

## Not a Happy Place: Bhutan Faces Serious Socio-economic Problems

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### Summary

*Popularly known as the land of Gross National Happiness, Bhutan faces a number of socio-economic challenges. Poverty and youth unemployment remain high, the healthcare system is in disarray, the ecological landscape is under threat due to climate change and there are high incidences of violence against women. The government has put in place policies and schemes to address some of these challenges. However, most of these measures have not had the desired outcomes.*

### Introduction

Bhutan is the only country, at least in Asia, where the government more interested in pursuing happiness among its people than encouraging them to make money. The fourth King of Bhutan, King Jigme Singye Wangchuck, coined the phrase ‘Gross National Happiness’ (GNH) in 1972 to promote and emphasise the importance of happiness in the country. For the king, GNH was more important than the gross domestic product (GDP) of a country. The former calls for sustainable development, takes a holistic approach towards notions of progress and gives equal importance to the non-economic aspects of the well-being of people.<sup>1</sup> Consequently, a measurement tool was developed to help government and non-government organisations and businesses in Bhutan determine the GNH. The measurement uses nine domains with 33 indicators. The nine domains are psychological wellbeing; health; education; time use; cultural diversity and resilience; good governance; community vitality; ecological diversity and resilience; and living standards.<sup>2</sup>

In spite of attributing so much importance to the GNH, Bhutan was ranked 95<sup>th</sup> in the *World Happiness Report of 2019* among the 156 assessed countries. The report was prepared by the United Nations Sustainable Development Solutions Network, in partnership with the Ernesto Illy Foundation.<sup>3</sup> The low ranking of Bhutan in the report affirmed the point, that behind the veil of GNH, Bhutan faces serious social problems. This low ranking also highlighted discrepancies in the third GNH survey carried out in 2015 by the Centre for Bhutan Studies and GNH, with financial support from the Japan International Cooperation

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<sup>1</sup> Oxford Poverty & Human Development Initiative *Bhutan's Gross National Happiness Index*. <https://ophi.org.uk/policy/national-policy/gross-national-happiness-index/>. Accessed on 26 February 2020. Also see Centre for Bhutan Studies & GNH Research (2016), ‘A Compass Towards A Just and Harmonious Society: 2015 GNH Survey Report’. <http://www.grossnationalhappiness.com/wp-content/uploads/2017/01/Final-GNH-Report-jp-21.3.17-ilovepdf-compressed.pdf>. Accessed on 25 February 2020.

<sup>2</sup> Ibid.

<sup>3</sup> ‘Known As The Kingdom Of Happiness, Why Is Bhutan Ranked 95<sup>th</sup> In The World Happiness Report 2019?’ Daily Bhutan, 3 April 2019, <https://www.dailybhutan.com/article/known-as-the-kingdom-of-happiness-why-is-bhutan-ranked-95th-in-the-world-happiness-report-2019>. Accessed on 2 March 2020.

Agency and the Royal Government of Bhutan.<sup>4</sup> Many of these discrepancies were the result of the criteria and methodology used to assess the 'happiness' of people.<sup>5</sup> This paper looks at the multiple domestic problems in Bhutan and examines the reasons behind them.

## Challenges of Poverty and Unemployment

According to *Bhutan Development Report 2019*, published by the World Bank, Bhutan has successfully eliminated extreme poverty in the country, with the national poverty rate declining from 23 per cent in 2007 to eight per cent in 2017.<sup>6</sup>

At present, it is estimated that 11.9 per cent of the rural population live in poverty compared to 0.8 per cent in urban areas. Out of the total population of around 827,830, about 62.2 per cent live in the rural areas.<sup>7</sup> The cases of poverty are highest among the homes whose household heads are more than 65 years of age, highlighting the lack of economic safety nets for the older population.<sup>8</sup>

One of the major reasons for poverty is limited job opportunities. The unemployment rate among the youths increased from 9.6 per cent in 2013 to 12.3 per cent in 2017. Female youth unemployment was 13.2 per cent and the corollary for the males was 11.2 per cent.<sup>9</sup> Unemployment in urban and rural areas is at 4.9 per cent 1.9 per cent respectively.<sup>10</sup> In order to find jobs, every year, thousands of people migrate from the rural areas to the cities. In 2018, the migration percentage from rural to urban areas was 21.7 per cent.<sup>11</sup> It is estimated that, by the end of 2023, there will be around 62,743 job seekers, for whom the *Twelfth Five-Year Plan (2018-2023)* promises to create around 61,811 jobs.<sup>12</sup>

Although it is not a trend, according to some Bhutanese media reports, high youth unemployment in the country has been one of the causes for increasing crime rates, mainly in the cities. Bhutan's capital, Thimphu, saw crime rate rise from 921 in 2016 to 2,409 in 2017, a startling 161 per cent increase. In 2017, it was estimated that 41 per cent of all reported crimes in Bhutan took place in Thimphu.<sup>13</sup>

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<sup>4</sup> Centre for Bhutan Studies & GNH Research (2016), op cit.

<sup>5</sup> 'Known As The Kingdom Of Happiness, Why Is Bhutan Ranked 95th In The World Happiness Report 2019?' op cit.

<sup>6</sup> World Bank Group 'Bhutan Development Report 2019: A Path to Inclusive and Sustainable Development'. <http://documents.worldbank.org/curated/en/259671548449315325/pdf/134060-WP-PUBLIC-25-1-2019-13-34-54-BDRJanuary.pdf>. Accessed on 29 January 2020.

<sup>7</sup> Kezang Wangchuk 'Bhutan's Unique Success in Reducing Poverty' *The Diplomat*, 24 August 2018, <https://thediplomat.com/2018/08/bhutans-unique-success-in-reducing-poverty/>. Accessed on 25 February 2020.

<sup>8</sup> Ibid.

<sup>9</sup> Gross National Happiness Commission, Royal Government of Bhutan *Twelfth Five Year Plan (2018-2023)*, p. 75, <https://www.gnhc.gov.bt/en/wp-content/uploads/2019/05/TWELVE-FIVE-YEAR-WEB-VERSION.pdf>. Accessed on 30 January 2020.

<sup>10</sup> Ibid, p. 77.

<sup>11</sup> 'Youth and crime' *Kuensel*, 7 July 2018. <https://kuenselonline.com/youth-and-crime/>. Accessed on 27 February 2020.

<sup>12</sup> Gross National Happiness Commission, Royal Government of Bhutan *Twelfth Five Year Plan (2018-2023)*, op cit, p. 77.

<sup>13</sup> 'Youth and crime' *Kuensel*, op cit. Also see 'Youth and Crime' *Kuensel*, 22 March 2019. <https://kuenselonline.com/youth-and-crime-2/>. Accessed on 27 February 2020.

## Weak Education and Healthcare Sectors

According to *Bhutan 2020: A Vision for Peace, Prosperity and Happiness*, Bhutan's "skills base is extremely narrow and just over one-half of [Bhutan's] population can be considered literate and numerate."<sup>14</sup> Though there has been an increase in the primary and secondary school enrolment, the high dropout and repeater rates are a genuine cause for concern for the government.<sup>15</sup>

Bhutan's *Twelfth Five Year Plan* highlights that, as of 2018, the adjusted net primary enrolment rate in the country was 96.8 per cent. This means that about 97 per cent of the children from the ages of 6 to 12 attend primary education and other equivalent forms of structured learning.<sup>16</sup> The document also states that the gross enrolment ratio for secondary education (Classes VII-XII) was estimated at 89.3 percent. Overall, the basic literacy rate in Bhutan has increased from 59.5 per cent in 2005 to 71.4 per cent in 2017.<sup>17</sup> However, the country still suffers from a suitably educated population.

The quality of a country's human resource also depends on the health of its population. A healthy population is an asset for any country. The total health expenditure in Bhutan is about 3.8 per cent of the country's GDP, approximately 75 percent of which is financed by the government.<sup>18</sup> There has been an increase in the number of cases of cardiovascular diseases, such as cancer, respiratory ailments and diabetes. They have been responsible for about 53 per cent of the deaths in the country 2016. Bhutan has also seen a rise in mental health problems in recent years.<sup>19</sup>

Bhutan's healthcare system suffers from a shortage of well-trained doctors and nurses. The country had three doctors and 14 nurses per every 10,000 people in 2016, which is very low compared to international standards.<sup>20</sup> Another challenge is financing the healthcare system in Bhutan. The burden of financing the system lies with the state. Financing the country's healthcare system is a challenge, however, because health expenditure has grown by almost 75 per cent according to the *Eleventh Five Year Plan (2013-2018)*, while domestic revenue increased by only 38 per cent during this period.<sup>21</sup>

## Gender Inequality and Violence

In Bhutan, the female literacy rate improved from 55 per cent in 2012 to 59 per cent in 2017. Girls' enrolment at the tertiary level also improved from 35 per cent in 2005 to about

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<sup>14</sup> Planning Commission Royal Government of Bhutan, 'Bhutan 2020: A Vision for Peace, Prosperity and Happiness, Part II', <https://www.greengrowthknowledge.org/sites/default/files/downloads/policy-database/Bhutan%20Vision%202020%20II.pdf>. Accessed on 18 February 2020.

<sup>15</sup> Ibid.

<sup>16</sup> Gross National Happiness Commission, Royal Government of Bhutan *Twelfth Five Year Plan (2018-2023)*, op cit.

<sup>17</sup> Ibid.

<sup>18</sup> Ibid, p. 85.

<sup>19</sup> Ibid.

<sup>20</sup> Ibid.

<sup>21</sup> Ibid.

46 per cent in 2018, with gender parity standing at 0.85 per cent.<sup>22</sup> The maternal mortality rate in the country declined from 255 per 100,000 people in 2000 to 89 per 100,000 in 2017. Also, there has been an increase in the composition of women in the country's civil service from 32.4 percent in 2012 to 35.43 percent in 2017.<sup>23</sup>

However, women's representation in the parliament and at the level of local government is 15.27 per cent and 11.6 per cent, respectively. Similarly, only 11.2 per cent women work at the executive level of the civil service.<sup>24</sup>

Socially and domestically, there has been a rise in gender-based physical and sexual violence. To address this issue, the Domestic Violence Prevention Act 2013 was enacted. However, it has not been able to effectively put a check on the problems faced by the women. Even today, many cases of gender-related violence remain unreported by the victim or are not registered by the police.

One of the major reasons for domestic violence in Bhutan is the socially entrenched sense of male superiority. According to a study report by the National Commission of Women and Children (NCWC) in 2017, out of 2,184 women and girls aged between 15 and 64 years, 38.3 per cent hold the traditional belief that the "women are nine births lower than men". Of this figure, 60.8 per cent were older women as compared to only 20.9 per cent who were between 15 and 19 years of age.<sup>25</sup> On violence, 53.3 per cent of 2,184 women and girls surveyed by the NCWC agreed that a man is justified in hitting his wife.<sup>26</sup>

Some of the recent rape and molestation cases included the rape and murder of an eight-year-old in Paro; a five-year-old raped in Dagna; and the molestation of a four-year-old in Thimphu.<sup>27</sup> Though laws to punish the perpetrators exist, the Home Minister of Bhutan, Sherub Gyeltshen, said that only a change in people's mindsets can bring a sustainable solution to the increasing cases of sexual harassment, molestation and rape in the country.<sup>28</sup>

## Imminent Threats to Ecology in Bhutan

Located in the lap of the Himalayan mountains, Bhutan has a rich ecological system. About 71 per cent of its total land area is under forest cover, with over 50 per cent allocated for

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<sup>22</sup> Ibid.

<sup>22</sup> Ibid.

<sup>23</sup> Ibid.

<sup>24</sup> Ibid.

<sup>25</sup> National Commission for Women and Children Royal Government of Bhutan 'National Survey on Women's Health and Life Experiences 2017: A Study on Violence Against Women and Girls in Bhutan', p. 3, <https://www.ncwc.gov.bt/publications/VAW%20-%20Report1570788220.pdf>. Accessed on 27 February 2020.

<sup>26</sup> Ibid.

<sup>27</sup> Damoche Pem, 'Bhutan Outraged: 8-year-old raped and murdered in Paro, 5-year-old raped in Dagana and 4-year-old molested in Thimphu' *The Bhutanese*, 23 September 2019, <https://thebhutanese.bt/bhutan-outraged-8-year-old-raped-and-murdered-in-paro-5-year-old-raped-in-dagana-and-4-year-old-molested-in-thimphu/>. Accessed on 24 February 2020.

<sup>28</sup> Choki Wangmo, 'Collective action to tackle social issues' *Kunsel*, 28 December 2019, <https://kuenselonline.com/collective-action-to-tackle-social-issues/>. Accessed on 24 February 2020.

parks, biological corridors and strict nature reserves.<sup>29</sup> The country's rich ecology attracts many tourists, and has helped to grow the country's tourism sector. The Bhutanese government promotes a "High Value, Low Impact" tourism policy whose objective is to ensure that the most discerning visitors will respect Bhutan's cultural values, traditions and natural environment. According to the *Bhutan Tourism Monitor* of 2018, Bhutan received a total of 274,097 visitors in 2018 which is an increase of about 7.61 per cent over 2017.<sup>30</sup>

However, like other parts of the world, Bhutan too experiences the effect of climate change and a rising population on its ecology. There is an increase in the conversion of forests into land use for various economic purposes. It is estimated that between 2008 and 2014, 9,426 hectares of state reserved forest land were lost to the construction of transmission lines, 5,462 hectares to farm roads and 5,208 hectares to long-term land lease.<sup>31</sup> Also, between 2011 and 2012, 153 hectares of state land were allocated away from protected areas and 2,561 hectares from state land for developmental purposes.<sup>32</sup>

In Copenhagen during the 15<sup>th</sup> session of the Conference of Parties of the United Nations Framework Convention in 2009, Bhutan committed to remain carbon neutral. It submitted its Intended Nationally Determined Contributions plan in September 2015 towards the finalisation of Paris Agreement.<sup>33</sup> Bhutan has managed to control its carbon emission capacity; yet the impact of climate change is still visible. Even though the availability of water per capita in Bhutan is more than 100,000 cubic metres each year, several important water sources in the country have started to dry up due to the impact of climate change.<sup>34</sup> In future, this may affect the country's hydropower sector, on which Bhutan's economy depends. This sector contributes around 25 per cent of Bhutan's GDP, generates around 40 per cent of the country's revenue and provides employment to many Bhutanese.

To deal with the phenomenon of climate change, in 2017, Bhutan developed the 'Enhancing Sustainability and Climate Resilience of Forest and Agricultural Landscape and Community Livelihoods in Bhutan' project, whose objective is to strengthen biological corridors to build resilience to adapt the country to climate change and support sustainable agriculture by 2023.<sup>35</sup>

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<sup>29</sup> Gross National Happiness Commission, Royal Government of Bhutan *Twelfth Five Year Plan* (2018-2023), op cit, p. 51.

<sup>30</sup> Dechen Tshomo, 'Tourists Number Records Growth Of 7.61%: Bhutan Tourism Monitor 2018', Kuensel, 8 April 2019, <https://www.dailybhutan.com/article/tourists-number-records-growth-of-761-bhutan-tourism-monitor-2018>. Accessed on 30 January 2020.

<sup>31</sup> Gross National Happiness Commission, Royal Government of Bhutan *Twelfth Five Year Plan* (2018-2023), op cit, pp. 51-52.

<sup>32</sup> Ibid.

<sup>33</sup> Ibid.

<sup>34</sup> Royal Government of Bhutan, National Environment Commission, 'National Integrated Water Resources Management Plan 2016', p. 33, <http://www.nec.gov.bt/nec1/wp-content/uploads/2016/03/Draft-FinalNIWRMP.pdf>. Accessed on 21 May 2018,

<sup>35</sup> Gabrielle Doran 'Sustainable Agriculture in Bhutan', *The Borgen Project*, 21 January 2018. <https://borgenproject.org/sustainable-agriculture-in-bhutan/>. Accessed on 30 January 2020.

## Conclusion

Bhutan is facing multiple social problems which pose major challenges for the government. In an effort to deal with unemployment and poverty and to improve the healthcare system, Bhutan requires significant funding. Its ecological landscape, which promotes tourism and its flourishing hydropower sector, are under threat due to the growing impact of climate change. To redress the situation, Bhutan needs robust sustainable development policies. A number of irregularities have been reported in Bhutanese media in the approval of environment-related projects by the government. At the social and domestic levels, gender inequality remains, and violence against women is high.

As a result of its existing socio-economic challenges, a country that famously focuses on the GNH of its people is ranked low in the *World Happiness Report 2019*. In order to deal with its domestic challenges, the *Twelfth Five-Year Plan* has made many recommendations. How successful these recommendations will be in addressing the country's woes is left to be seen.

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