



## CHAPTER 5

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# Modern Bhutan's Buddhist Statecraft

**Abstract** This chapter introduces the country of Bhutan and its unique pursuit of a Buddhist-inspired foreign policy during the modern era (1949–present). This chapter illustrates how a modern state implements a national security and economic development policy consistent with Buddhist philosophical principles and Buddha's political and economic teachings and, like the prior chapter, it serves as proof of concept for the possibility of putting Buddhist ideas into practice. The cornerstone of Bhutan's foreign and domestic policies is its pursuit of Gross National Happiness, a concept that endorses holistic progress in the material, spiritual, emotional, cultural, and environmental welfare of its society.

**Keywords** Bhutan · Gross national happiness · Bhutanese foreign policy

## INTRODUCTION

Foreign policy is a tool in the hands of a nation-state that allows it to advantageously shape the behavior of other states and the international system. For a very small state like Bhutan, however, foreign policy is less grandiose and more defensive in nature, allowing it to ward off pressures and other adverse aspects of the international system and pursue its essential goals of physical security, economic development, and preservation of its identity and culture.<sup>1</sup>

Bhutan is a small and vulnerable country because of its physical features, including: geographic size (about that of Switzerland); inaccessibility (it is landlocked with the closest international port 450 miles away through India), population (about 800,000), economy (per capita GNP about 3000 USD), and military strength (an 8000-person army with no navy or air force). Its vulnerability stems not only from its size but from its location. Bhutan is “sandwiched” between two nuclear-armed, antagonistic Asian giants, India and China, or as the locals say using their own gastronomic metaphor, Bhutan is “caught like a yam between two boulders.”<sup>2</sup> Nevertheless, this improbable country, by virtue of its Himalayan boundary to the north, the forests and diseases of its southlands, and its centuries of closure to the outside world has avoided conquest or colonization by invading Tibetans, Mongols, and Brits<sup>3</sup> and has remained an independent Buddhist nation since the early seventeenth century, with a distinct archeological identity stretching back 4000 years.

### A HISTORY OF MODERN BHUTANESE STATECRAFT

For our purposes, I will consider only modern Bhutan, meaning the period from 1949 to the present.<sup>4</sup> Since 1949, Bhutan has followed a foreign policy based on close relations with India, pursuing an alliance strategy not uncommon for small powers. The reasons for the association with India are primarily threefold.<sup>5</sup> The first reason is historical. India, when it became independent in 1947, stepped into the shoes of Britain vis-à-vis Bhutan. In 1910, to retain its sovereignty against British encroachment, Bhutan’s First King, Ugyen Wangchuck,<sup>6</sup> signed the Treaty of Punakha with the British that left Bhutan’s autonomy sufficiently ambiguous to both parties: Great Britain agreed “to exercise no interference in the internal administration of Bhutan,” but Bhutan agreed “to be guided by the advice of the British government in regard to its external relations.”<sup>7</sup> A 1949 successor treaty of friendship and cooperation between India and Bhutan similarly provided that Bhutan would seek Indian guidance in its foreign affairs. This provision with India lost much of its authority *de facto* over time but remained in effect *de jure* until 2007.<sup>8</sup>

The second motive for close ties with India was pragmatic and material. In the early years of Bhutan’s emergence from isolation (1949–1971) the country lacked the human, financial, and institutional resources to function as a fully independent international actor without India’s support.

Further, Bhutan's travel and supply lines ran south through India as the easier and more direct route for commerce relative to the mountainous northern route to Tibet. India quickly became Bhutan's major source of trade, foreign aid, and investment.

The third reason for the alliance with India was security. Although Bhutan had historically pursued a policy of isolation, events immediately after World War II made isolation and neutrality untenable policies. In 1950, the new Chinese government, the People's Republic of China (PRC), invaded Tibet, and Bhutan found itself with Chinese troops on its border.<sup>9</sup> Subsequent crackdowns by the Chinese government on the Tibetan people (Bhutan's cultural and spiritual cousins), an influx of Tibetan refugees into Bhutan following the PRC's consolidation of control in 1959, and a dispute over border territories between Bhutan and the PRC combined to constitute a direct security threat to Bhutan. This threat led Bhutan to close its northern border, thus ending commercial exchange with China and severing a 1000-year-old relationship with Tibet. These events also cemented Bhutan's security and economic ties with India and led Bhutan out of its isolation policy and toward a gradual engagement in international relations to better define and defend its statehood (Fig 5.1).<sup>10</sup>

The alliance between Bhutan and India made geostrategic sense for India too, especially after its 1962 border war with China. Bhutan serves as a buffer state between India and China. Moreover, Bhutan, along with Bangladesh, border and protect a narrow strip of land known as the Siliguri Corridor, which connects the main body of India to its northeastern states.<sup>11</sup> These northeastern Indian states have often been the locus of insurgency against the Indian central government and could be cut off from the main body of India by a Chinese incursion into the Corridor.

Bhutan's Third King, Jigme Dorji Wangchuck, who came to power in 1952, expanded Bhutan's international relations by applying for United Nation's observer status in the late 1960s, and the country was granted full U.N. membership at the end of his rule in 1971.<sup>12</sup> Bhutan also joined regional international organizations and expanded bilateral ties with several countries to diversify its relations with the international community. But, Bhutan had no interest in Cold War great power politics, and to this day, has not established direct diplomatic relations with any of the five permanent members of the U.N. Security Council. Similarly, in seeking foreign assistance for its development, Bhutan's former



Fig. 5.1 Main features of South Asia (Source Updated from map courtesy of University of Texas Libraries, [http://www.lib.utexas.edu/maps/middle-east\\_and\\_asia/txu-oclc-247232986-asia\\_pol\\_2008.jpg](http://www.lib.utexas.edu/maps/middle-east_and_asia/txu-oclc-247232986-asia_pol_2008.jpg))

Prime Minister explained “We are looking for economic assistance from countries other than traditional donor nations, but we are determined to ensure that such aid has no political strings attached. We shall not seek aid from either the U.S. or the USSR as we do not wish to get involved in the super power racket” (Bhardwaj 2016 at p. 60).<sup>13</sup> Instead, Bhutan has cautiously engaged with a variety of other multilateral and regional initiatives to further its independence and interests. The Third King also began a concerted focus on Bhutan’s economic modernization through the institution of five-year economic plans beginning in 1961.

The Fourth King of Bhutan, Jigme Singye Wangchuck, came to power in 1972 and set the country on a generation-long path to full democratization and decentralization, believing that good government in the modern era could not be assured by an absolutist regime but required full participation by its citizens.<sup>14</sup> He accelerated the process of modernization through encouraging a greater role for the private sector in the economy. He established the Ministry of Foreign Affairs to capitalize on Bhutan's new U.N. membership as its second major channel with the outside world. Importantly, to help the country secure a national identity that would meld Bhutan's culture and Buddhist values with the modernization process, he introduced the strategy of pursuing Gross National Happiness as the touchstone of all governmental efforts, both domestic and foreign.

GNH is Bhutan's unique multidimensional approach to development that seeks to maintain a harmonious balance among material well-being and the spiritual, emotional, and cultural needs of society (Ura et al. 2015). It is authentically distinct from the Western notion of development where the sole measure of success is material, the expansion of Gross National Product (GNP).<sup>15</sup> GNH seeks to promote sustainable development without sacrificing Bhutan's Buddhist values and culture. Bhutan's most important economic policy body, the National Planning Commission, explained Bhutan's independent path: "Simply imposing development models from outside which do not take religion and tradition into account will only serve to diminish existing culture [and] meet with limited success" (Wangmo and Valk 2012 at p. 56). Bhutan was clear that its Buddhist development model differs profoundly from the Western GNP growth model: "Our approach to development has been shaped by beliefs and values of the faith we have held for more than 1000 years firmly rooted in our rich tradition of Mahāyāna Buddhism.<sup>16</sup> The approach stresses not material rewards, but individual development, sanctity of life, compassion for others, respect for nature, and the importance of compromise" (Royal Government of Bhutan Planning Commission 1999 at p. 19).

Bhutan's GNH approach to national development challenged many tenets of economic orthodoxy, most importantly the fundamental assumption that increasing material output and consumption automatically equates with increasing levels of human happiness (Upreti 2016). Buddha directly rejected this idea (as does recent social and behavioral sciences)<sup>17</sup> and taught that a singular focus on material acquisition and

consumption leads to dissatisfaction and unhappiness, not enduring and meaningful happiness.

“Happiness,” in the Bhutanese Buddhist sense of the term, has a meaning distinct from Western conceptions of happiness. In Buddhism, happiness does not equate with Western notions of hedonic (“feel good”) pleasure or the concept of overall life satisfaction used by Western social scientists. Nor is the Buddhist notion of happiness fully analogous to Aristotle’s notion of happiness as *eudemonia*, the sense of deep contentment arising from living a virtuous life (although moral discipline and virtue are the foundations for higher forms of happiness in Buddhism). In Buddhism, true, lasting happiness is a state of mind and therefore can only be obtained by understanding, purifying, and controlling the mind, not merely improving one’s external circumstances.<sup>18</sup> Enduring happiness is not principally about securing ever-better external conditions because happiness is the product of an *internal* state of mind. The former prime minister of Bhutan, Jigme Thinley, summarized the notion of genuine happiness from a Buddhist perspective: “We know that true abiding happiness cannot exist while others suffer, and comes only from serving others, living in harmony with nature, and realizing our innate wisdom and the true and brilliant nature of our own minds” (Gross National Happiness Center 2014).<sup>19</sup>

As noted, Buddhism does not ignore the need for material comforts or good external conditions as these assist one’s development and provide a lesser form of happiness in themselves. Buddha instructed that society should be organized to provide good conditions for all. Government policies, no matter how charitable or enlightened, however, cannot *directly* make its citizens happier in the Buddhist sense. The state’s responsibility is to provide the best possible conditions to contribute to material and mental development for the greatest number of people given available resources. It is the job of government to remove obstacles that inhibit an individual’s personal progress and to reduce unnecessary suffering. This responsibility is what makes happiness a political and socioeconomic project, as well as an individual goal, and justifies the state’s pursuit of GNH. Bhutan’s development strategy has succeeded in improving material and social conditions consistent with this broader definition of progress. Further, Bhutan’s development strategy reflects many Buddhist economic principles and priorities including poverty eradication; providing for full employment; guaranteeing life’s essentials such as

health care, housing, and education; and safeguarding a healthy environment. Bhutan accomplishes these aims through a mixed market economy with substantial state involvement. Looking at the most widely recognized measures of social and economic development in the areas to which Bhutan and many other countries aspire reveals impressive improvement in many important dimensions of development. The World Bank Survey of Bhutan concludes, “The Kingdom of Bhutan is considered a development success story with decreasing poverty and improvements in human development indicators” (World Bank Group 2016).

Pursuing its distinctive course of development was not just a policy preference; it was believed to be essential to the country’s very existence, that is, a key component of national security policy. Journalist and government official, Dasho Kinley Dorji, underscored the importance of GNH to Bhutan’s survival: “We will never be a major economic or military force so we decided our strength must lie in our identity, our cultural identity. We must be different from other billions of people in the region or we will be swallowed up” (Dorji 2010 at pp. 103–104). Bhutan’s constitution provides, and its political elite repeatedly states, that Bhutan’s sovereignty and its national survival depend on the preservation of its unique identity. The Fourth King reminded his citizens “Nor must we ever lose sight of the fact that our nation is the last standing independent Mahāyāna Buddhist kingdom in the world. We are the sole surviving custodians of a social and cultural system that extended beyond the Eastern Himalayas to embrace a large part of Eastern and South East Asia. The world has been impoverished by the loss of the social and cultural system which is today unique to Bhutan and where it both survives and flourishes” (Upreti 2016 at p. 6).<sup>20</sup>

It is important not to view Bhutan’s emphasis on culture through Western eyes. Culture is not a secondary foreign policy issue for Bhutan, it is its *raison d’être*, essential to its very existence and one of the foremost articles in the constitution. The Fourth King was clear on the existential importance of culture for the country: “The only factor we can fall back on, the only factor which can strengthen Bhutan’s sovereignty and our different identity is the unique culture we have. I have always stressed the great importance of developing our tradition because it has everything to do with strengthening our security and sovereignty in determining the future survival of Bhutanese people and our religion” (Brunet et al. 2009 at p. 244). The king’s reference to “our religion” is telling because

although Bhutan has a rich culture in the form of extended family relations, volunteerism, indigenous arts, and medicine, Buddhism and culture are virtually isomorphic in Bhutan (Mancall 2004). Historian Karma Phuntsho calls Buddhism in Bhutan a “civil religion” that informs the country’s worldview, lifestyle, social behavior, economic practices, and political thinking (Phuntsho 2013).

GNH also shaped other facets of Bhutan’s foreign policy. This influence is evidenced in Bhutan’s approach to accepting development assistance only if it does not distort its values. Bhutan also chose to shelve its accession to the World Trade Organization in 2009 after the protracted debate when it concluded that membership would threaten Bhutan’s GNH approach to development and drown the country’s identity in a wave of globalization. A third example is Bhutan’s restrictive tourism policy, styled as “High Value, Low Impact,” again to balance economic growth with cultural and environmental protection (Brunet et al. 2009).

The Fourth King also sought to strengthen Bhutan’s independence by continuing to diversify its sources of foreign support and developing indigenous economic capabilities, most particularly in hydropower. Bhutan would come to play an active role in SAARC, the South Asian Association for Regional Cooperation, and in U.N. organizations such as the United Nations Development Program (UNDP). He also built on the work of the Third King in gaining international recognition for Bhutan’s sovereignty, most importantly with China who recognized Bhutan’s independence for the first time in a 1998 agreement on maintaining peace in the border areas between the two countries,<sup>21</sup> and with India, who, as noted, renegotiated its treaty of friendship with Bhutan in 2007 without any suggestion of influence over Bhutan’s foreign policy as contained in the 1949 predecessor. Today, Bhutan is a member of more than 150 international organizations and has established diplomatic relations with more than 50 countries.

Beginning in the mid-1980s, the Fourth King began a controversial initiative that emphasized the need for cultural continuity as a source of Bhutan’s national security, noting that prosperity, modernization, and development will not bring satisfaction, if it comes as the cost of a loss of tradition, culture, or religion (Tobgye 2012). Bhutan, a latecomer to development, had seen numerous other nations shed their traditional culture and values, or in the case of the Buddhist kingdom of Sikkim, lose its sovereign independence, on the road to modernization. The government’s concern for cultural preservation led to the passage of



revised, more restrictive citizenship laws and laws promoting the dominant *Drukpa* language and culture,<sup>22</sup> thus creating frictions with Bhutan's large ethnic minority Nepali population, many of whom are Hindu, speak Nepali, and had immigrated to Bhutan for work during the 1950s and 1960s. The tension between the rights of economic migrants on the one hand and the government's effort to preserve Bhutan's delicate ethno-demographic balance through its citizenship laws and cultural promotion policies on the other, erupted in violence beginning with an uprising against the government by ethnic Nepali Bhutanese in the south of the country in 1990, governmental suppression of the uprising, and the eventual departure of roughly 100,000 ethnic Nepali from Bhutan to Nepal and India and then on to host countries in the West when Bhutan and Nepal failed to negotiate a settlement agreement. This ethnic strife and the subsequent dispute over refugee settlement with Nepal were the most significant exception to Bhutan's otherwise tolerant domestic policies and its friendly relations with neighboring states during the modern period (Hutt 2003; Long 2019).

## CONCLUSION

Bhutan's foreign policy is, in many ways, a product of its small size and precarious location within the international system. These are "givens" for Bhutan. Nonetheless, Bhutanese foreign policy also reflects elements of a distinctive "Buddhist statecraft." The Buddhist dimensions of Bhutanese statecraft are reflected in its efforts at internal consolidation, external security, and modernization through its GNH-led development policies and Bhutan's problematic cultural unity initiatives. Bhutan's GNH development strategy is a direct reflection of its longstanding Buddhist beliefs. Second, Bhutan's efforts to gradually expand its international relations in a peaceful, multilateral, and conflict-avoidant approach to diplomacy is consistent with its Buddhist values of nonviolence. Bhutan's decision to eschew great power politics and ideological debates in establishing its foreign aid partners and its foreign embassies are two key examples of its cautious, conciliatory, and pragmatic approach to diplomacy. Likewise, its good neighbor policies and its efforts to build regional links that are mutually beneficial and respectful are consistent with idealized notions of Buddhist statecraft.

Most would conclude that for a small country Bhutan has been successful in its foreign policy during the modern era. It has navigated a

course from isolation to engagement and defined an independent identity among much larger states in its region. Can this small, exceptional state continue to modernize without losing its unique culture and Buddhist values in the face of the pressures of globalization? The answer remains to be seen (Long 2017). But for now, Bhutan provides us with a modern prototype of a Buddhist approach to international relations.

## NOTES

1. Article 4 of Bhutan's constitution provides: "The State shall endeavor to preserve, protect, and promote the cultural heritage of the country, including . . . language, literature, visual arts, and religion to enrich society . . ." This emphasis on culture traces its roots to the consolidation of the Bhutanese state by Ngawang Namgyal in the seventeenth century. To create a distinct Bhutanese identity, he established the *driglam namzha* (national values and traditions) that provided guidelines for architecture, festivals, and public dress and behavior.
2. The phrase was first used in the eighteenth century to refer to Nepal's plight, but has since been applied with equal accuracy to Bhutan.
3. Bhutan did suffer a defeat at the hands of the British in the Duar War (1864–1865) and the loss of a piece of its southern territory in the Treaty of Sinchula.
4. See Phuntsho (2013) for a comprehensive history of Bhutan.
5. Bhutan also shares with India a long history of anticolonial struggle against Great Britain and ties of religion that date to 672 AD when the Indian holy man Padmasambhava, also known as Guru Rinpoche, brought the Buddhist religion to Bhutan for the first time.
6. The monarchy is relatively new to Bhutan. From the seventeenth to the twentieth century, Bhutan existed as a collection of feudal principalities governed by a bifurcated system of national government with both a spiritual and temporal leader. The instability of this system led the country to elect the first monarch in 1907 via popular consensus, as Buddha had recommended in his political writings.
7. Great Britain did not insist on the creation of a regency in Bhutan as it had in Sikkim and Nepal.
8. In 1978, Bhutan formally expressed its concern over the interpretation of Article 2 of the treaty, which provided Bhutan would seek India's advice in foreign affairs. In a circulated statement by the Bhutanese government, Bhutan emphasized the nonbinding nature of Article 2: "in regard to its external relations, it would be entirely up to the Royal Government of Bhutan to decide whether to accept such advice or not. It is not correct to say that Bhutan's future still depends on Indian goodwill

- and friendship” (Kharat 2007 at p. 277). In 2007, the 1949 Bhutan–India Treaty of Friendship and Cooperation was formally renegotiated. The language of Article II of the 1949 Treaty, which had provided that Bhutan would be guided by India in its foreign affairs was changed to read: “the government of the Kingdom of Bhutan and the government of the Republic of India shall cooperate closely with each other on issues related to their national interest. Neither government shall allow use of its territory for activities harmful to the national security and interest of the other” (Chandra 2017). Bhutan also demonstrated its independence in foreign affairs by launching boundary talks with China in 1984 on its own accord.
9. Bhutan has a 470-kilometer border with China in its Tibetan region. For more on the border dispute see Bhardwaj 2016.
  10. Military cooperation in the form of training missions began in 1961 when India introduced the Indian Military Training Team in Bhutan to help with border security vis-à-vis a Chinese threat (Kharat and Bhutia 2019).
  11. At its narrowest point the Siliguri Corridor is 25 km in width and contains all the major train and road lines between India’s northeast and the rest of the country.
  12. In 1971–1972, Bhutan also established diplomatic relations with its neighbor, Bangladesh, without seeking approval from India.
  13. Bhutan was also an early and active member of the Non-Aligned Movement.
  14. Bhutan adopted a democratic constitution in 2008. Since that time, the legal and institutional basis for democracy has taken root in Bhutan. Most state institutions associated with democratic governance are performing well, especially the Parliament, judiciary, and independent constitutional agencies. Non-state actors such as the press, civil society organizations, and parties, which are also critical to democracy, are at an early stage of development and may need to increase their capacities to play a significant role in Bhutan in coming years. For a discussion of Bhutan’s unique transition to democracy see Turner, Chuki and Tshering 2011; Long 2019.
  15. Bhutan’s Gross National Happiness policy seeks progress in nine domains of human life. These domains are: psychological well-being (including spirituality), health, time use, education, cultural diversity and resilience, community vitality, good governance, ecological diversity and resilience, and living standards (Ura et al. 2015 at pp. 10–11).
  16. For simplicity more than accuracy, Buddhist traditions often have been fitted to a tripartite taxonomy of Theravāda, Mahāyāna, and Vajrayāna forms. In general, Theravāda Buddhism is found in much of Southeast Asia and Sri Lanka; Mahāyāna Buddhism throughout East and Central Asia (China, Korea, Japan, Vietnam, Bhutan, Tibet, and Taiwan); and

Vajrayāna (sometimes called “Tantric”) Buddhism is practiced primarily in North Asia in countries such as Tibet, Nepal, Bhutan, and Mongolia, although tantric practices can be found in most Mahāyāna schools of Buddhism. Although all forms of Buddhism share a common set of core teachings, in terms of philosophy and practice, the Theravāda (Sanskrit for “teaching of the elders”) tradition closely follows the *sūtra* teachings of the historical Buddha with the goal of achieving personal liberation from suffering by abandoning all delusions. The Mahāyāna (Sanskrit for the “Great Vehicle”) tradition is primarily focused on the spiritual path to “great enlightenment.” That is, the Mahāyāna goal is to attain Buddhahood for the benefit of all living beings by completely abandoning all delusions and their imprints and coming to understand the non-dual nature of all reality. Mahāyānists strive to exceed the goal of personal liberation by making a compassionate commitment to seek enlightenment for the liberation of all sentient beings. The means for pursuing this end is the path of the *bodhisattvas*, those with a compassionate heart. The Vajrayāna (Sanskrit for powerful and indestructible—like a lightning bolt or a diamond) tradition is sometimes classified as a part of Mahāyāna Buddhism, but some scholars consider it a different branch altogether. In general terms, the aspiration of Vajrayāna practice is to train the mind by bringing the future result (Buddhahood) into the present path by transcending ordinary appearances and conceptions that keep human beings in suffering. Through visualizing their body, environment, enjoyments, and deeds as those of a Buddha, Vajrayāna practitioners attempt to expedite their progress toward actual Buddhahood.

17. Contemporary social science, particularly psychology and economics, have turned their attention to empirically studying the pursuit of happiness by individuals and nations and identifying the correlates of happiness. This literature finds that, regarding individual happiness, the evidence does not support the assumption that more material welfare (money) necessarily brings ever greater happiness (Diener and Seligman 2004). Rather, surveys of subjects reveal that, over time, increases in income beyond the level of satisfaction of basic needs did not produce significant differences in felt well-being. Extra income matters most when we do not have a lot of it, but the positive impact wears off once one reaches a basic level of material comfort. There are many explanations as to why this is so. Instead the correlates of personal happiness most often include: material sufficiency; friends; marriage and family togetherness; good health; age (which has a U-shaped relationship with happiness, with the low point in the late forties); spirituality and religion; a sense of agency; altruistic activities; social harmony; and a government perceived as stable, fair, and efficacious (Layard 2005). As for societies, the data reveals, paradoxically, that within

- a given country huge increases in overall material welfare over time have not led to corresponding increases in happiness (Easterlin 1974, 1995; Diener et al. 1995; Inglehart 1990).
18. Understanding, purifying, and controlling the mind requires three related practices: (1) developing moral maturity through mindfulness of one's ethical responsibilities; (2) reducing and eventually eliminating negative emotions of hatred, greed, and ignorance, and replacing them with positive emotions of equanimity, compassion, and generosity that allow for contentment and peace of mind; and (3) developing "wisdom," which, as discussed in Chapter Two, is an understanding of how ourselves and all things truly exist, that is, realizing the radical interdependence of our reality. By developing compassion and wisdom, one can abandon self-grasping and self-cherishing (the pervasive delusions that are the root cause of all unhappiness), liberate oneself from suffering and enjoy an inexhaustible source of happiness that comes, naturally, from within, according to Buddhism.
  19. Most observers neglect the deeper meaning of Bhutan's national goal because they apply Western understandings of happiness to their analysis of GNH. As Ross McDonald noted, it is "very easy to miss the deeper [meaning] implied by GNH thinking and to completely miss the fact that we missed this" (McDonald 2010 at p. 616).
  20. Bhutan's GNH alternative development model is a holistic approach to well-being rooted in Buddhist values. The assertion of GNH became Bhutan's national desideratum and, in practice, Bhutan is the only country in the world to completely adopt an alternative form of measuring economic performance from that of expanding GNP. Michael Rowbotham asserts that substituting a single word "happiness" for the word "product" "injects humanity, in all its rich complexity, into economics" (Rowbotham 2013 at p. 175). The change in phraseology is said to have put people, not output, at the center of development (Bracho 2013), and it made interiority (happiness), not external conditions, the starting point for assessing development (Hargens 2002).
  21. As part of its growing independence in foreign affairs, Bhutan began direct talks with the PRC over their border disputes in 1984. Previously, India had led talks on Bhutan's behalf. Bhutan-PRC talks have continued annually over three different disputed areas, with yet, no final solution, but a commitment signed in 1998 to settle the dispute peacefully in accordance with the sovereignty of both nations.
  22. Bhutan has four major ethnic groupings: (1) in the west of the country are the *Ngalong* or *Ngalop*; (2) in the center of the country are various indigenous tribes; (3) in the east are the *Sharchops*; and (4) in the south of the country are ethnic Nepalis known as the *Lhotsampa* (people of the south). These first three groups are collectively known as the *Drukpas*.

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