacity for natural and cultural sites⁷⁴.

By comparison with international situations, it is unlikely that current numbers of 5000–6000 foreign tourists a year impose a major threat to the natural environment. The impact on traditional communities in remote areas of the country, however, is another matter. Although there is a well-considered policy to control the numbers, and hence impact, of western visitors, unrestricted tourism from India, with its population of one billion, poses problems. Lack of data on numbers of Indian tourists complicates any attempt to estimate an acceptable carrying capacity. With India's rapidly expanding economy and because of Bhutan's highly attractive tourism assets, its low population density, and proximity to India, it is reasonable to expect a rapid increase in Indian tourism. Continuing unrestricted visit from India will make it difficult for Bhutan to sustain the benefits of high-yield, low-impact tourism, and its main protective policy against the consequences of high-impact tourism. If Bhutan is serious about achieving its 2020 cultural and environmental goals, it is obliged to address the issue of unregulated tourism with India. This is not an easy task, given Bhutan's dependent political and economic relationship with its dominant neighbour⁷⁵.

3.4 Role of World Tourism Organisation

The World Tourism Organisation (UNWTO)⁷⁶ plays important role in world tourism. Bhutan is a member country of UNWTO, so that in the formulation of Bhutan's

⁷⁴ Ibid,p260

⁷⁵ Ibid,p260-61

⁷⁶ The World Tourism Organization (UNWTO), a specialized agency of the United Nations, is the leading international organisation in the field of tourism. Recognizing tourism's important role in the global economic and development agenda, UNWTO provides leadership and support to the tourism sector in the advancement of sustainable policies and practices. The Organization encourages the implementation of the Global Code of Ethics for Tourism with a view to ensuring that member countries, destinations and businesses maximize the positive economic, social and cultural effects of tourism and fully reap its benefits. UNWTO is committed to the United Nations Millennium Development Goals, MDGs geared towards reducing poverty and fostering sustainable development, and aims to use tourism as a tool for their achievement. UNWTO works to improve its Members' tourism products and destinations through knowledge building and exchange, human resources

tourism policy UNWTO very helpful in various kinds. According to UNWTO Annual Report, A year of recovery, 2010, Competitive advantages in tourism depend on several factors, including the investments made to create an attractive product or destination, quality standards, levels of access, adequacy of supply to demand, but also on appropriate market intelligence and effective promotional strategy. Adequate qualitative and quantitative knowledge of tourism markets and identifiable trends are the foundation for informed decision making on key issues such as product development and tourism promotion. On a regular basis, UNWTO provides its Members, and the sector at large, with key data, market trends, short and long term forecasts and know, how on specific market segments and generating markets. In 2010, UNWTO improved its monitoring by increasing the frequency of publication of the UNWTO World Tourism Barometer⁷⁷. Research on important trends was also carried out on issues including religious tourism in Asia and demographic changes and tourism. UNWTO activities in this area during 2010 also included direct assistance to Members and a series of capacity building workshops in several regions.⁷⁸

As far as the report of ‘Bhutan Releases New Tourism Strategy’ May, 2012 is concerned some valuable information comes to know about tourists arrivals to the country. It is found that tourism has steadily increasing since 2009. It indicates Bhutan is well on the way to becoming one of Asia’s destinations to watch. The UNWTO commissioned long term tourism strategy and development plan, released in February, examines this country’s plans further. UNWTO, the leading international organisation in tourism and the specialised agency of the United Nations responsible for the promotion of responsible, sustainable and universally accessible tourism, commissioned a project to formulate Bhutan’s latest five-year tourism plan: *Bhutan Tourism Strategy and Development Plans 2013-2018*. This plan, presented to the

development and the promotion of quality and excellence in areas such as statistics, market trends, marketing, destination management and risk and crisis management.

⁷⁷ The UNWTO World Tourism Barometer monitors provide short term trends and providing tourism stakeholders with up to date data and analysis in a relevant and timely manner. So that UNWTO is now able to provide more accurate, updated and useful information for UNWTO Members and the wider tourism community.

⁷⁸ <http://www2.unwto.org/en/news/2012-05-15/bhutan-releases-new-tourism-strategy>

Government in February, presents a mission statement, product development plan, marketing and communication plan and an institutional development plan to achieve Bhutan's tourism vision⁷⁹.

Bhutan's tourism vision, to foster a vibrant industry as a positive force in the conservation of the environment and promotion of cultural heritage reflects the country's desire to develop a responsible, sustainable tourism industry. In line with its mission to promote sustainable tourism development and help its Member States to maximise the potential of tourism there by bringing benefits to their countries, UNWTO has been engaged with the nation of Bhutan since it first joined the organization in 2003 in order to achieve this goal.

These days, Bhutan is well known around the world for its distinctive focus on the Gross National Happiness (GNH) agenda, an alternative to the commonly used Gross Domestic Product (GDP) method of measuring the wellbeing of nations. GNH is receiving increasing attention around the world, especially following its endorsement by the United Nations General Assembly and its inclusion in the Millennium Development Goals. While the new Tourism Strategy and Development Plan outlines the country's challenges and difficulties in developing a tourism industry that is closely aligned to the GNH philosophy, it also outlines suggestions of increasing the tourism industry's potential to be a front-liner in the communication of GNH focused national development.

Representatives from other UNWTO Asia Pacific Member States will have the chance to explore Bhutan for themselves next month, when UNWTO holds its 6th UNWTO Asia/Pacific Executive Training Program on Tourism Policy and Strategy from 25th – 28th June 2012.⁸⁰

⁷⁹ *The Bhutan Releases New Tourism Strategy* has taken from this website:
<http://www2.unwto.org/en/news/2012-05-15/bhutan-releases-new-tourism-strategy>

⁸⁰ <http://www2.unwto.org/en/news/2012-05-15/bhutan-releases-new-tourism-strategy>

CHAPTER 4:
TOURISM AND GROSS NATIONAL
HAPPINESS

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TOURISM AND GROSS NATIONAL HAPPINESS

Tourism and GNH both is beneficiary to each other. The concept of GNH in Bhutan is a distinctive thing which makes Bhutan recognisable to the world. This is what makes Bhutan a major choice for intellectuals as well as economists, environmentalist, and different international organisations as their research study and observation. It led to increase awareness among world tourists. So, the numbers of tourist visiting Bhutan is increasing day by day and flow of money also increasing in Bhutan. Once the economic growth start raising it influences overall development for Bhutan and it become easy to achieve the GNH goals. Similarly GNH also influences tourism in Bhutan. With keeping in mind GNH support sustainable development, environment conservation, and cultural preservation which make Bhutan to follow protected, managerial as well as controlled tourism.

The fourth King of Bhutan, His Majesty Jigme Singye Wangchuck, brought the concept modernisation in Bhutan. As a result GNH come in to existence in 1972. Happiness of the people was made the guiding goal of development. Gross National Happiness (GNH) measures the quality of a country in more holistic way and believes that the beneficial development of human society takes place when material and spiritual development occurs side by side to complement and reinforce each other. There are certain parameter by which the happiness of people being calculated, although it is not based on clear cut mathematical calculation but the main objective of GNH is to achieve these,

1. Sustainable Development
2. Preservation & Promotion of Culture
3. Conservation of Environment
4. Good Governance

The government is in the process of adopting 72 GNH indicators derived from nine GNH domains. These indicators will measure Bhutan's genuine progress towards human development. These development objectives are pursued by the Royal Government to achieve a harmonious balance between material well-being and the spiritual, emotional and cultural needs of an individual and society.

Measuring human well-being is important in determining whether people's lives improve or worsen over time. Today many countries focus on Gross Domestic Product (GDP) as a basis to measure economic well-being, but focus on economic growth fails to capture the overall well-being of the people. Alternative measurements such as Genuine Progress Index (GPI) and Human Development Index (HDI) have been introduced to measure the non-economic aspect of well-being. GPI and HDI include important factors that contribute to healthy living but still calculation is based on monetary values. Gross National Happiness (GNH) is the central development philosophy of Bhutan (Planning Commission 1999). This unique philosophy aims at maximising well-being and minimising suffering by balancing economic needs with spiritual and emotional needs. Bhutan's fourth king, Jigme Singye Wangchuck, coined the term "Gross National Happiness" in the late 1980s arguing that "Gross National Happiness is more important than Gross Domestic Product". His vision was to create a GNH society: "an enlightened society in which happiness and well-being of all people and sentient beings is the ultimate purpose of governance"⁸¹.

GNH is based on the notion that happiness pursued and realised within the context of sustained happiness and satisfaction of an individual in a society. Yet, society as a whole cannot achieve happiness if individuals compete irresponsibly for it. To this end, GNH recognises that happiness ought to be realised as a collective goal; it cannot be left as an individual goal GNH stresses collective happiness to be addressed directly through public policies in which happiness is an explicit criterion in projects and programmes. If a government's policy framework and its goals are adverse to happiness, happiness will fail as a collective goal. In the GNH context, a government concerned with the happiness of its citizens which must have to create realistic environment for people to achieve happiness.

Dimensions and Indicators of GNH

The efforts towards developing a GNH index⁸² was undertaken to provide Bhutan with a valuable set of indicators that can be utilized in making its development efforts

⁸¹ Tashi, Wangmo, and John, Valk, (2012) Under the Influence of Buddhism: The Psychological Well-being Indicators of GNH, Journal of Bhutan Studies Vol. 26 Summer 2012, p54.

⁸² GNH INDEX, Karma Ura, President, the Centre for Bhutan Studies. Coinciding with the coronation of the 5th King of Bhutan, His Majesty Jigme Khesar Namgyel Wangchuck, in November 2008, the

more holistic and harmonious in its goals and means. The single number GNH index and its component indicators provide Bhutan with three different levels and types of indicators:

- GNH status indicators. Hundreds of such indicators have already been calculated from the primary data.
- GNH demographic indicators. These indicators show distribution of GNH dimensions across different social, economic and demographic groups.
- GNH causal and correlation indicators.

The GNH index been designed to fulfil various criteria which are needed for periodic national measure of happiness that is also relevant to national and district policy. A measure of Gross National Happiness might be presumed to comprise a single psychological question on happiness such as “Taking all things together, would you say you are: Very happy, rather happy, Not very happy, or Not at all happy.” Another measure is the subjective well being measure generated from a question such as “On the scale of one to ten, how would you rate yourself?” One is not a happy person and 10 is a very happy person. However, neither of these indicators are good multidimensional measures of happiness. The objectives of the kingdom of Bhutan, and the Bhutanese understandings of happiness, are much broader than those that are referred to as ‘happiness’ in the Western literature. Under the title of happiness, we include range of dimensions of human well-being. Some of these are quite traditional areas of social concern such as living standard, health, and education. Some are less traditional, such as time use, emotional well-being, culture, community vitality, or environmental diversity. The Gross National Happiness index is generated to reflect the happiness and general well-being of the Bhutanese population more accurately and profoundly than a monetary measure. The measure will both inform Bhutanese people and the wider world about the current levels of human fulfilment in Bhutan and how these vary across districts and across time, and will also inform government policy. The GNH indicators have been designed to include nine core *dimensions* that are regarded as components of happiness and well-being in Bhutan, and are constructed of *indicators* which are robust and informative with respect to each of the

Royal Government of Bhutan has adopted the GNH index. The index was inaugurated and launched by HM/PM of Bhutan on 24.11.2008. The GNH index was developed by the Centre for Bhutan Studies, a non aligned and non-profit research institution based in Thimphu, Bhutan.

dimensions. The nine dimensions were selected on *normative* grounds, and are equally *weighted*, because each dimension is considered to be relatively equal in terms of equal intrinsic importance as a component of gross national happiness. Within each dimension, several *indicators* were selected that seemed likely to remain informative across time, had high response rates, and were relatively uncorrelated.

The nine dimensions are:

1. *Psychological Well-being*
2. *Time Use*
3. *Community Vitality*
4. *Culture*
5. *Health*
6. *Education*
7. *Environmental Diversity*
8. *Living Standard*
9. *Governance*

In this perspective ‘happiness’ comprises having sufficient achievements in each of the nine dimensions.

Psychological

The domain of psychological well-being as an end includes satisfaction with all elements of life, life enjoyment, and subjective well-being. As collective happiness is the main goal in a GNH society, psychological well-being is of primary importance in gauging the success of the state in providing appropriate policies and services. Among component indicators of the psychological well-being domain, general psychological distress rate, prevalence rates of both negative emotions (jealousy, frustration, selfishness) and positive emotions (generosity, compassion, calmness), spiritual activities like meditation and prayers, and consideration of karmic effects in daily life were calculated. The psychological well-being index covered three areas:

- General psychological distress indicators,
- Emotional balance indicators, and
- Spirituality indicators.

Time Use

The domain of time use is one of the most effective windows on quality of life, as it analyzes the nature of time spent within a 24-hour period, as well as activities that occupy longer periods of time. An important function of tracking time use is to acknowledge the value of non-work time for happiness. The time available for nonworking activities such as sleeping, personal care, community participation, education and learning, religious activities, social and cultural activities, sports and leisure and travel can directly indicate diversity of activities that add to rich life and contribute to levels of happiness. Measurement of time, devoted unpaid work activities like care of children and sick members of household, and maintenance of household, can provide a proxy measure of contribution made by unpaid activities to welfare though the value of such activities are completely underestimated in national accounts. In the GNH index, time use component was divided into benchmark indicators of sleeping hours and of total working hours.

Community Vitality

The domain of community vitality focuses on the strengths and weaknesses of relationships and interactions within communities. It examines the nature of trust, belongingness, vitality of caring relationships, safety in home and community, and giving and volunteering. These indicators can track changes in adverse affects on community vitality. The community vitality indicators consist of:

- Family vitality indicator,
- Safety indicator,
- Reciprocity indicator,
- Trust indicator,
- Social support indicator,
- Socialization indicator, and
- Kinship density indicator.

Cultural Diversity and Resilience

Maintenance of cultural traditions has been one of Bhutan's primary policy goals, as traditions and cultural diversity contributes to identity, values, and creativity. The domain of culture focuses on the diversity and strength of cultural traditions. The domain takes into account the nature and number of cultural facilities, language use

patterns and diversity, and participation in community festivities and traditional recreations. The indicators estimate core values, and perception of changes in values and traditions. The indicators of cultural diversity and resilience consist of:

- Dialect use indicator,
- Traditional sports indicator,
- Community festival indicator,
- Artisan skill indicator,
- Value transmission indicator, and
- Basic precept indicator.

Health

The health indicators assess the health status of the population, the determinants of health and the health system. Health status indicators show information on self rated health, disabilities, body mass index, number of healthy days per month. Health indicators also cover the prevalence of knowledge about HIV transmission and breast feeding practices. Lastly, barrier to health services are assessed in terms of walking distance to the nearest health facility, which includes both western and indigenous systems. Thus the health index consists of:

- Health status indicator,
- Health knowledge indicator, and
- Barrier to health indicator.

Education

Education contributes to the knowledge, values, creativity, skills, and civic sensibility of citizens. A domain such as education is not intended merely to measure the success of education in and of itself, but rather to assess the effectiveness of education in working towards the goal of collective well-being. The domain of education looks at a number of factors: participation, skills, among others. However, in the education index, a limited number of variables could be included. The education index consists of:

- Education attainment indicator,
- Dzongkha language indicator, and
- Folk and historical literacy indicator.

Ecological Diversity and Resilience

By examining the state of Bhutan's natural resources, the pressures on ecosystems, and different management responses, the domain of ecological diversity and resilience is intended to describe the impact of domestic supply and demand on Bhutan's ecosystems. However, since most of the objective measurements of ecological diversity and resilience are surveyed by other agencies, GNH survey gathered information on perceptual data on ecology. The ecological diversity and resilience indicators consist of:

- Ecological degradation indicator,
- Ecological knowledge indicator, and
- A forestation indicator.

Living Standard

The domain of living standards covers the basic economic status of the people. The indicators assess the levels of income at the individual and household levels, sense of financial security, room ratio, food security, house ownership. The indicators were also constructed for economic hardships as shown by inability to repairs houses, inability to contribute to community festivities, and purchase of second hand clothes. Thus the living standard indicators consist of:

- Income indicator,
- Housing indicator,
- Food security indicator, and
- Hardship indicator.

Good Governance

The domain of good governance evaluates how people perceive various government functions in terms of their efficacy, honesty, and quality. The themes of indicators include human rights, leadership at various levels of government, performance of government in delivering services and controlling inequality and corruption, people's trust in media, judiciary, and police. Therefore, the indicators of good governance consist of:

- Government performance indicator,
- Freedom indicator, and
- Institutional trust indicator.

4.1 Tourism and GNH goes hand in hand

The Government of Bhutan has decided to establish Gross National Happiness (GNH) centre in Bhutan which will not only promote the development in GNH but as a tool it would attract tourist around the world. It is located at a place called “Dingdingma the Baeyul Dewaling Gross National Happiness Centre of Bhutan, which around 14 kilometres north of Kurje Lhakhang in Bumthang. The area of GNH centre comprises of 46 acres of land and it is expected to attract people from all walks of life across the globe to experience and live GNH. It is hope that centre will be creating, piloting and evaluating new experiential education programmes. Catering to around 300 participants, the centre will have interactive curricular modules and courses on education, leadership and intercultural programmes. It will also have programmes on meditation practice, nature experiences, and entrepreneurial and skills training, all embedded in GNH principles. The project is scheduled to be completed by 2013. GNH centre in Bhutan with an aim to promote and develop GNH as well as to attract tourist around the world.⁸³

The Melbourne University⁸⁴ faculty member would be an observer of the project. Through this project specialised faculty on GNH will come closer from different part of world. The centre attract tourist throughout the world to experience GNH centre.

The project has finalised during a GNH conference held in 2010 at Thimpu. In November 2011, around twelve national and international experts worked on development program and suggested for the master plan and expected to complete by 2013.

As far as this GNH centre is concerned it is like a path breaking development in tourism sector as well as Gross National Happiness. However, once it will complete,

⁸³ Pushkar Chhetri (2011), ‘Centre to make GNH happen’ Bhutan observer, 31 December 2011

⁸⁴ Melbourne University is a public university located in Melbourne, the capital of Victoria. It is the second oldest university in Australia and the oldest in Victoria. The main campus is located in Parkville, an inner suburb just north of the Melbourne. The university also has several other campuses located across Victoria. There is also a well-established infrastructure to assist all students in their studies.

the project is expected to bring in a lot of opportunities. For Bhutan sustainability will not be a problem as it already have around 20 percent of the total tourists to Bhutan visiting Bumthang annually. Moreover, the centre is also expected to generate revenue from national and international conferences and regular participants.

Takin festival⁸⁵ is an absolute example of tourism and GNH goes hand in hand. It is a special heritage of Bhutan which brings about awareness on the conservation of the rich biodiversity, and help preserve and promotes the local culture. This is certainly an innovative approach to help tourism sector when it becomes traditionally low. The Takin⁸⁶ is a special animal only found in Bhutan. While the other animal species such as the Tasmanian tiger and the Tasmanian devil are doomed to extinction, the Takin population is healthy and flourishing. Again, this is encouraging evidence that nature conservation has been successful, which is one of the four pillars of GNH, since the natural environment must be healthy in order to support wildlife⁸⁷.

Tourism in Bhutan promotes the local culture. The display of locally produced cultural artefacts, textiles and dairy products, as well as medicinal education on cordyceps⁸⁸, promotes and revive local culture such as khuru, dego and yak and horse riding. Bhutan's cultural heritage through highlighting and showcasing this to tourists is another way to celebrate local culture. This seems it is yet significant evidence that the second GNH pillar of preservation and promotion of culture is actively following.

⁸⁵ According to Tourism Council of Bhutan, Takin Festival will be held every year in Gasa to showcase Bhutan's rich natural heritage, raise awareness on conservation of biodiversity, create avenues and strive towards financial sustainability of the park management, provide off-season ecotourism opportunities to the tourism sector, and provide supplemental income opportunities to the park residents, specifically the upland communities. During the Takin Fair in Gasa, watch skilled nomadic herders as they weave tents, blankets, rugs and bags from raw material culled by shearing yaks.

⁸⁶ Takin is an animal which found in bamboo forests at altitudes of 1,000 to 4,500 meters in Bhutan, where they eat grass, buds and leaves. Takin are diurnal, active in the day, resting in the heat on particularly sunny days. Takin gather in small herds in winter and herds of up to a hundred individuals in the summer; in winter, they move to lower elevations and split into smaller herds of 10-50 individuals, mostly in the Gasa District.

⁸⁷ Teoh, Simon, (2011), GNH principles in tourism – the Takin festival, Bhutan observer 8 April 2011.

⁸⁸ Cordyceps is a genus of ascomycete fungi (sac fungi) that includes about 400 described species. It is used as medicine. All Cordyceps species are endoparasitoids, mainly on insects and other arthropods a few are parasitic on other fungi.

Figure : 4.1 : Takin (national animal of Bhutan)



The progressive approach towards tourism (Takin Festival) suggests that careful planning has been done to sustain the local environment and businesses in terms of ‘low volume, low impact’. As it is a traditionally low season, a small increase in tourist numbers would be welcomed, and at the same time, limiting this to a two-day festival program will have a low impact on the community. And more importantly, low impact on the Takin wildlife population, since wildlife needs to be respected and protected. This mindful planning, in my view, suggests good governance, invoking the third GNH pillar⁸⁹.

However, Tourism helps to create sources of revenue and job opportunities to improve the economic development of Bhutan, so some caution must be taken. If proper care could not be taken, it may result in economic exploitation at the expense of its socio-cultural heritage. It would be interesting to see the outcome of this festival in terms of sustainable socio-economic development, which is the fourth GNH pillar. Hence there must be a balancing act to spread the socio-economic

⁸⁹ Teoh, Simon, (2011), GNH principles in tourism – the Takin festival, Bhutan observer 8 April 2011.

benefits equitably across sections of the local community. This is the challenge for the Tourism Council of Bhutan and the local community.

4.2: Tourism and Socio-Economic Development

Tourism in Bhutan is a major contributor in socio-economic development. As we mentioned earlier it is the peculiar concept of GNH, unique culture and society as well as diverse natural heritage attracts the people throughout the world. This trend of arriving tourist, directly or indirectly led to the growth of infrastructural development in Bhutan. It creates lot of opportunities for job seeker and generates revenue for the economic growth. Moreover, this tourism is not only limited to the revenue generation but it provide the platform to share the one another's culture, food, dress, language, habits and thinking. These all together helps to Bhutanese society to think beyond their religion and culture. Similarly the Bhutanese culture and society also makes impact over the tourist.

Table: 4.1: Percentage of tourist arrivals by purpose of visit, Bhutan, 2006 to 2010

Purpose	2006	2007	2008	2009	2010
Culture	67.0	69.0	70.0	66.2	67.1
Buddhism	27.6	31.0	58.1	30.2	32.5
Trekking	18.5	19.3	34.1	14.7	15.5
Undiscovered	35.5	35.7	32.0	31.0	24.7
Nature	57.0	59.0	17.5	52.4	48.7
Flora/Fauna	10.7	12.0	9.4	9.0	11.1
Work/Business	7.0	3.2	3.7	6.1	7.3
Others	5.8	1.8	1.5	1.9	5.0

Source: **Statistical Year book of Bhutan, 2011**

The table shows the purpose of the tourist. It indicates that culture of Bhutan attract most to the tourist through 2006 to 2010. Nature of Bhutan is another attracting thing while the work and business is lowest. Religion of Bhutan is also an important

destination for the tourist. After analysing the given data one thing becomes clear that it is the concept of GNH which makes the tourism alive.

Table: 4.2: Tourist Arrivals By Country Of Residence And Revenue Receipts, Bhutan, 2006 To 2010.

Region	2006	2007	2008	2009	2010
North America	5,466	6,488	7,931	5,467	6,141
South America	94	165	309	276	365
Asia and Pacific	4,264	5,429	7,514	7,800	8,692
Europe	7,031	8,777	11,698	9,697	11,751
Africa	47	66	77	66	101
Middle East	440	169	107	172	145
All regions (persons)	17,342	21,094	27,636	23,480	27,195
Tourism revenue receipts					
Ngultrums (million)	1083.60	1234.30	1689.49	1402.72	4036.05
Or					
US Dollars (million)	23.92	29.85	38.83	31.88	35.98

Source: Statistical Year book of Bhutan, 2011

In the table no: by going through this data it is come to know that Bhutan attract tourist throughout the world in which people from developed region is leading. Numbers of tourist from America and Europe is in large number than other because the way Bhutan sincere and committed for preservation of environment is a great approach. It also creates curiosity among various scholar and thinkers as well as international organisations from these regions to learn and contribute to the approach of Bhutan. As a result we can see how the number of tourist increasing year by year which led to the continue revenue generation. According to this data, one interesting information comes in to picture that particularly in 2009 the arrival of tourist is low. This may be the factor of economic crisis start happen in 2008 throughout the world in which America affected most. Moreover, WTO (world tourism organisation) also

outlines the same factor which affected the tourism. However, this economic crisis did not matter most to the Bhutan while other tourist sector felt the heat.

Table: 4.3: Number of Tourist Arrivals by Mode of Transport, Bhutan, 2006 To 2010

Mode of transport	2006	2007	2008	2009	2010
By Air	13,968	16,053	22,563	19,563	36,443
By Road	3,374	5,041	5,073	3,916	25,784
Total arrivals	17,342	21,094	27,636	23,480	62,227

Source: Statistical Year book of Bhutan, 2011.

Similarly, the above table present that it is not the foreign tourist who visits Bhutan for its nature and culture but the regional tourist also contributes through their trade and commerce. In the same manner tourist in the form of international businessman also contribute to the Bhutan's economy. As we know that Bhutan is a land locked country so the mode of transport by air is more convenience for the tourist. However the growth in roadways connectivity has also improved in 2010 comparison to 2009. In this way, the growth in transportation, providing more opportunity for Bhutan to generate revenue which comes through tourist as well as from trade and commerce.

Source of income for local communities also comes from Tourism earnings like repairing and maintaining trekking trails and supporting trekking-related activities. Tourism also has a positive effect on rural employment, since guides, drivers, office staff, hotel and catering employees are often recruited among the rural population. The above table shows the distribution of tourist among Dzongkhag⁹⁰. It means the population of some district are benefiting lot rather than other. This disparity certainly indicates the lack of infrastructure development in some Dzongkhag. For sustainable development and equal opportunities of job there is needed to adapt uniform policy. In terms of earnings, tourism has always been an important source of hard currency

⁹⁰ A Dzongkhag is an administrative and judicial district of Bhutan. Some larger Dzongkhags have one or more of an intermediate judicial division, known as Dungkhags (sub-districts), which themselves comprise two or more Gewogs.

for Bhutan. By 1996 it was the sixth largest producer of revenue for the country, and the third largest foreign exchange earner. Earnings from tourism were \$1.67 million in 1985, almost \$6.0 million in 1996, and \$38.8 million in 2008, representing 2.9 per cent of Bhutan’s GDP in 2008⁹¹.

Table: 4.4: Total Number of Tourist Arrivals by Dzongkhag, 2010

Dzongkhag	No. of visitors
Paro	27,195
Thimphu	26,667
Wangdue	18,978
Punakha	13,135
Bumthang	10,169
Trongsa	5,424
Chhukha	4,775
Gasa	1,896
Mongar	1,822
Trashigang	1,607
Haa	1,579
Samdrup Jongkhar	1,216
Trashhi Yangtse	189
Zhemgang	157
Lhuentse	155
Sarpang	33
Pema Gatshel	9
Tsirang	9
Dagana	2

Source: Statistical Year book of Bhutan, 2011

⁹¹ UNCTAD (United Nations Conference on Trade and Development), 2011, “Who is benefiting from trade liberalization in Bhutan?. A Gender Perspective”, United Nations Publication, 2011. P45

A large number of women in Bhutan employed in small industry like textile, pottery, arts and craft. According to the report of UNCTAD⁹² (2007), tourism in Bhutan presents evidence of a large proportion of women in employment, supporting the view that women may benefit from the expansion of tourism. The promotion of community based tourism and forms of ecotourism are also viewed as an effective catalyst for poverty reduction, promotion of cultural heritage and environmental protection in rural areas. Like textiles, tourism remains as a source of potential gains from trade.

Keeping in mind to promote tourism, Bhutan is doing tremendous work in infrastructure development. As a result of it, there are chances for increasing numbers of tourist every year. According to the annual report of Tourism Council of Bhutan (TCB), Bhutan is expecting to receive up to 100,000 tourists in 2012. In the Last year, Bhutan received 64,028 tourists. The boost in tourist number, according to TCB, is due to key achievements in 2011 like opening of domestic airports, introduction of new festivals, opening roadside amenities for tourists, development of home stays, community tourism and appointment of public relation agencies abroad. With the opening of domestic airports in Batpalathang and Yonphula and launch of the first domestic air services, the number of tourists travelling to eastern Bhutan is expected to increase drastically.

The requirement of route permits for international tourists has been removed, which resulted in reduction in administrative burden and made the travel easier. Tourists can now enter and exit through Samdrupjongkhar and Gelephu. Some parts of the country which had been closed for tourists due to fear of littering and pollution have been opened. For example, we can take, Royal Manas National Park which was opened to tourism in 2011. To give tourists the true experience of the Bhutanese ways of life, TCB also developed home stays in remote districts, farm houses in Haa, and one community lodge in Zhemgang. Apart from these, a bird watching campsite was built in Yongkola in Mongar. The introduction of new festivals like Haa Summer Festival,

⁹² The United Nations Conference on Trade and Development (UNCTAD) was established in 1964 as a permanent intergovernmental body. It is the principal organ of the United Nations General Assembly dealing with trade, investment, and development issues. According to the official website of UNCTAD, The goals of organization are to "maximize the trade, investment and development opportunities of developing countries and assist them in their efforts to integrate into the world economy on an equitable basis.". The creation of the conference was based on concerns of developing countries over the international market, multi-national corporations, and great disparity between developed nations and developing nations.

Takin Festival in Laya, Nomads' Festival in Bumthang, Masutake Festival, Lamperi Rhododendron Festival and Dochula Druk Wangyal Tshechu is expected to bring in more tourists this year. To promote genuine traditional Bhutanese arts and crafts, a crafts bazaar was opened in Thimphu. A contract was signed between TCB, Drukair, and Make My Trip, an Indian travel agent, which helped bring in high-end regional tourists during the lean season. As a result of this contract, the arrivals increased by 99.5 percent in June last year, the draft report says. Besides, TCB appointed public relation agencies in the USA, Japan, Germany and Russia and launched interactive websites in Japanese and Russian languages. In this way country earned US\$ 47.68 million in 2011 and collected a royalty of US\$ 14.89 million⁹³.

4.3: GNH and its influence over the world

Tourism provides a platform to share the culture and tradition of one's country to the other. Similarly the concept of GNH in Bhutan has also influenced over the other country through tourism as well as cooperation and policy of the government. A number of international organisations as well as nongovernmental organisations are focusing and doing research over the GNH. Besides this, the SAARC also focus the development of the tourism in the region. Therefore a brief outlook of SAARC effort in this direction needs to be focused.

Tourism and SAARC

The importance of tourism had been recognized since early days of SAARC. The Leaders during the Second Summit held at Bangalore in 1986 underlined that concrete steps should be taken to facilitate tourism in the region. A Technical Committee on Tourism was created in 1991. During the First Meeting of the Technical Committee on Tourism held in Colombo in October 1991, an Action Plan on Tourism was formulated. First Meeting of the SAARC Tourism Ministers was held in Colombo in September 1997. It adopted Colombo Resolution and approved a number of important activities. In 1999, the task of promoting tourism was assigned to the SAARC Chamber of Commerce & Industry (SCCI) Tourism Council. The Twenty-fourth Session of the Council of Ministers (Islamabad, 2-3 January 2004) approved

⁹³ Tenzin, Pema(2012) Bhutan expects 100,000 tourists in 2012: TCB, Bhutan observer, 5 may 2012

establishment of the Working Group on Tourism. The First Meeting was held in Colombo in August 2004. The Working Group on Tourism prepared Plan of Activities which includes promotion of SAARC as a common tourist destination. It also encourage private sector in promoting regional cooperation in tourism, human resource development, promotion of South Asia identity through tourism, cultural and eco-tourism development. The Working Group was authorized to periodically review implementation of this Action Plan⁹⁴.

During the Thirteenth Summit (Dhaka, 12-13 November 2005), the Leaders stressed that continued efforts would be made by the Member States at all levels to promote people-to-people contact by facilitating travel among SAARC countries, promotion of youth exchanges in culture and sports, promotion of intra-SAARC tourism, establishment of linkages among professional bodies and through adoption of other concrete measures. They decided to launch 2006 as "South Asia Tourism Year." They directed their Ministers for Tourism to meet at an early date and elaborate a plan of activities to be undertaken during the year 2006.⁹⁵

The Tourism Ministers, met at Cox's Bazar⁹⁶ (Bangladesh) in May 2006, adopted the Cox's Bazar SAARC Action Plan on Tourism. Second Meeting of the Working Group on Tourism, held in Colombo on 3-4 July 2006, recommended that for promoting SAARC as common tourist destination national airlines may use SAARC logo on aircrafts and other promotional brochures. Secondly, national airlines may also use SAARC flag with their own flag as well as national flags at their offices and thirdly, the Head of Mission representing the Chair of SAARC will organize special

⁹⁴ http://www.saarc-sec.org/areaofcooperation/cat-detail.php?cat_id=49

⁹⁵ Ibid

⁹⁶ Cox's Bazar is one of the most visited tourist destinations in Bangladesh; however it has yet to become a major international tourist destination. Its the world's longest continuous beach. Cox's Bazar is a town, a fishing port and district headquarters in Bangladesh. It is known for its wide sandy beach which is the world's longest natural sandy sea beach. It is an unbroken 125 km sandy sea beach with a gentle slope. It is located 150 km south of the industrial port Chittagong. Cox's Bazar is also known by the name "Panowa", the literal translation of which means "yellow flower".

events in celebration of SAARC Charter Day on 8 December, with focus on promoting tourism.⁹⁷

In the Fourteenth Summit the Heads of State or Government stressed over the cultural and social ties among the SAARC countries. This ties is based on common history and geography, reiterated that the future of peoples of South Asia is interlinked. They stressed the importance of people-to-people contact as a key constituent in regional connectivity. They acknowledged the importance of intra-regional tourism and increased exchanges, particularly among the youth, civil society, and parliamentarians. They agreed to take measures to charge nationals of SAARC Member States fees for entry into archaeological and heritage sites as applicable to their own nationals.⁹⁸

The Heads of State or Government during the Fifteenth Summit underscored the vital contribution that tourism could afford to the economic development of the SAARC region. They agreed to make every effort to implement the comprehensive action plan adopted by the Second Ministerial Meeting held at Cox's Bazaar, Bangladesh. These efforts would include facilitating the movement of people through improved travel infrastructure and air, sea and land connectivity among the SAARC countries. It would also encourage collaboration in human resource development and the promotion of SAARC as a common destination through public-private partnerships and joint campaigns.⁹⁹

The Working Group in its Third Meeting held in Colombo in April 2009 reviewed the status of implementation of the Summit directives. The summit includes SAARC Action Plan on tourism, and various decisions taken by the Ministerial and Working Group Meetings. It also finalized a list of activities to be undertaken during the year 2009-10 for tourism promotion among the SAARC countries. Third Meeting of the SAARC Tourism Ministers, preceded by Fourth Meeting of the Working Group on Tourism was held at Kathmandu in January 2011. The Meeting reviewed implementation of the decisions taken at its last meeting. It also reviewed the status of implementation of the SAARC Action Plan on Tourism-2006. It is found that most of

⁹⁷ http://www.saarc-sec.org/areaofcooperation/cat-detail.php?cat_id=49

⁹⁸ Ibid

⁹⁹ Ibid

the decisions taken earlier have been implemented by the Member States. The Minister/ leaders of the delegations in their statements emphasized that intensive efforts should be made by Member States to implement all decisions taken by this Forum as well as the Working Group Meetings. They reiterated to adopt a collective approach in promoting regional tourism.¹⁰⁰

Being a member of SAARC, Bhutan has tremendous opportunity to spread its culture, tradition, and expose to the world about the tourism potentiality through the SAARC. Bhutan can also spread the idea of GNH and attract tourist throughout the world. It is inevitable that other member country will be influenced. As a result Gross National Happiness Commission (GNHC) has been institutionalized. Being the focal agency for the SAARC Development Goals, Research and Evaluation Division submitted the SAARC Development Goal (SDG) mid-term review report 2011 to SAARC Secretariat. It is the first SDG related document prepared by Bhutan. The report takes stock of the progress made thus far in each of the 22 goals and identifies issues and concerns that require more attention. It is also intended to raise awareness among the decision makers and renew political commitments to these important goals¹⁰¹.

The preservation of environment is the pillar of GNH. Keeping this view, the 16th SAARC Summit while held in Thimpu, Bhutan adopted important resolution for protection from climate change. This is important for preservation of environment and development of the concept of GNH, which itself attract tourist.

Some of the countries are trying to adapt this concept. Here we come across a Schömberg, a community in Germany – hosted a “Special Bhutan Day” at its annual Happiness Week in July 2011. This day saw presentations and exhibitions on Bhutan and cultural programmes. Some of the activities during the Happiness Week are workshops and seminars on happiness and self-fulfilment. Schomerg, located in the

¹⁰⁰ Ibid

¹⁰¹ <http://www.gnhc.gov.bt/publications/>

Southwest of Germany, is trying to measure the level of happiness of its people. This trend certainly following Bhutan's philosophy of Gross National Happiness.

Similarly a delegation from Schomberg wanted to experience GNH in practice and visited Bhutan. While in the country, the delegates visited schools, hospitals, and interacted with tour operators, politicians, doctors, and environmentalists. In this way the delegation brought experience from Bhutan and decided that they should start something similar in Schömberg. The community wants to develop their own happiness indices, but wishes to follow Bhutan as its role model. Now Schomberg continue to promote Bhutan as a tourist destination, and cross marketing efforts have already started. The office of Schomberg community distributes promotional materials on Bhutan. However the entrance gate of the Schomberg city and a lot of private houses there host Bhutan's national flag. These indicate how the community outside the world is getting influenced¹⁰².

¹⁰² Pem, Tandin (2011), Happiness following in Germany, Bhutan observer 7June2011

CHAPTER 5:
CONCLUSION

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The most peculiar things about Bhutan are its geographical location and extent. It is endowed with its rich natural beauty, wildlife, culture and traditions, climate, vegetation, and environment which really attract the tourists throughout the world. It delights travellers with its unexplored mountains and forests, little visited valleys, Buddhist monasteries and temples etc. Thimphu, Paro, Punakha, Bumthang, Trongsa, Gasa, etc. are some of the important places in Bhutan for tourist destination. Tourism in Bhutan has increased greatly in recent times due to mix of tourist attractions consisting of green lush meadows, amusing valleys, attractive snow capped mountain ranges, flowing waterfalls, fertile valleys, wildlife reserves, dense forests etc. Bhutan also offers tourists like hiking, trekking and bird watching and similar recreational activities along with distinct culture.

Even today in the age of modernisation, Bhutan has been able to preserve its peculiar culture and tradition which includes rituals, customs, and dress, code of etiquette, religious ceremonies, and customs, among others. Though, the culture is among the oldest, it has been most carefully preserved and people have always been careful. The evolution of its culture also is influenced by its contact with other cultures due to inevitable exchange of ideas, values, rituals, and commodities. And its cultural diversity represents the expanded opportunity as result tourism is expanding and also Bhutan is becoming a unique place for tourist destination.

The culture and various festival of Bhutan attract most of the tourists and work as a uniting force among people. They celebrate their festivals with pleasure. They dance, sing and eat, and follow embarrasment of customs which are deep associated with these festivals. Again Bhutan is one of the most religious countries in the Tibetan Buddhist world. And like in all Buddhist nations, festivals are celebrated related to the deeds of the Buddha, or those of the great masters of Buddhist tradition. Importantly, in Bhutan, the religion and social life are so linked that some festival appears to be take place throughout the year. Among these festivals, one of the most recognized and attended by the masses is the Tsechu festival.

Though, Bhutan is well known for its geographical location, environment, and its rich cultural and natural heritage being peculiar since the evolution of human being but it was lacking with the concept of tourism. Through the ages of gradual change in socio-economic and political arena in Bhutan, the importance tourism came into being. It was during the period of the third king Druk Gyalpo, Jigme Dorji Wangchuck who began a campaign of modernization and expansion of Bhutan's government and society. The fourth king (Druk Gyalpo), Jigme Singye Wangchuk his Majesty's philosophy of Gross National Happiness guided Bhutan into the 21st century.

However, it was only in 1974 Bhutan had opened for international tourism, beginning reasonably with only 287 visitors. Since establishment of Bhutan Tourism Corporation in 1974, Bhutan has followed a policy of careful growth, high value, and low volume tourism policy. And it has adopted restricted tourism which on the one hand indicates its effort to preserve its sensitive cultural and natural heritage on the other it limited the scope of revenue as well infrastructural development.

The importance of Bhutanese tourism had a great influence on the recognition of SAARC. The Leaders of SAARC during its second Summit held at Bangalore in 1986 underlined that concrete steps should be taken to facilitate tourism in the region. And it resulted with formation of a Technical Committee on Tourism in 1991 and henceforth during the First Meeting of the Technical Committee on Tourism held in Colombo in October 1991, an Action Plan on Tourism was formulated. And, since 1990s, it is evident that constant there is growth of arrivals.

In 2008 Bhutan turned towards democracy which brought responsibility for government towards socio-economic development. As far as Population of Bhutan increased, demand of employment is also increased. And for Bhutan the major source of income or revenue lies with its hydro power projects but it is not self sufficient for overall growth and development. Therefore government started promoting tourism as another source of revenue which ultimate aim led to the socio-economic development. As a result government established institution to formulate tourism policy to guide tourism in Bhutan. It has been taken proper care in its policy that Tourism in Bhutan is not only be related with the source of income but it also provide a platform for various society to share its culture, belief, thoughts among each others. It is also an instrument for Bhutan to spread cultural homogeneity to the other parts of the world.

The formulation of Tourism policy in Bhutan is faces the challenge when at the one hand Bhutan needs sustainable economic growth while on the other, preservation and protection of environment remains significant. In the present era of industrialisation and globalisation the whole world is facing various types of environmental problems so Bhutan also goes through it. This is what makes Bhutan to think seriously about their tourism policy and to maintain balance between economic growth and eco-friendly environment. This is what led to Bhutan to adopt policy of low volume and high values towards tourism.

In recent time, there emerged a number of pressing tourism related environmental and cultural problems. Among the problems currently encountered are; the destruction of vegetation through the cutting of slow growing trees for fire wood in the alpine zone through which most of the trekking routes are located. The local people in these areas rely on wood for fuel and tourism adds more pressure on the forests. Secondly, creation of garbage trails from the indiscriminate proposals of non-biodegradable waste is another visible environmental problem associated with the tourism industry. It has been pointed out that tourism is promoting changes from sustainable farming and cropping patterns to other more profitable and less sustainable livelihoods to meet the needs of an affluent tourist. Some people also argue that interaction with the tourists have led to the erosion of Bhutanese culture and values systems.

However, Bhutan's Biodiversity Action Plan demonstrates potential problems related to tourism. It will need to develop practical strategies to manage the environmental impact of tourism if it is to encourage increased use of its natural assets. But much has been learnt about sustainable tourism management in, for example, the Annapurna Conservation Area. The Annapurna Conservation Area Project (ACAP) has successfully implemented an alternative energy programme to reduce the alarmingly high use of fuel wood by local communities and those providing tourist facilities.

Moreover, it has the potential to be one of the most desirable specialist natural and cultural tourism destinations in the world. Its present policy consists of a fixed price set by government, with quality of service and visitor experience maintained by 'market share' Competition between tour operators, and government regulation. Establishing a minimum price is an effective and efficient mechanism to regulate numbers for maximum yield; that is, maximum return for minimum impact.

In recent time, tourism in Bhutan has been regarded as model for other fragile mountain areas. In Bhutan it is responsibility for government towards socio-economic development which is also an important domain of the Gross National Happiness (GNH). It is found that GNH has contributed highly for the development of the tourism and also popularising the concept. GNH centre which is expected to come up in Bhumthang by 2013 expected to bring in a lot of opportunity in the form of in the form of tourist and revenue. Around 20th percent of tourist visit Bumthang annually. The Takin festival which spread awareness on the conservation on the rich biodiversity, promotes and preserve local culture is an important contributor in the field of tourism as well as preservation of culture and development of GNH.

Tourism in Bhutan helps in socio-economic awareness in different ways. In Bhutan tourism industry directly or indirectly led to the growth of infrastructure development, which contributes on the other hand in creation of job opportunity and generate economic growth. Bhutan culture has a great impact on tourism. This is an important sector which attracts most to the tourists. Through this Bhutan can spread its culture and tradition throughout world which make uniqueness of Bhutan in world map.

Tourism in Bhutan is highly regulated with respect to conserving local culture. It includes dress codes and rules for access to important Dzongs, monasteries and local festivals depending on the sensitivity of the local community. The Department of Cultural Affairs has the in charge of implementing these regulations which issues entry permits to specific restricted areas. They also certify cultural artefacts that are allowed to be taken out of the country. Tourists are supposed to follows certain norms and conditions while they are travelling. They are forbidden from entering Dzongs and monasteries if the guide is not in proper Bhutanese attire. Taking pictures of statues, images and paintings inside the monasteries are of great restrictions and it is the responsibility of the guide to brief his guests. Importantly, if any cases of improper behaviour by tourists during the travel are reported by the residents then that could lead to penalties of tour operator.

The Road and Safety Transport Authority (RSTA) have made it compulsory for all taxi drivers to wear Bhutanese dress everywhere and at all times as Bhutanese government's is very much concerned of the its traditions. But the tour operators actually believe that tourism has a positive effect on traditional culture as it is helping

to revive Bhutanese traditional arts and crafts. As a result of which some people produce large quantities of Bhutanese arts and crafts as a source of income, while young Bhutanese follow courses in arts and crafts as a professional occupation. For instances, activities like painting, wood carving, tailoring, cloth weaving and bamboo basket weaving are of great help for their livelihoods. In addition to the above benefits, personal contributions from tour operators and some generous tourists have helps to restore monasteries and they revive and revitalise local mask dances and improve visitor gallery and sanitary conditions.

The growing Bhutanese tourism industry is moving on the right way since it has been the main motivating of for economic development of Bhutan. According to The 10th five-year plan the prime objectives of Bhutan is promoting it as a unique, exotic, cultural and unspoilt destination as well as maximizing the use of resources and capacities. It also talks about improving the quality of services; and spreading the benefits of development equitably across the country. But these have to be gone side by side through creating job. However, it would seem to be dubious when the country cannot generate enough jobs. Aiming for revenue generation alone does not contribute to our journey towards GNH. There are a large number of jobless people in Bhutan. If earning more revenue is the prime focus of expanding the tourism market without job creation, only the richer section of the society will enjoy the benefits. It is seen that the main drawback or the demerit of the Bhutanese tourism industry is that many of the travel agents are family owned businesses, and such an awkward system has sown seeds of employing their relatives instead of going by the due process of law. The tourism industry should also focus on the number of jobs that will be created as a result of expansion of its size. If it is a realistic mechanism for socio-economic development, it must have the potential for generation of sufficient jobs for all jobseekers.

From the above study it is found that tourism provides sources of revenue and job opportunities in helping to improve the economic development of Bhutan. Bhutanese due to its belief in Buddhist culture they think meeting strangers as part of the karmic cycle. Therefore it is viewed as an essential element of the journey of life. But, with modern education and the development of modern science and technology, the individual worldview of Bhutanese is changing fast.

While dealing with the tourism culture in Bhutan one can come across certain problems i.e. over-booked hotel accommodation, congestion at cultural festivals and lastly the crowded campsites due to a shortage of camping grounds on some trekking routes. These above types of problem are faced at the very heart of Bhutan's tourism due its remoteness. So it is necessary on the part of Bhutan to deal with low-impact tourism be achieved while at the same time increasing the number of tourists.

In order to address the problem of volume of tourist, both the government and the tourism sector are discussing some of the following possible options. these includes, opening up the eastern regions in promoting economic development in other remote areas; reducing seasonality (including Christmas holidays in lower regions); expansion of existing trekking routes and development of new routes; development of new cultural events for tourists; development of new special interest products (like community-based tourism and fostering domestic tourism, trout fishing, traditional medicine and hot springs, river running etc.); and lastly, the increasing in the number of entry points (allowing tourists to enter and exit along the eastern border – Samdrup Jongkhar).

If the proposed solutions are met then it is expected that it could further contribute to the distribution of benefits to more remote local areas. But it would also require in investment both by private entrepreneurs and the government to develop the infrastructure which includes hotels, roads and the development of trekking routes. They may also require new regulations, such as allowing entry to restricted areas or to national parks or permission to build hotel facilities.

At the last, it can be concluded that tourism policy of Bhutan is guided by the overarching principle of 'high value, low impact'. It is a substantial element of Bhutan's development strategy, which is aimed at sustainable development. And lastly, tourism is expected to contribute to a wider and more equitable distribution of income in the Bhutanese society. In discussing the above chapters it can also be said that tourism sector in Bhutan is a fast-growing service sector but large majority of businesses in the tourism sector are owned and run by families. A small number of large tour operators and hotels are dominating the market but their control is declining due to new market entrants. Hence the tourism sector has created a fair and healthy

playing field for competition. Government of Bhutan has been exercising with strong control over tourism with detailed operational guidelines, rules and regulations for tour operators and guides and for tourists themselves. Still, it seems lack of a comprehensive integrated policy and various stakeholders stress the need for a stronger and clearer government policy. The revenues from tourism constitute an important source of income for the nation and a fair amount reaches small family businesses and local communities, although much of it does not reach the most remote areas. Rural communities rarely benefit from the trickle-down effect of tourism revenue by selling local produce, goods and handicrafts and providing food and lodging. Local communities are responding very positively to tourists have the opinion that negative impacts on their culture are generally non-existent.

At last, Bhutan holds a very special position in international tourism due to its unique attractive features and the extraordinary policy of the country. The combination of natural beauty with a tremendous diversity of plants and animals living in a range from subtropical to high alpine ecosystems and a vibrant traditional Buddhist culture attracts visitors from all developed countries. And Without doubt tourism is an indispensable component of the sustainable development policy of Bhutan which uses a very special form of 'controlled liberalisation' of tourism the government is able to bring economic progress to the country and share the benefits with the more remote areas.

APPENDIX I

ANNUAL TOURIST ARRIVALS BY REGION/CONTINENT, BHUTAN, 2006 TO 2010

(Number of tourists)

Country	2006	2007	2008	2009	2010
Africa	47	66	77	70	101
Algeria	0	1	0	0	0
Benin	0	0	0	0	1
Chad	0	0	0	0	1
Egypt	0	1	0	18	10
Kenya	0	0	1	2	4
Liberia	0	0	1	0	0
Lithuania	0	0	0	4	6
Mauritius	0	1	3	5	1
Morocco	0	0	0	4	0
Namibia	0	0	5	0	1
Reunion	0	0	0	0	0
Somalia	0	0	1	0	0
South Africa	47	62	65	32	70
Swaziland	0	0	1	4	3
Tanzania	0	0	0	0	3
Tunisia	0	0	0	1	0
Uganda	0	1	0	0	1
Asia & Pacific	4,204	5,257	7,514	7,800	8,692
American Samoa	0	0	0	0	70
Australia	774	1,181	1,524	970	1,318
Bangladesh	0	0	1	0	0
Brunei Darussalam	0	0	0	0	1
Burma	0	0	5	5	0
Cambodia	0	3	1	2	0
China	362	504	1,069	1,143	1,494
Chinese – Macau	0	0	0	1	3
Fiji	0	1	0	0	0
Indonesia	0	46	36	98	110
Japan	1,815	2,008	2,743	3,136	2,963
Kazakistan	0	0	1	5	0

Ireland	51	56	98	59	59
Italy	648	614	751	759	1,028
Latvia	0	24	9	3	9
Liechtenstein	0	0	0	2	0
Lithuania	0	9	32	4	7
Luxembourg	8	24	14	16	23
Malta	0	0	0	0	5
Netherlands	389	497	915	780	847
Norway	104	116	109	92	136
Poland	133	252	233	184	268
Portugal	64	208	91	116	116
Russia	125	204	245	270	275
Romania	0	3	12	19	52
Serbia and Montenegro	0	0	0	0	2
Slovakia	0	18	55	53	32
Slovenia	0	21	63	30	64
Spain	281	444	803	485	528
Sweden	103	166	177	88	137
Switzerland	427	396	597	543	789
Turkey	51	94	91	51	100
Ukraine	0	5	44	28	27
United Kingdom	1,950	2,193	2,758	1,968	1,772
Yugoslavia	0	1	0	1	0
Middle East	46	152	78	171	145
Iran	0	0	0	2	1
Israel	46	152	78	159	127
Jordan	0	0	0	0	1
Kuwait	0	0	0	4	2
Lebanon	0	0	0	1	5
Oman	0	0	0	1	1
Saudi Arabia	0	0	0	3	0
United Arab Emirates	0	0	0	1	8
North America	5,466	6,488	7,931	5,467	6,141
Canada	375	588	852	556	786
Mexico	73	127	138	125	166

Malaysia	49	94	221	367	356
Maldives	0	0	0	0	1
Mongolia	0	1	0	0	1
Myanmar	0	0	0	0	1
Nepal	25	31	78	41	60
New Zealand	116	127	180	122	105
North Korea	43	0	0
Pakistan	0	1	1	5	2
Phillipines	72	42	72	59	119
Singapore	180	350	667	708	785
South Korea	97	49	182
Sri Lanka	0	4	26	6	30
Taiwan	35	132	114	83	184
Thailand	776	707	627	975	875
Uzbekistan	0	0	1	0	1
Vietnam	0	25	7	25	31
Europe	7,031	8,777	11,698	9,699	11,751
Andorra	0	0	0	3	1
Austria	484	443	472	420	505
Belarus	0	0	2	2	2
Belgium	220	291	432	364	404
Bosnia	0	0	0	1	0
Bulgaria	0	2	13	12	11
Croatia	0	0	8	4	1
Cyprus	0	0	6	5	5
Czech Republic	49	71	65	77	71
Denmark	85	170	127	153	412
Estonia	0	37	54	14	31
Finland	35	76	191	161	174
France	708	738	1,402	1,189	1,454
Germany	1,074	1,456	1,717	1,587	2,250
Gibraltar	0	0	0	0	1
Greece	42	29	45	107	88
Hungary	0	112	54	49	65
Iceland	0	7	13	0	0

USA	5,018	5,773	6,941	4,786	5,189
South America	94	165	309	276	365
Argentina	39	43	21	59	40
Bahamas	0	0	0	0	1
Brazil	55	79	249	178	229
Belize	0	2	0	0	1
Chile	0	5	15	8	18
Colombia	0	11	5	14	27
Costa Rica	0	1	0	0	10
Cuba	0	1	1	0	0
Dominican Republic	0	0	0	0	4
Ecuador	0	1	0	0	1
Guatemala	0	0	0	2	0
Honduras	0	0	1	0	2
Jamaica	0	0	0	0	3
Paraguay	0	0	0	0	1
Peru	0	0	7	6	19
Trinidad and Tobago	0	0	0	0	4
Uruguay	0	0	0	1	1
Venezuela	0	22	10	8	3
Virgin Islands U.S	0	0	0	0	1
Total arrivals	16,888	20,905	27,607	23,483	27,195

Note: - The total number of tourist arrival shows only dollar paying tourist.

Source: Statistical Year book, Bhutan, 2011.

Tour Operator Share of Market (Based on Bed Nights) 2010

Tour Operator	Tourists Arrivals	Propotion of Annual Tourist Arrivals (%)
Norbu Bhutan Travels	3351.00	12.32
Bhutan Tourism Corp Ltd (Including Luxury Division)	1810.00	6.66
Etho Metho Tours and Treks	1124.00	4.13
Yangphel Tours and Travels	1082.00	3.98
International Treks and Tours	1026.00	3.77
All Bhutan Connection	926.00	3.40
Bhutan Mandala Tours and Treks	698.00	2.57
Windhorse Tours and Treks	663.00	2.44
Rainbow Tours and Treks	636.00	2.34
Gangri Tours and Treks	594.00	2.18
Kingyal Tours and Treks	521.00	1.92
Himalayan Kingdom	491.00	1.81
Cumulative Totals	12922.00	47.52

APPENDIX II

THE NATIONAL ENVIRONMENT PROTECTION ACT, 2007

PREAMBLE

WHEREAS, Bhutan has a long tradition of living in harmony with nature, which is reaffirmed by the resolution of the Parliament to maintain a minimum of sixty percent of country's land under forest cover in perpetuity;

AND WHEREAS, environmental sustainability is an essential element of the Development Philosophy – “Gross National Happiness,” conceived by His Majesty the King;

AND WHEREAS, Bhutan respects international environmental laws and has acceded to major international environment and sustainable development instruments;

AND WHEREAS, there is a need to create institutional mechanisms to protect its fragile mountain ecosystem;

AND WHEREAS, in dedication to the visionary aspirations of our beloved Kings and in reverence to the moral, cultural and ecological values passed down by our forefathers and to ensure sustainable socio-economic development.

BE IT ENACTED by the National Assembly of Bhutan in its 87th Session held on 6th day of the 5th month of the Female Fire Pig Year of the Bhutanese calendar, corresponding to 21st June, 2007 as follows:-

CHAPTER I

Preliminary

Short Title, extent and commencement

1. This Act may be called:
 - a) The National Environment Protection Act, 2007.
 - b) It shall come into force on the 16th day of the 6th month of the Female Fire Pig Year of the Bhutanese calendar, corresponding to 31st July 2007.
 - c) It extends to the whole of Bhutan.

Repeal

2. All other Acts and regulations governing the use of land, water, forests, minerals and other natural resources shall be consistent with this Act. The provisions of all existing laws relating to environment, which are inconsistent with this Act, are hereby repealed.

CHAPTER II

Principles Applicable To Environmental Protection

Purpose

3. An Act to provide for the establishment of an effective system to conserve and protect environment through the National Environment Commission or its successors, designation of competent authorities and constitution of other advisory committees, so as to independently regulate and promote sustainable development in an equitable manner.

Environmental Principles

4. The people and the Government in succession shall perpetually strive to consider and adopt its developmental policies, plans and programs in harmony with the following environmental principles:

Fundamental right and duty

5. A person has the fundamental right to a safe and healthy environment with equal and corresponding duty to protect and promote the environmental wellbeing of the country.

Inter-generational equity

6. The present generation must ensure that the health, diversity and productivity of the environment is maintained or enhanced for the benefit of future generations.

Middle Path Strategy

7. In order to achieve sustainable development, natural resources such as forest, water, air, biodiversity, soil, minerals and the overall integrity of the environment shall not be degraded. In line with the Government's Middle Path Strategy, economic development and environmental conservation shall receive equal priority.

Precautionary Principle

8. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing measures to prevent environmental degradation.

9. A developmental activity shall be strategically planned and executed in harmony with the carrying capacity of the country's sensitive ecological settings and geographical terrains.

10. A person taking natural resources from the environment or deriving economic benefits is responsible to ensure sustainable use and management of those resources and their ecology.

Principle of 3Rs

11. Every activity shall be planned and implemented in a way which will cause the least possible change in the environment; present the least environmental risk; minimize the consumption of space, raw materials, and energy during construction, production, distribution and utilization to the greatest extent possible including consideration of the principles of reduce, reuse and recycle; and forestall or limit environmental impact from the start.

Polluter Pays Principle

12. A person polluting the environment or causing ecological harm is responsible for the costs of containment, avoidance, abatement, medical compensation, mitigation, remediation and restoration.

13. State authorities and local governments, institutions, persons, businesses, and the organizations safeguarding the interests of all of the above shall cooperate for the protection of the environment. The right and responsibility to co-operate shall extend to all aspects of achieving the environmental objectives.

14. The uniformity of the system of environmental protection shall be guaranteed by the Government, the local governments and the private sector through appropriate policies, plans and programs such as environmental assessment processes, regulations, incentives, fiscal policies and other instruments.

Right to information

15. Every individual has the right to be informed about the state of the environment and all activities which are being proposed that could affect the environment.

Access to justice

16. Any individual whose right to a safe and healthy environment has been affected or is likely to be affected shall have the right to seek legal redress.

Sovereign rights principle

17. The state has sovereign rights over renewable and non-renewable natural resources within the limits of its national jurisdiction.

18. Conservation of natural resources shall be based on a participatory approach aimed at achieving an equitable sharing of the costs and benefits of conservation among resource users.

Principle of payment for environmental services

19. A person using or extracting natural resources shall be liable to pay for ecosystem/environmental services.

CHAPTER III

Constitution, Functions and Powers of Authorities

National Environment Commission

20. The National Environment Commission shall be an independent authority and the highest decision-making body on all matters relating to the environment and its management in the country. The Commission shall exercise the jurisdiction and powers and discharge the functions and duties conferred or imposed by or under this Act.

21. The Commission shall consist of such number of members, not exceeding nine and unless the rules otherwise provide, the Commission shall consist of the following:

a) Prime Minister/Minister of a relevant Ministry nominated by the Prime Minister shall be the Chairperson,

- b) Four - five other members who shall be highest ranking officers representing relevant ministries to be nominated by the Chairperson;
- c) Three representatives of civil society/ eminent persons;
- d) Head of the Secretariat as member secretary.

Terms of office of Chairperson and other members

22. The Chairperson and other members shall hold office for such period, not exceeding five years, as may be specified by the Government and shall be eligible for reappointment.

23. In any discussion, the Chairperson or other members shall not have any financial or other interest that may or is likely to affect their functions prejudicially.

24. Notwithstanding anything contained in section (22), a member may resign by submitting resignation to the Chairperson in writing with a minimum of one month's notice;

25. In the event of the occurrence of a vacancy in the office of the Chairperson, one of the members may be nominated/ elected by the Commission as the interim chairperson until a new Chairperson is appointed.

26. When the Chairperson is unable to discharge his/her functions owing to absence, illness or any other cause, the Chairperson may authorise one of the members in writing to discharge the functions of the Chairperson on his/her behalf, until the Chairperson resumes his duties.

27. The terms and conditions of service of the Chairperson and other members shall be such as may be prescribed by the Government: Provided that the terms and conditions of service of the Chairperson or any other member shall not be varied to his/her disadvantage after his/her appointment.

28. The members of the Commission shall make a declaration of fidelity and secrecy in such manner as may be prescribed.

Role of the Commission

29. The role of the Commission or its successor agency is to set the policies and to coordinate the actions required to:

- a) Implement the principles enshrined in this Act;
- b) Protect and promote a safe and healthy environment;
- c) Prevent, control and abate environmental harm, including pollution;
- d) Ensure conservation and sustainable use of natural resources;

e) Institutionalize the environmental assessment process as an integral part of the development planning process through implementation of the Environmental Assessment Act, 2000 and;

f) Negotiate and enforce bilateral and multilateral environmental agreements.

Powers and functions of the Commission

30. Subject to the provisions of this Act, the Commission shall have the responsibility for laying down the policies, plans and guidelines for environmental protection, sustainable development and proper utilization of natural resources. The Commission shall:

a) Take measures to prevent environmental harm and protect environmental quality in the manner set out in section (53) and (54);

b) Designate any ministries, organisations, agencies or committees as the Competent Authority to carry out its functions;

c) Enforce and implement policies, plans and programmes for environmental protection;

d) Adopt strategies, plans and action programmes for achieving specific environmental protection objectives;

e) Recommend ratification of bilateral and multilateral environmental instruments to the

Parliament for subsequent enactment;

f) Adopt regulations and rules including standards for environmental quality, emission limits and products, in consultation with other relevant agencies as authorized under this Act;

g) Issue directives to relevant agencies or bodies for one or more of the following purposes:

i. Restorative, corrective or mitigating measures;

ii. Environmental planning, protection and management within certain areas, zones, regions or nationwide;

iii. Promotion of environmental education, research or studies;

iv. Promotion of environmentally friendly and energy efficiency technologies; or

v. Mainstream environment into the national Policy, Plan and Program;

vi. Any other matter in specific or general deemed important for the betterment of environmental quality or sustainable management and use of natural resources.

- h) comment on all draft legislation, programmes, policies, plans and proposed activities prepared by other government agencies which are likely to have a impact on the environment and the sustainable use of natural resources;
- i) Constitute advisory committees consisting of experts in the field of environment, sustainable development and related fields at the national or local level to make recommendations on different aspects of environment protection and sustainable development;
- j) Hear and review any case of inconsistencies and conflict between one or more sectoral legislation and provisions of this Act with a view to harmonizing the conflicting provisions. The Commission shall initiate hearing or reviewing on its own or when matter is referred to it by the sectoral authority involved. Following hearing and review, the authorities involved shall agree on amendments to the sectoral legislation in question, to be tabled in the next session of the Parliament for enactment. In the interim, the Commission may issue an interim order, which shall be in force till the next session of the Parliament;
- k) Recommend to the Parliament to declare;
 - i. Any species of plant and/or animal as endangered species including their habitat and thus protected in consultation with relevant agencies and organizations;
 - ii. Any part of the country to be a national park, wildlife reserve, nature reserve, protected forest, biosphere reserve, critical watershed and such other categories meriting protection.
- l) Shut down any activities without compensation when false or misleading information is provided `based on which environmental clearance was issued;
- m) Discharge such other functions prescribed under this Act;
- n) Discharge any other functions and tasks assigned to it by the Government;
- o) Advise the Government on matters relating to emerging environment issues.

31. In the exercise of its functions under this Act, the Commission may give such directions or pass such orders as are necessary, for reasons to be recorded in writing to the Secretariat or other Competent Authority. Notwithstanding anything said hereinabove shall preclude the Commission from its cardinal responsibility of enforcing and administering the provision of the Act. The Commission may delegate, subject to such conditions and limitations as may be specified, such of its powers and functions under this Act as it may deem necessary or expedient, to any officer or other authority.

Meetings of the Commission

32. The Commission shall meet on a quarterly basis and at such time and place as the Chairperson of the Commission may deem fit. The Chairperson may convene special sessions as and when required.

33. The Chairperson of the Commission shall preside over the meetings of the Commission.

34. The quorum for holding meeting of the Commission shall be two-third of its total members.

35. The decisions will be taken by simple majority.

Proceedings before the Commission to be judicial proceedings

36. The Commission shall be deemed to be a civil court and proceeding before the Commission shall be deemed to be a judicial proceeding when the Commission decides to hear cases before it. However the Commission may decide to establish environmental tribunal and communicate their decision to the Government and Chief Justice for its constitution.

Procedure of the Commission

37. Subject to the provisions of this Act, the Commission shall have powers to:

- a) Regulate the procedure and conduct of the business;
- b) Delegate its powers or functions to such persons or authorities as prescribed in the rules or regulations made under this Act.

38. The Commission shall, for the purposes of hearing cases, carrying out any inquiry/investigation or for any other purpose under this Act, have the powers to:

- a) Summon and enforce the attendance of any witness and examine him;
- b) Order the discovery and production of document or other material object producible as evidence;
- c) Receive evidence on affidavit;
- d) Requisition any public record from any court or office;
- e) Issue any payment for the examination of witnesses, and;
- f) Any other matter which may be prescribed.

39. The Commission may sue or be sued for any act or omission of its powers and duties under this Act.

Secretariat of the National Environment Commission

40. The Secretariat is responsible for implementing the policies, regulations and directives issued by the National Environment Commission, and for administering the provisions of this Act by virtue of it being the custodian of common seal of the Commission responsible for carrying out day to day function.

Duties of the Secretariat

41. The duties of the Secretariat shall include:

- a) Administering the provisions of the Environmental Assessment Act, 2000 and its Regulations;
- b) Monitoring of the state of the environment, including ambient air and water quality and land use changes;
- c) Monitoring of compliance with regulations established under this Act;
- d) Providing guidance to other government agencies and stakeholders concerning actions required to achieve environmental protection objectives, including specific measures for compliance with environmental clearances;
- e) Development and maintenance of an effective environmental information system, including recordkeeping of all administrative decisions taken by the Secretariat;
- f) In consultation with relevant agencies and stakeholders, facilitation of the development and Implementation of bilateral and multilateral environmental agreements, conventions, treaties, or declarations that have been ratified by the Parliament;
- g) Reporting to the NEC concerning the state of the environment and status of implementing the policies, regulations and directives issued by the NEC;
- h) Encouraging and supporting research, and;
- i) Preparation and publication of periodic state of environment reports and other environmental information aimed at increasing public awareness for fostering compliance.

Powers of the Secretariat

42. The powers of the Secretariat shall include:

- a) in consultation with other relevant agencies and stakeholders, preparation of other draft acts, rules and regulations and standards needed to implement this Act, for consideration and adoption by the Commission;
- b) Establishment of implementing rules for specific regulations adopted by the Commission and as authorised by the Commission through those regulations;

- c) Recommending to the Commission, legislative and other measures to be taken where there is eminent risk to the environment or public health;
- d) Pursuance of enforcement actions as needed, including on-the-spot fines for non-compliance with the terms and conditions of environmental clearances, and;
- e) Administering of EA Act 2000 and its Regulations.

Competent Authorities

43. Government agencies, including ministries and local authorities delegated with specific functions relevant to environmental protection and its management under this Act shall be designated as Competent Authorities. They shall carry out their duties and exercise powers in coordination with the Secretariat.

Competent Authority at Dzongkhag Level

44. Dzongkhag Environment Committees shall be constituted as Competent Authorities at the Dzongkhag Level and shall be chaired by the Dzongdag.

45. Each Committee shall consist of at least seven members representing planning, agriculture, forestry, engineering, industry, civil society and local government.

46. Each Committee shall be supported by an environmental officer appointed by the Secretariat.

Duties and powers of the Competent Authorities

47. The duties and powers of the Competent Authorities shall include:

- a) Issuance of environmental clearances for projects listed as being under their competence as per the Environmental Assessment Act, 2000 and its regulations;
- b) Review of non-listed projects prior to forwarding their opinion to the Secretariat or any other relevant Competent Authority;
- c) Compliance monitoring of the conditions of environmental clearance and taking necessary action for non-compliance;
- d) Gathering and forwarding environmental information on a regular basis to the Secretariat;
- e) Enabling public participation in environmental decisions, including assessments carried out under the Environmental Assessment Act, 2000 and its Regulations;
- f) Monitoring the quality of the environment;
- g) Informing the Secretariat of any deterioration or risk of deterioration of the quality of the environment;

h) Making recommendations to the concerned Ministries, Local Governments, and/or to the Secretariat concerning any measures that need to be taken to protect the quality of the environment; and

i) Carrying out such other functions as per the terms of reference issued by the Commission from time to time.

Environmental Tribunal

48. The Government may establish an Environmental Tribunal to hear specific environmental disputes, when the Commission decides not to hear the disputes.

49. An Environmental Tribunal shall consist of three expert members of high integrity, knowledge and experience in the field of environmental adjudication, to be appointed by the Government including at least one person who is qualified to be appointed as a judge of the High Court or a retired judge of the High Court or Supreme Court as chairperson on the recommendation of the Chief Justice of Bhutan. Persons in situations of conflict of interest with respect to the specific dispute to be decided shall be disqualified.

50. A duly constituted Environmental Tribunal shall be a quasi-judicial authority with the power to hear, take evidence, investigate, issue summons, request information and pass its decision on the issues heard before it.

51. The terms and conditions of service of the members shall be such as may be prescribed by the Government, provided that the terms and conditions of service of the Chairperson or any other member shall not be varied to his disadvantage after his/her appointment.

52. A decision taken by the Environmental Tribunal may be appealed to the High Court.

CHAPTER IV

PROTECTION OF ENVIRONMENTAL QUALITY

Commission to take measures to prevent environmental harm

53. Subject to the provisions of this Act, the Commission may take all such measures as it deems necessary or expedient for the purpose of protecting the environment and preventing, controlling and abating environmental harm or pollution.

54. In particular, and without prejudice to the generality of the provisions of section (53), such measures may include measures with respect to all or any of the following matters, namely:

- a) Coordination of actions by the Dzongkhag Environment Committees and other authorities made under this Act or the rules made thereunder;
- b) laying down standards for emission or discharge of environmental pollutants (including noise pollution) from various sources whatsoever, provided that different standards for emission or discharge may be laid down under this clause from different sources having regard to the quality or composition of the emission or discharge of environmental pollutants from such sources;
- c) Laying down, after consultation, restrictions and procedures on the disposal of waste;
- d) examination of, and restrictions with regard to, any industries, operations or processes or class of industries, operations or processes in any area as are likely to cause environmental pollution;
- e) Laying down standards and procedures for labelling and best environmental practices with regard to any industries, operations or processes or class of industries, operations or processes;
- f) Laying down procedures and safeguards for the handling of hazardous substances;
- g) Carrying out investigations and research relating to problems of environmental pollution;
- h) inspection of any premises, plant, equipment, machinery, manufacturing or other processes, materials or substances and giving, by order, of such directions to such authorities, officers or persons as it may consider necessary to take steps for the prevention, control and abatement of environmental pollution;
- i) Establishment or recognition of environmental laboratories and institutes to carry out the functions entrusted to such environmental laboratories and institutes under this Act;
- j) Collection and dissemination of information in respect of matters relating to environmental pollution;
- k) Ensure reasonable amounts of water for environmental flows to protect the fresh water biodiversity and maintain ecosystem functions;

l) Standards lay down as per sub-section 54 (b) shall be reviewed and revised at regular intervals based on the new scientific findings, changing time and technology, which shall be strictly implemented and enforced.

Handling of hazardous substances

55. No person shall handle or cause to be handled any hazardous substance except in accordance with such procedure and after complying with such safeguards as may be prescribed under national and international instruments.

Discharge of environmental pollutants

56. No person shall discharge or emit or be permitted to discharge or emit any pollutants in excess of such standards as may be prescribed.

Environmental Standards for Products: Technologies, and Management Practices

57. Polluting products and technologies that can cause adverse impacts on the environment in the absence of appropriate treatment or design may be regulated under this Act, via environmental standards established by the Commission or certification by recognised international standards organizations, in consultation with other relevant agencies and stakeholders concerned.

58. The Government may encourage voluntary ecolabelling or eco-auditing schemes through fiscal incentives and other means.

59. The Commission may issue regulations, guidelines or codes concerning:

- a) Environmental codes of best practices for specific sectors;
- b) Standards for environmental auditing and management systems;
- c) environmental labelling in order to encourage production and marketing of environmentally friendly products or services, or to promote environmentally friendly and energy efficiency technologies;

Waste Management

60. With the aim of achieving a more sustainable approach to resource use and a reduction in the quantity of waste going to disposal, the Commission may require producers to take responsibility for the costs of the management of their products when they become waste, by diverting end of life products to reuse, recycling or other forms of recovery and safe disposal.

61. Producers/industries shall be fully responsible for safe and proper disposal of their waste.

62. It shall be mandatory for any proponent to provide comprehensive information in the project document, on types and quantities of waste including sound management plan for safe and proper disposal.

Environmental emergencies

63. Environmental emergencies, including any industrial accident or accidental spillage or leakage resulting in a significant release of a hazardous substance into the environment, shall be notified to the nearest government authority which shall in turn take the necessary measures for damage control including alerting the public affected and inform the Secretariat.

64. On receipt of information with respect to the fact or apprehension on any occurrence of the nature referred to in section (63), whether through intimation under that section or otherwise, the Secretariat shall, as early as practicable, cause such remedial measures to be taken as necessary to prevent or mitigate the environmental harm or pollution if the nearest authority is unable to take necessary measures.

65. The expenses, if any, incurred by any authority or agency with respect to the remedial measures referred to in section (63), together with interest (at such reasonable rate as the Commission may, by order, fix) from the date when a demand for the expenses is made until it is paid, may be recovered by such authority or agency from the person concerned.

Other Matters concerning Environmental Protection, including Emerging Issues

66. On the basis of information gathered during environmental monitoring, through representations from citizens and stakeholders, new scientific studies, and other sources of information, the Commission may decide whether additional measures are needed to protect the environment and conserve the natural resources of the country.

CHAPTER V

PROTECTION OF FOREST, BIODIVERSITY AND ECOSYSTEM INTEGRITY

Stewardship of the Environment

67. Every Bhutanese is a trustee of the country's natural resources and environment for the benefit of the present and future generations and it is the fundamental duty of every citizen to contribute to the protection of the natural environment, conservation of the rich biodiversity and prevention of all forms of ecological degradation.

Forest Coverage, Protected Areas and Vulnerable

Ecosystems

68. The Commission shall ensure that, in order to conserve the country's natural resources and to prevent degradation of the fragile mountain ecosystem, a minimum of sixty percent of Bhutan's total land shall be maintained under forest cover for all time. Any changes in the present national forest cover and protected areas shall be made only by the Parliament.

69. In order to ensure sixty percent forest cover in perpetuity in line with Section 30(i), the Commission shall constitute a high-level committee comprising of relevant stakeholder agencies, such as Department of Forestry, to:

- a) Periodically review existing policies, plans and programs and recommend necessary changes in policies, plans and programs, including implementation and enforcement mechanisms.
- b) Initiate a forestation and re-forestation programs in degraded and barren land to enhance forest cover.
- c) Review policies and programs on forest fire management and recommend measures to curb forest fire in the country.

70. The Commission shall ensure and promote the use of clean energy and alternative technologies in order to reduce use of fuel wood/timber from primary forest. Such innovative practices of reducing the burden on natural resources shall be supported with incentives as per section 78.

71. The Commission, in consultation with other relevant agencies shall ensure conservation and protection of wetlands, alpine regions, watersheds, and other vulnerable ecosystems in addition to the existing protected areas.

Protection of Genetic Resources

72. The Commission, in consultation with relevant agencies shall establish regulatory controls over import and use of genetically modified organisms (GMOs) including living modified organisms (LMOs) and products containing GMOs and introduction of alien species.

73. Keeping in mind intergenerational equity and sustainable utilization of natural resources, the Commission shall study and recommend to Parliament any proposals for bio-prospecting and other commercial extraction and export from the country, of any in-situ and ex-situ plant and animal genetic resources.

Research and Monitoring

74. In recognition of the importance of scientific research in the field, the Commission shall initiate scientific research and ensure that long-term biological monitoring and research frameworks are established in order to monitor and assess biological trends and processes to measure ecosystem integrity and species survival.

CHAPTER VI

ENVIRONMENTAL FINANCING AND INCENTIVES

Financing of Environmental Protection

75. The Government shall allocate sufficient funds to enable the Commission, its Secretariat, the advisory committees, and the Competent Authorities to exercise and discharge the powers, duties and functions effectively under this Act.

76. The Commission and its Secretariat may receive such sums of money through the Government by way of grants, donations, gifts or loans from any sources as per the existing laws of the country.

77. The Government may establish any environmental protection funds as may be deemed appropriate.

Financial Incentives and Charges for Environmental Compliance

78. In order to promote environmentally friendly technologies, code of best practices and eco-labelling, the Government may establish fiscal incentives for environmental protection and compliance, including:

- a) Provision of tax incentives for environmental services and/or manufacture of environmentally friendly products;
- b) Reductions in customs and other duties for the import of environment friendly and energy efficiency technologies;
- c) Grants or co-financing for civil society or public sector environmental protection or nature conservation projects.
- d) Provision of incentives for reducing, recycling and reusing waste.

79. The Government may levy charges, including:

- a) Charges or fees for utilization of natural resources; and
- b) Taxes or charges for raw materials or products posing specific environmental risks.

80. The Commission may establish mechanisms for valuation of natural resources and apply the values established to legal and economic instruments, such as payments for environmental services designed to be shared equitably among resource users, the costs and benefits of conservation and sustainable use of the resource.

CHAPTER VII

RIGHT TO ENVIRONMENTAL INFORMATION AND CITIZENS' PARTICIPATION

Right to Environmental Information

81. All citizens have a right of access to environmental information. The Commission and its Secretariat shall therefore:

- a) Promote environmental education, advocacy and awareness;
- b) Regularly publish information on the environment, including periodic state of the environment reports;
- c) Make environmental information available in electronic databases which are easily accessible to the public through public telecommunications networks, including:
 - i. Reports on the state of the environment;
 - ii. Texts of legislation on or relating to the environment;
 - iii. As appropriate, policies, plans and programmes on or relating to the environment, and environmental agreements; and
 - iv. Other information available in electronic form that may facilitate the application of this Act.
- d) Encourage operators whose activities have a significant impact on the environment to inform the public voluntarily of the environmental impact of their activities and products.

National Environmental Information System

82. The Commission may establish a national environmental information system for the purpose of gathering, processing, analysing, and disseminating data on the state of the environment of the Country. It shall be organised in such a manner as to enable:

- a) Tracking of changes (both qualitative and quantitative) in the utilization, loading and state of the environment, and any resulting impacts;
- b) Recognition and analysis of any emerging issues with respect to the environment so as to enable timely response;
- c) Determination of the causes of environmental impacts and;

d) Identification of appropriate corrective and remedial measures to be taken.

83. The national environmental information system shall include data gathered via:

a) Regular monitoring of the quality of air and water, according to the quality standards and sampling/evaluation methodologies established by the Commission;

b) Monitoring of compliance with environmental clearances and other regulations established under this Act;

c) Reports submitted by users of the environment on their environmental performance; and

d) Independent studies and researches.

84. The Secretariat shall be responsible for organising and managing the national environmental information system.

85. The Commission and its Secretariat shall have authority to issue directives requiring agencies, institutes, organisations, stakeholders and persons to furnish information or reports relating to any aspect of the environment and its utilization that such person or organization is deemed to possess.

Citizens' Right of Participation in Environmental

Decisions

86. Citizens are entitled to participate in decision-making processes concerning the environment, when the Government deems appropriate to hold public consultations, including:

a) Contributing views during the process of drawing up policies, plans and project formulation and implementation;

b) Consulting the public during environmental impact assessment process before the issuance of environmental clearance. Provided that the larger interest of the community/country shall prevail over individual interest; and

c) Commenting on draft legislation or regulations under preparation to implement this Act.

87. The public concerned shall be informed in a timely and effective manner, either by public notice or individually as appropriate, on any environmental decision-making procedure, when all options are open and effective public participation can take place.

Access to Justice

88. Any person aggrieved by a decision taken under this Act may appeal to the Commission. The person aggrieved may challenge the substantive and procedural legality of any decision, act or omission.

89. This right of access to a review procedure shall apply in particular to any person who considers that:

- a) a request for information has been ignored, wrongfully refused, whether in part or in full, inadequately answered, or otherwise not dealt with; and
- b) A decision, act or omission has otherwise impaired his or her rights.

90. The Commission shall ensure that such a person has access to an expeditious procedure for reconsideration by the Commission or review by the Environmental Tribunal.

91. An appeal against the decision of the Commission may be made to the High Court.

CHAPTER VIII

PROCEDURE FOR INSPECTIONS AND VERIFICATION

Procedure for entry and inspection. –

92. Subject to the provisions of this section, any person empowered by the Commission in this behalf shall have a right to enter, at all reasonable times with such assistance as he/she considers necessary, any place other than a house/human dwelling where an individual is residing and/or rearing his/her family:

- a) For the purpose of performing any of the functions of the Commission entrusted to him/her;
- b) for the purpose of determining whether and if so in what manner, any such functions are to be performed or whether any provisions of this Act or the rules made thereunder or any notice, order, direction or authorisation served, made, given or granted under this Act is being or has been complied with;
- c) for the purpose of examining and testing any equipment, industrial plant, record, register, document or any other material object or for conducting a search of any premise in which he/she has reason to believe that an offence under this Act or the rules made thereunder has been or is being or is about to be committed and for seizing any such equipment, industrial plant, record, register, document or other material object if he has reason to believe that it may furnish evidence of the commission of an offence punishable under this Act or the rules made there under or that such seizure is necessary to prevent or mitigate environmental pollution.

93. Every person carrying on any industry, operation or process of handling any hazardous substance shall be bound to render all assistance to the person empowered by the Commission under section (92) for carrying out the functions under that section and if he fails to do so without any reasonable cause or excuse, he shall be guilty of an offence under this Act.

94. If any person wilfully delays or obstructs any persons empowered by the Commission under section (92) in the performance of his functions, he/she shall be guilty of an offence under this Act.

Procedure for taking samples

95. The Commission or any officer empowered by it in this behalf, shall have power to take, for the purpose of analysis, samples of air, water, soil, raw materials, finished products and any other substance from any factory, premises or other place in such manner as may be prescribed.

96. Subject to the provisions of section (95), the person taking the sample shall:

- a) Serve on the occupier or his/her agent or person in charge of the place, a notice, then and there, in such form as may be prescribed, of his/her intention to have it so analysed;
- b) In the presence of the occupier or his/her agent or person, collect a sample for analysis;
- c) Cause the sample to be placed in a container or containers which shall be marked and sealed and shall also be signed both by the person taking the sample and the occupier or his/her agent or person;
- d) Send without delay, the container or the containers to the laboratory established or recognised by the Commission.

Environmental laboratories

97. The Government may establish one or more environmental laboratories or recognise one or more laboratories or institutes as environmental laboratories under this Act.

98. The Commission may lay down regulations and procedures to specify:

- a) The functions of the environmental laboratory;
- b) The procedure for the submission to the said laboratory of samples to be tested, and;
- c) Such other matters as may be necessary or expedient to enable that laboratory to carry out its functions.

CHAPTER IX

ENFORCEMENT, OFFENCES AND PENALTIES

Obligation of environmental compliance

99. All agencies, institutions, associations and persons shall comply with the obligations set forth in this Act and other relevant environmental legislation and regulations. The duty to comply shall *inter alia* comprise the following general duties:

- a) To provide any information required by regulation or by duly issued directive;
 - b) To ensure that all information provided is accurate and not misleading;
 - c) To cooperate during an environmental compliance inspection, and not wilfully delay, prevent or obstruct an officer on duty from entering a facility;
 - d) To comply with all conditions set forth in a duly issued environmental clearance or any other issued order, and;
 - e) Not to use or extract natural resources without a permit.
100. The Secretariat shall have primary responsibility for monitoring compliance and for enforcing the obligations of this Act.

Environmental offences

101. A violation or infringement of any of the obligations set forth in the provisions of this Act shall constitute an offence and may be subject to penalty according to the Bhutan Penal Code or as per penalties set forth under section 104.

Penalties for civil offences

102. For a civil offence under this Act the penalty may comprise one or more of the following:

- a) Payment of a fine ranging in amount from one to twelve man-months of the minimum National Wage Rate;
- b) order to take mitigating, corrective or restorative measures as may be deemed necessary to prevent further damage being caused to human health and/or environment;
- c) Reimbursement of any costs incurred by an authority because of the offender's failure to take the notified measures in time;
- d) Payment of compensatory costs for rectifying any damage to persons or property caused by the offence;
- e) Suspension or revocation of an environmental clearance, in part or in whole;

f) in the event of the offence being continued after stop order, a fine equivalent to ten man-months as per the minimum National Wage Rate per day till the day such offence is discontinued; and

g) Shut down any industries without compensation when an offence continues after stop order.

103. The assessment of a penalty for a civil offence under this Act shall be based on the:

a) Cost of environmental damages caused;

b) Frequency of the offence committed;

c) Impact on the human health and the environment;

d) Intention of the offender; and

e) Extent of achieved or intended economic advantage from the offence.

Penalties for criminal offences

104. When the Bhutan Penal Code does not expressly provide penalties for criminal offences then depending on the magnitude of the offence and the intention of the offender, a criminal penalty of imprisonment ranging from one month to one year may be applied in addition to cost of the environmental damages.

When express penalty not provided

105. When an express penalty for an environmental offence is not provided under this Act or regulations, the offender shall be liable as per the provisions of other existing laws.

CHAPTER X

MISCELLANEOUS

Members, officers and employees of the Commission to be public servants

106. All the members, officers and other employees of the Commission, when acting or purporting to act in pursuance of any provisions of this Act or the rules made or orders or directions issued there under shall be deemed to be public servants.

Multilateral and bilateral environmental agreements

107. Multilateral and bilateral environmental agreements ratified by the Parliament shall be enforceable as any other domestic laws, retrospectively as well as prospectively.

Power to make rules

108. The Commission may make rules for carrying out the purposes of this Act.

Amendment

109. When necessary, the Commission shall submit a report and proposals for any amendments to this Act to the Parliament.

Authoritative Text

110. In case of difference in meaning between the Dzongkha and the English texts, the Dzongkha text shall prevail.

Source: <http://www.nec.gov.bt/index.htm>

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