

## **➔ BHUTAN: A NATIONAL VISION GUIDES PROGRESS AND TECHNICAL COOPERATION**

### **In a Nutshell**

In 1958, Bhutan was among the world's least developed countries. A visit by the Indian Prime Minister in that year, however, marked the beginning of modernization. The vision was clear: to embrace those forms of contemporary life essential for the functioning of a modern state, while retaining those aspects of Bhutan's traditional culture that make the country unique.

The first priority since then has been to build human resources and related institutional capacities. Over the years, Bhutan has made great strides in developing a strong system of governance and public administration, as well as establishing firm social and economic infrastructures. Credit for this remarkable transformation can be attributed to the sustained determination of Bhutan's leaders, the ongoing support of India and other countries and organizations, and the insistence on recognizing the importance of preserving identity, cultural traditions and values.

### **The Story**

In 1958, Bhutan, a small Himalayan country the size of Switzerland cradled between China and India, was among the least developed countries on the planet. With a subsistence economy, most people lived in isolated homesteads, cultivating small family plots and bartering any surplus. There was no industry and foreign trade was minimal. Tourism did not exist; only a handful of foreigners had ever been allowed to visit the country. There were no schools, aside from those offering religious education to a small number of boys aspiring to become Buddhist monks. Literacy was confined to children from elite families educated in India. Western medicine and hospitals had not yet appeared.

The extremely rugged terrain posed an enormous challenge to any infrastructure development. There was not a single paved road, and other physical infrastructure was almost entirely lacking. Electricity was provided by small diesel generators in only a few places. With no telephone system, a network of radio sets connected the more important administrative centres. Governance was rudimentary – the country became an absolute monarchy early in the 20th century, having evolved from a feudal system of regional chieftains. The government's main pre-occupations were law and order, and tax collection.

In 1958, the Indian Prime Minister was invited to pay an official visit to Bhutan. The trip was historic, marking the first attempt by the leadership of Bhutan to align itself with either of its neighbours. It also reflected a decision to embark on a path

of development and modernization. Since that time, Bhutan has remained true to a vision of setting up a contemporary state while protecting its traditional culture.

The first priority was the building of human resources and related institutional capacities to undertake the many tasks required by a modern society and economy – technical cooperation in support of these goals took priority, and Bhutan found in India a partner that understood and supported this approach.

In the 1960s, formal education began, first at primary and subsequently at secondary and tertiary levels. Since the need to fill key government posts with Bhutanese was paramount, all post-secondary education and training was explicitly geared to providing the requisite knowledge and skills. Subsequently, human resources and institutional development linked to priority nation-building tasks became the principal focus of Bhutan's negotiations for external cooperation for many years.

The Bhutanese monarchs were also determined to minimize corruption. From the beginning, the Bhutan Civil Service has been consciously modeled on that of Singapore. Civil servants are selected through a rigorous, merit-based process, paid well and expected to perform efficiently; any proven corrupt behaviour is punished severely.

As a direct result of the vision and policies pursued by Bhutan's leaders and the support received from India, Bhutan became a member of the United Nations in 1971. By that time, Bhutanese occupied most of the important government posts in Bhutan. Since then, other partners – notably the UN family – have joined the country in its modernization efforts, but always subject to the overarching vision of Bhutan's leaders and the priorities of its government, sketched out in detailed five-year plans that are conscientiously implemented. There have been several instances when Bhutan rejected offers of technical and capital cooperation because these were not consonant with its plans and policies.

Today, it is clear that Bhutan has made great strides in nearly every area over the past decades, working from a base of strong and responsible macroeconomic management that has made a progressive social agenda a reality. Metalled roads and digital telecommunications now connect all the main population centres. The national airline links the country to its neighbours and Thailand. All except the most remote corners have access to education and medical institutions. The quality of these establishments is improving steadily, while services remain free and increasingly are provided by Bhutanese personnel.

A number of hydroelectric plants, largely run by Bhutanese engineers and technicians, generate electricity as well as foreign earnings from the export of surplus power to India. A flourishing private sector has grown, encouraged by government policies and reliable banking, insurance and legal services. The per capita income of Bhutan is among the highest in South Asia, even as the country is noted for exemplary preservation of its natural environment. Small and efficient, the government commands respect for the calibre and integrity of its personnel, and gradually, the absolute monarchy is evolving into a constitutional monarchy.

Such achievements have not been at the expense of Bhutan's traditional values and culture. Inevitably, change has come through exposure to outside ideas. Yet the government has tried to soften the impact. Bhutanese sent abroad for study and training have been assured of challenging and relatively well-paid jobs on their return. As a result, there has been virtually no brain drain. The number of tourists permitted to visit the country each year also remains limited, while concerted efforts to showcase and preserve popular traditions inculcates pride in Bhutanese identity.

### **Results and Critical Factors**

The remarkable transformation of the Kingdom of Bhutan can be attributed to the following factors:

- The vision and sustained determination of its leaders, the present King and his father, to bring the country out of self-imposed isolation and to modernize
- The focus given to the development of human resources, the careful matching of education and training to needs, and the sustained commitment of resources in these directions
- The emphasis on a small, professional and motivated civil service, able to attract and retain the country's top talent in pursuit of the realization of its development goals
- The insistence on recognizing the importance of identity and of preserving cultural traditions and values
- The far-sighted and sustained support of the government of India, as well as the assistance provided by other countries and organizations over the last 30 years

Bhutan has taken full advantage of the external support that has been generously offered, without deviating from the path it chose to follow a mere four decades ago. Through its responsible use of resources and demonstration of results, it has been able to secure sustained cooperation from its partners, essentially on its terms. The bulk of this has been in the form of grants for technical cooperation, which has allowed capacities to expand without forcing the country to incur a debt burden.

The technical cooperation edifice built between Bhutan and its partners has been constructed on the government being firmly in the driver's seat; sound and clear policies and plans that receive the full backing of partners; low corruption; and a highly qualified, motivated civil service, especially at upper levels. Some capacity problems continue underneath. As each five-year plan becomes more expensive, given Bhutan's expanding development needs, even while ODA has been declining until recently, it is to be hoped that Bhutan will not eventually fall into the debt trap.

### **Further information**

Bhutan's Royal Civil Service Commission ([www.rcsc.gov.bt/BCSR.asp](http://www.rcsc.gov.bt/BCSR.asp)).

Government of Bhutan ([www.bhutan.gov.bt/rgobdirectory/agenciesbyministry.htm](http://www.bhutan.gov.bt/rgobdirectory/agenciesbyministry.htm)).

Bhutan-India relations, background information  
([www.bhutannewsonline.com/india\\_bhutan.html](http://www.bhutannewsonline.com/india_bhutan.html)).

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