

Pro Bhutan e.V.

philanthropischer Verein zur aktiven Entwicklungshilfe
im Himalaja Königreich Bhutan



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“Bhutan , the Himalayan Buddhist Kingdom sandwiched between India and China”

Introduction

Mr. Chairman,
Members of the Royal Society for Asian Affairs,

Ladies and Gentlemen,

It is indeed a great pleasure and honour for me to present this lecture on Bhutan to you at the Royal Society for Asian Affairs. The pleasure is particularly great as it is exactly 100 years that Sir Fancis Younghusband, the founder of your Society, was in Lhasa with his expedition corps, accompanied by the future first King of Bhutan as his princely interpreter and mediator.

I do thank you very much for this invitation.

Bhutan, the Buddhist Kingdom in the Himalayas, on one side, deserves attention because of the beauty of its mountains and forests, its culture, religion and architecture, its sympathetic people, its exemplary dedication to the protection of its environment, etc. .

On the other side, because of the success of the diplomatic skill of its Kings and officials to maintain its independence as a sovereign state while being geo-politically sandwiched between 2 giants, the 2 largest countries in the world.

If you allow, I will first give you a concise summery of the geography and the

history, of the religious and cultural, as well as the economic and political aspects of Bhutan, and then show you a series of slides covering the more picturesque aspects of this wonderful Kingdom.

(slide: map of Bhutan)

1) Name and Geography

The origin and meaning of the modern name of this unique Buddhist Kingdom in the Himalayas, Bhutan, is loudly as many other things Bhutanese. The name Bhutan was used by early British travellers in the 18th century and perpetuated into the official name of today. Does it derive from the name of the mountain herders “Bhotias” who graze their yaks, sheep and goats from the West to the East of the Himalayas? Does it mean “the end of Tibet”, from Bhot-anta, Bhot being an ancient name for Tibet, and anta = the end? Nobody is really sure. From as early as the 13th century, the Bhutanese themselves have called their country “Druk- Yul or Land of the Thunder Dragon”, their King the Druk-Gyalpo, the Dragon King, themselves Druk-pa, People of the Dragon. Another name, “Country of the Medical Herbs”, is said to have been given by the Tibetans who traded their needs in medical plants from Bhutan with its monsoon irrigated pastures and forests.

Bhutan, (between 26° and 29° longitude, and 88° to 92° latitude) is a small landlocked country of only 46.500 square km, a little larger than Switzerland, with her roughly 700 000 inhabitants. This official number obviously refers only to the population of Bhutanese origin in contrast to a high number of additional immigrants. The original Bhutanese comprise 11 ethnic groups of very different size, with their own different languages. One such group has just more than 500 members.

Dzongkha, the idiom of the largest group, the Druk-pa, is the official language. It is highly related to Tibetan and written in Ucän, the classical Tibetan script. Nepali, the idiom of the largest group of immigrants, is commonly used as lingua franca, even among original Bhutanese who do not speak sufficient Dzongkha. English is spoken by everybody who has enjoyed a formal education.

The Kingdom is squeezed between the 2 giants India and China: it borders the Indian states of Sikkim, West-Bengal, Assam and Arunachal Pradesh, and Chinese Tibet. Glued on the southern face of the Himalayas, the altitude of the Kingdom ranges between almost zero meters in the South and the many awe inspiring ice peaks on the boundary to Tibet, the Kula Kangri with his 7554 m being the highest.

Bhutan is one of the rare Asian countries which was never a colony of a Western power or any other for that matter. The location of the David Bhutan, sandwiched between the 2 Goliaths India and China, has shaped the history of this minim country. Pointedly expressed, this delicate situation has been, to a great extent, one of the guarantors for the independence of Bhutan to the present day.

2) Bhutan's History

of the earlier periods is not based on scientific proof, but deeply connected with Buddhist religion and mythology. As in other Asian cultures, historical facts as the West understands, and myths and legends are inseparably interwoven. Demons and saints were often, in the perception of the Bhutanese, actors more important than the worldly rulers and the lamas. Since the 16th /17th centuries, the country's history is better documented although unfortunately, many records, guarded for hundreds of years in the monastery-castles called Dzongs, built mainly of wood, were destroyed in fierce fires in the 19th and 20th centuries. Much of the early history relies on reports of British explorers who visited the country in the 18th to 20th centuries, on legend and folklore, and on the few written records surviving in dzongs, monasteries and temples.

One of the most important events in Bhutanese history was the arrival of the holy Tibetan lama Padmasambhava (the Lotus Born), also named Guru Rimpoche, in the 8th century. He was the founder of the Ningma-pa monastic order. He made the Tantric Mahayana Buddhism popular in Bhutan, superimposing the ancient Bon religion which was the main religion throughout the Himalayas before the advent of Buddhism. In the 13th century, Phajo Druk-Gom Shigpo, a lama from Ralung monastery in Tibet, introduced the Druk-pa Kagyu school in Bhutan. Its founder, Yeshey Dorji, had chosen Druk = the dragon, for his new monastic order when he saw these mystic animals fly in the sky while consecrating an important monastery. Soon Druk-pa Kagyu became the predominant school in Bhutan, and Druk, the Dragon was adopted as auspicious into the titles of the country, the people, the King, and even today, of the Bhutanese Airline, Druk Air.

Until the change from the 16th to the 17th century, Bhutan was an unorganised conglomerate of numerous small principalities, practically one in each major valley of the mountainous land. Their chieftains spent much of their energy and means warring between themselves and with Tibetan warlords. Numerous monasteries were competing, more often than not without spiritual refinery, for superiority and thus, influence on and income from the peasants.

This scene changed drastically in 1616 with the arrival of another lama from Ralung monastery in Tibet: Ngawang Namgyal, who lived from 1594 to 1651. He was a descendant of the founder of Ralung, and recognized as re-incarnation of Pema Karpo, the holy ruler-abbot of Ralung. But Ngawang's position as the new abbot of Ralung was successfully challenged by a ruler-abbot of the new order of the Yellow Hats, the Gelug-pa with the Dalai Lama at its head.

Many Druk-pa lamas fled the martial attacks of their rivals. Ngawang was just 23 years old when the powerful deity Mahakala, or Yeshey Goenpo, appeared to him in form of a Raven and sent him to Bhutan with the instruction to teach Buddhism there. Thus the Raven became a sacred symbol to be integrated into the crown of the rulers of Bhutan, the Raven Crown.

While teaching untiringly in every possibly dzong and village in Western Bhutan, Ngawang grew in spiritual and political power. Once he had secured the support of

most of the important aristocratic families, Ngawang started organizing the power structure of the country: with overwhelming energy he proceeded to construct a chain of large dzongs, the monastery-castles, in the main valleys of Western Bhutan as centres of the religious and civil authority.

But he had rivals. One of them called the King of Tsang in Tibet with his troops to help oust the newcomer. In 1639 Ngawang crushed the challenger and his Tibetan allies. After this great victory he assumed the impressive title of “Shabdrung”, meaning “Precious Jewel at whose feet one prostrates” and opened the lineage of Shabdrungs in Bhutan. From now on, he was the religious and temporal ruler of Bhutan. While remaining the supreme power, he introduced a dual theocratic system of government: a Head Abbot, the Je Kempo, administered the religious institutions, a high officer with the title Druk Desi or, as the British travellers translated, Deb Raja was vested with the civil powers. He divided the country in administrative regions, headed by a Penlop (Prince-Governor), while at local level Dzongpons executed the authority, delegated from the centre. For the first time, a comprehensive system of laws was codified.

Invasions by Tibetan-Mongolian troops in 1644 and 1647 were successfully repulsed and served to further unite the Bhutanese. When the Shabdrung died in 1651, the major part of Bhutan was united under his authority; five years later, also Eastern Bhutan was under full control of the central government.

In an intricate power game, the Shabdrung’s death was kept a state secret for more than 50 years because the temporal and religious rulers could not agree on a successor. The moment the death of the Shabdrung was made public in 1705, civil wars broke out, spurred by rival claims to the office of the Shabdrung. The unity of the country was eroded, the regional princes, the Penlops, could rule with increasing autonomy, warring against each other. This situation prevailed until the early years of the 20th century.

The decline of Moghul India at the end of the 18th century allowed Bhutan to gain almost total control of the Indian principality of Cooch Behar, its direct neighbour in the south. Bhutan had annexed and fortified the 11 duars or gateways including the adjacent agricultural land, at its border with the plains of Bengal. The clash with the British East India Company was pre-programmed. Soon enough, the pretender to the throne of Cooch Behar (Khagenda Narayan), sought British help to oust the Bhutanese. A small British force was dispatched in December 1772 to the area and, despite heavy losses, uprooted the Bhutanese contingent from Cooch and captured 2 Bhutanese forts in the foothills ¹. Alarmed by this unexpected defeat, the Deb Raja of Bhutan (Tshenlop Kunga Rinchen) called upon the Panchen Lama of Tibet to intercede with the Governor General Warren Hastings. The result was a peace treaty concluded between India and Bhutan in 1774 (25.4.) in Calcutta. More important, Hastings took, from now on, a serious interest in extending the British connexion beyond Bhutan to Tibet and to the fabled land of China which had remained, for all their efforts, beyond the Western reach.

¹ January and April 1773

Hastings lost little time in sending the first British mission to Tibet: In May 1774 George Bogle, officer in the Bengal Civil Service, spend many weeks in Thimphu negotiating the passage to Tibet. His official report, mentioning, as a footnote, the use of tea in Bhutan as universal beverage, induced, to a great extent, the establishment of tea plantations in Northern India. The next missions to Bhutan were lead by Alexander Hamilton (1776 and 1777) and Captain Samuel Turner (1783) , all aimed at improving trade between Bengal and Bhutan as well as Tibet, at the same token dealing with border disputes. Then, for a good 50 years, the British-Bhutanese contacts were dormant.

In the mean time, the Bhutanese had turned their attention to Assam, which bordered the Eastern half of Bhutan. While the Kingdom of Ahom in Assam was falling apart, Bhutan had annexed the 7 duars to the plains of the Brahmaputra. On the other hand, the British, as result of the Burmese war 1825/26, gained control of Assam. The duars with their fertile soil were of high British interest specially for the young tea planting industry. In a number of battles the British annexed, in the years until 1841, all the Assam duars, but eventually agreed to pay to Bhutan an annual compensation of 10.000 Rupees for its losses.

Despite this agreement, intermittent clashes at the border were notorious in the following 20 years, culminating in the 2. Anglo-Bhutanese war: from November 1864 British forces swept through the Bhutanese strongholds in the Bengal duars and were firmly in control in March 1865. In the Treaty of Sinchula (11.11.1865) Bhutan gave up any claims to the 18 duars to Bengal and Assam against an annual compensation of 50.000 Rupees. The treaty stipulated peace and friendship between the signatories, and most important for Britain, open and duty-free trade between the two sides.

The two decades following this Treaty saw progressive weakening of the central authorities and the increase of internecine conflicts in Bhutan between the regional princely rulers, the Penlops. The Shabdrung, in theory the supreme power, proved to be an institutionally weak office: as the successors were chosen by reincarnation, usually as boys of 2 to 4 years, one of the Penlops was ruling as regent in his place until the new Shabdrung came of age. Misuse of the power and reluctance to give it up, regularly shown by the regents, resulted in growing instability. The struggle for power centred on the two rival factions headed by the Penlops of Paro and Trongsa who, by the beginning of the 20th century, emerged as the strongest political figures.

This instability in Bhutan was alarming the Anglo-Indian Government. Because with the expansion of the British Empire on the subcontinent, one of the most important questions in this area was: would Bhutan seek an accommodation with the new powerful southern neighbour or maintain the traditional ties with Tibet which was by now largely influenced by China. For some time Bhutan was able to balance these two alternatives, but in 1903 the matter came to a head. In Viceroy Lord Curzon's perception of the "Great Game" and in the context of his efforts to counteract the Russian expansion between the Black Sea and the Caucasus, into Turkmenistan and possibly into Tibet, the latter had to be brought under a certain degree of British control. So Curzon dispatched a large scale military expedition to Lhasa under

Colonel Francis Younghusband.

While the Penlop of Paro was favouring the traditional ties with Tibet against British India, the Penlop of Tongsa, Ugyen Wangchuck, decided to offer his services as mediator and interpreter between Younghusband and the Dalai Lama. He accompanied the expedition to Lhasa.

Despite two bloody encounters of the victorious British corps with the Tibetan army, the subtle mediation of Ugyen Wangchuck with the Regent and the Tsongdu, the assembly of the monks, (the Dalai Lama had fled) was successful: a new British-Tibetan treaty, confirming and enlarging the previous one, in particular favouring trade between Anglo-India and Tibet, was signed in 1904.

Through this apparent success, and the subsequent support from the British side, the position of the Penlop of Tongsa within Bhutan was strengthened. John Claude White of the Political Service of the Viceroy, an extraordinarily gifted diplomat, who had also been on the Lhasa-Expedition, was sent to Bhutan. He was instrumental to bring about the consensus of the Penlops and Abbots to agree to convert Bhutan into a hereditary Kingdom. On December 17th, 1907, Ugyen Wangchuck, the Penlop of Tongsa, was elected the first Druk Gyalpo, the Dragon King of Bhutan. Under his strong leadership, the country enjoyed, eventually, a stability unknown until then, and the beginning of a fruitful relationship with Anglo-India.

As the Chinese efforts to gain influence in Bhutan and their claims to rights over this Kingdom grew, the Viceroy decided to develop a “blocking policy” against such threat to the British interests. For that purpose it was decided to conclude a treaty with Bhutan which secured the external relations of the Kingdom. Political Officer C.A. Bell was sent from his office in Sikkim to Punakha (the King had not agreed to station him in Bhutan), was authorized to negotiate a new treaty with the Druk Gyalpo. This treaty was signed on the 8th of January 1910: it stipulated de facto the full control of Bhutan’s external relations by the government of India, however without interfering in the domestic affairs; and it doubled the annual compensation to be paid to Bhutan to 100.000 Rupees.

Bell was satisfied and wrote: “we have removed the Chinese threat for 220 miles off a very vulnerable frontier.” Nevertheless in 1911, Peking reasserted officially that Bhutan (as Nepal) was a vassal state of China! It based this claim on former contacts between Bhutan and the Amban (the Chinese Agent) in Lhasa: gifts sent with Bhutanese visitors to Lhasa were interpreted as tribute payments of a vassal state, the acceptance of the Chinese imperial seal sent to Punakha as acceptance of Chinese dominance. Peking now even sent an official letter to Ugyen Wangchuck, addressing him only as Penlop of Tongsa, but ignoring his new office as Druk Gyalpo, and informed him of their intention to station Chinese troops in the Kingdom.

This was the first opportunity for the King to refer any such matter to Bell as Political Officer who advised the King not to respond at all. The Chinese threat became, for the time being, immaterial as in 1912 the Chinese were expelled from Tibet after a successful uprising. On the other hand, in a secret memorandum of the Government of India, it was bluntly stated to the Secretary of State in London “that Bhutan is a

native state of India under the suzerainty of H.M.G.!" The relations between the British Crown and Bhutan remained, without interruption, friendly and fruitful also under the 2. King, Jigme Wangchuck (since 1926) until the independence of India 1947. As fruit of the Bhutanese diplomatic skill, the young government of India recognized Bhutan as an independent state, and the Indo-Bhutanese Treaty, adopting almost unchanged the text of the Treaty of 1910 with the Anglo-Indian Government, was signed in 1949: India undertook not to interfere in the internal affairs of the Kingdom, Bhutan agreed to be guided by New Delhi in its external affairs. It is obvious that this move greatly contributed to the preservation of Bhutan's independence, as limited as it may be, up to today.

A revolt against the Chinese in Eastern Tibet in 1958 set off political shock waves across the Himalayas. The rebels established themselves near the Bhutanese border. Nehru, fearing that this might lead to a Chinese invasion of Bhutan, demonstrated the "special relationship" between India and Bhutan, and visited the Kingdom. With this visit commenced, for strategic reasons, extensive Indian economic assistance to Bhutan

including the construction of militarily important roads. During the nation-wide rebellion in Tibet in the following years, and the border clashes between India and China, Chinese military contingents penetrated several times into Bhutan, while in Peking, Chinese claims to suzerainty over Bhutan resurged. This led to a strong Bhutanese alignment with India, starting with the training of the Royal Bhutanese Army by a permanent training mission of the Indian army, and the deployment of Indian troupes and military advisors in Bhutan until today.

3) Domestic development

The paramount tasks of the first 2 Bhutanese Kings were to consolidate the unification of the country and to establish a strong central authority. They were successful. With the accession to the throne of the 3. Druk Gyalpo, Jigme Dorji Wangchuck in March 1952, a new era began in the history of Bhutan. The way was open to expand and modernize the structure of the state administration and of the society itself.

Among the first initiatives of the 3. King were the abolishment of serfdom and the beginning of important land reform measures in 1956. In 1968 he created the Council of Ministers, thereafter the High Court. The existing laws were codified. He established the Tshogdu, the National Assembly as precursor of a parliament with rudimentary legislative functions: today it has 154 members, composed of 38 high civil servants including the 10 cabinet ministers, 10 representatives of the monastic body, the 6 members of the Royal Advisory Committee, and 100 peoples' representatives elected indirectly: they are appointed by the village heads and other local dignitaries.

Bhutan today is divided into 20 administrative districts (the Dzongkhags) under the direction of a Governor or Dzongda who reports to the Home Minister. Only recently the Dzongdas have been drastically reduced in their power. Also on initiative of the present King, the decentralisation and empowerment of the regional and the local

institutions on village level are strongly pursued. They take actively part in the preparation and execution of the “Five Years Plans” for the entire scope of Government work.

Although the Tshogdu is not yet a parliament in the Western sense, as it does not derive from general elections and as there are, as yet, no political parties which would compete for the votes, today this National Assembly has become an institution quite strong: upon initiative of the 4. King, Jigme Singye Wangchuck, (in office since 1972) , the power to appoint the Ministers and, to the horror of many tradition-minded Bhutanese, to force the king to abdicate in favour of his heir was transferred to the Tschogdu in 1998. The King gave up his de facto role as Chief of the Government; the Council of Ministers was significantly strengthened; the post of Prime Minister (Chairman of the Council of Ministers) established: by rotation every year another minister is elected by the Tshogdu. The Druk Gyalpo has gradually reduced his formerly omnipotent role to that of a head of state similar to that of H.M. the Queen of England. On the King’s order, the elaboration of a modern written constitution has been initiated and is now fairly advanced.

A number of Bhutanese are worried that the speed with which the King is pressing for these reforms, is far too fast for a nation which, a mere forty years ago, still has lived under medieval conditions.

To a very high and visible degree, Bhutan is characterized not only by Buddhism but also by its worldly traditions. It is, in particular, the King who is promoting the preservation of Bhutanese traditions in all aspects of life. But, of course, he is aware that there is no alternative to modernisation of his country. Thus in 1999, national TV was introduced with 3 hours daily emissions, complementing the one radio station with its few hours daily service, and the once-weekly news paper, all three being Government institutions. The fear of foreign influence is still the guide line for the official media politics. But two years ago a breakthrough came with the admission of international satellite TV- services. Also Internet has become, in recent years, a normal commodity accessible to everybody.

Allow me now a short philosophical excursion, namely to the Bhutanese central development concept which is unique:

Its principal is the maximization of “Gross National Happiness” in contrast to the “Gross National Product”. This concept was introduced by the present King in the late 1980s and evolved into the accepted label for the distinct Bhutanese perception of the fundamental purpose of development: namely to maximize happiness of the citizen rather than maximizing economic growth as such. In short, the internationally adored idol of “Growth of the Gross National Product” as THE way for development is reduced to an instrument, although important, but not as an end by itself. This concept places the individual at the centre of all development efforts by recognizing that the individual has not only material but equally or more important, spiritual and emotional needs. Therefore the development is not to be defined and measured alone or mainly by increased consumption of goods and services. The key to happiness is to be found, after basic material needs have been met with, in the satisfaction of non-material needs and in emotional and spiritual growth. The Bhutanese concept rejects the notion that there is a direct and unambiguous relationship between wealth

and happiness. If that were so the citizen of the richest countries should be the happiest; it is all too obvious that this is not the case. The common and deeply rooted denominator of traditional Bhutanese society is the Buddhist ethic and moral cosmology, and evidently, the stage for the concept of "Gross National Happiness" as the society's help for the individual to reach personal well-being through harmonization of the spiritual and the material aspects of life.

4) Economy

Bhutan is, judged by a BSP-per-capita of just over 700 \$, one of the poorest countries in the world. The "Human Development Index 2000" places Bhutan to rang 124 out of 180 countries.

But poverty in Bhutan is relative and nil compared, for example, to parts of neighbouring India. As all the original Bhutanese still belong to producing farmer families, nobody is starving. And the statistics do not give the correct picture as many goods and services, produced and exchanged in the rural areas, are not reflected in the monetary system. But is true that agriculture and animal husbandry, the economic backbone for the vast majority of rural Bhutan, are mainly still done on a subsistence basis and not yet developed to the aspired level which would allow to produce a constant surplus for cash income.

In a country which is covered for more than 60% by forests, forestry is a major factor. It is strictly controlled by the government in the framework of their exemplary environment policy. Export of raw wood has been stopped since 1999 in order to counteract the unlimited demand of Indian consumers and to promote Bhutanese wood industry.

Bhutan's hydropower potential is the most important single factor for the economy of the country. It is estimated to be over 30,000 MW, but at the end of 2001 only approximately 1.4 percent of that potential have been utilized. It is the largest source of revenue earnings for the Government, covering 45 percent of the total national revenue. More than 90 % of the power produced is exported to India. Annual domestic consumption of power in Bhutan has been growing at an average rate of about 10% percent over the past 5 years. Domestic demand for electricity is now over 90 MW per annum; and more than 30 percent of Bhutanese households now have access to electricity.

By 2005, when the Tala and Basochu Projects are fully commissioned, Bhutan will have 1.500 MW of hydropower capacity which still means that only 5 percent of its total hydropower potential will have been developed. This industry will then contribute about 60 percent of the total annual revenue generation for the state.

To show the realistic dimension of Bhutan's economy, here only 1 figure: the expenditure of the government in the fiscal year 2002/2003 were 11.200 Mio Ngultrum or about 250 Mio US \$ (1 \$ = 45 Ngultrum).

For the year 2002, the first year of the 9th Five-Year Plan, the real Gross Domestic Product GDP is estimated to have grown by 7.7% as to 6.6% in 2001. Bhutan continues to experience a strong macroeconomic performance, with a fall in inflation

to 1,8 %, the lowest level in the last 20 years.

The contribution to GDP of the agricultural sector, comprising agriculture proper, livestock production, forestry and logging, is estimated to have fallen back to about 34 percent in 2002, after almost 36 percent in 2000. This sector provides occupation to about 75 percent of the total labour force.

The manufacturing, mining, and electricity sector contributed to GDP 19,3 % in 2002, the electricity sector alone about 9,7 %, a drop from 12% in 2001.

The construction sector is estimated to account for 17 % of GDP in 2002 from 15 % in 2001. The performance of this sector reflects to a large extent the activities related to the large power projects of Tala, Kurichhu and Basochu.

Tourism is the most important sector for the revenue in hard currency. It earned a net 8,4 Mio US \$ (from 8 Mio \$ 2001) as it saw an increase in the number of tourist arrivals to 6.100 in 2002 (from 5500 in 2001) but did not recover the all time high of 7600 tourists in 2000.

Annual inflation, as measured by the consumer price index (CPI), continued to fall, reaching 1,8 %, after 2.7 in June 2002 and 3.2 percent in December 2001.

For the 9. Five-Year Plan period, which began in July 2002, the economy is projected to grow at an annual rate of 8.2 percent, exceeding the growth of the last plan period. This optimistic projection is based on the potential direct and indirect contribution of the power projects (Kurichhu, Basochu, and Tala) during the plan period by spurring on other sectors, namely manufacturing, construction, transport, and trade.

In its foreign trade relations, Bhutan depends predominantly on India. 88 % of the imports come from India, 5% of the Bhutanese imports derive from Japan, only 1% each from GB, USA and Germany.

97% of Bhutans's exports go to India of which a good 60% are covered by electricity. Of growing importance for Bhutanese mostly agricultural exports are Bangladesh and Thailand.

The Bhutanese currency, Ngultrum, is linked 1:1 to the Indian Rupee. Therefore, Bhutan has very little scope for an independent foreign currency politics. The government pursues a very prudent fiscal policy by limiting successfully the annual deficit to a maximum of 3,5%. Despite increasing expenditures for education, health and a growing bureaucratic apparatus, the government's portion of the BSP could be maintained constant.

5) Education and Health

Education has been one of the highest priorities of the Bhutanese Kings and governments since the 1960s. Until then, education was limited to the monasteries. At great speed public schools were established, now covering widely the whole

country. Two colleges and an institute to train teachers followed. The Royal Bhutan University, the first, was established in June 2003. The education system is a government affair and free for all. Monastic schools have extended their curricula to the public requirements. Upon initiative of the present King, all pupils are to be educated simultaneously in theory and one or the other handicrafts. The general teaching language is English, Dzongkha is obligatory for all pupils. Besides education in modern matters, great emphasis is laid upon the conservation of the Bhutanese culture and tradition mainly in literature, arts, architecture, language, customs etc..

Enormous progress was made in the last decade to extend in number and quality the public medical services which are free for all. Existing hospitals were enlarged, new hospitals built. The Basic Health Units, medical stations in the rural areas mostly not accessible by motor traffic, were improved and enlarged. The number of medical doctors, paramedics and health-workers was considerably increased. The result is an impressive improvement of the health situation and life expectancy in the population.

6) Foreign policy since 1960 until today

With the developments in Tibet since 1959, the 3. King, Jigme Dorji Wangchuck had to recognize that the time when Bhutan could afford its centuries' old, self-imposed isolation was over. With great subtlety he started a careful policy of opening up the Kingdom to the outside world. This policy was continued by the 4. King, Jigme Singye Wangchuck, when he succeeded his father in 1972.

Some stations on the path of this opening were: Joining 1962 the Colombo-Plan, 1969 the Universal Postal Union, 1971 the United Nations Organization and the "Group of 77", 1973 the Non-Aligned Movement, 1981 IMF and World Bank, 1982 the Asian Development Bank, 1985 the SAARC (South Asian Assoc. f. Reg. Coop.).

In establishing bilateral diplomatic relations, Bhutan proceeded with great care in order not to be drawn into the fields of international tensions; and equally not to burden the excellent relations with India with whom it had established formal diplomatic relations in 1971 after being admitted to the UN.

Bhutan has decided not to have formal diplomatic relations with the permanent members of the Security Council. With all the members of SAARC, including Pakistan, it established full diplomatic relations, as well as with some Asian and some smaller European countries.²

Although it does not maintain formal diplomatic relations with China, the giant neighbour in the North, since 1984 talks, on technical level, have been held concerning the demarcation of the Chinese-(Tibetan)- Bhutanese border; officially, there are no areas disputed by either side. Bhutanese diplomacy has successfully avoided any friction with China without giving up any rights.

Since 1989, the relations with Nepal, and still to some extent with the international community, have been burdened with the problem of Bhutanese refugees of ethnic

Nepali background or of illegal Nepali immigrants, living now in camps in Nepal.

A census made in 1988 revealed that the Nepali portion of the population in Bhutan, living mostly in Southern Bhutan, had grown out of any proportions, due to illegal immigration mainly from the bordering areas of India (Assam, West Bengal, Sikkim) and Nepal.

The population of original Bhutanese background were shocked: they saw the imminent danger to be put into an ethnic minority in their own country, to lose their national and cultural identity. Overreaction, some drastic indiscriminate measures or even violations of human rights, committed by a few overzealous civil servants, led, until 1993, to an exodus of many illegal Nepalis and a considerable number of legal Nepali- Bhutanese.

The UNHCR eventually set up 7 refugee camps in South-Eastern Nepal, housing nowadays between 90.000 and 100.000 refugees. 10% of them have already been born in these camps.

The background of this problem is the influx of Nepalese migrants into Bhutan which happened in 2 major phases:

At the beginning of the 20th century, the Government had employed Nepalis from abroad as contract labour to extract timber from the dense tropical forests in Bhutan's southern foothills. Formally they were, by contract, prohibited to establish permanent residence in Bhutan. However, as control was weak, they illegally stayed on as tenant farmers in the areas where the forests were cleared. By the early 1950s, they had gradually settled in the southern districts and encouraged relatives and friends from abroad to join them.

Subsequently, the Bhutanese Government made efforts to integrate ethnic eligible Nepalis living in Bhutan. The Bhutan Citizenship Act of 1958 aimed at integrating those who had legally lived in Bhutan for at least 10 years, into the Bhutanese nation and to draw the line to foreigners temporarily working in the Kingdom. Many Nepalis were recognized as citizen and admitted as civil servants; the Nepali speaking Bhutanese were given representation in the National Assembly; Nepali was introduced as second official language and taught in the Primary Schools in Southern Bhutan where most of them lived.

² SAARC: Bangladesch, India, Maldives, Nepal, Pakistan, Sri Lanka.

Europe: Austria, Denmark, Finland, Netherlands, Norway, Sweden, Switzerland.

Asia: Japan, Singapore, South Korea. Hon. Consulates: in Macao, Hong Kong.

Bhut. dipl. missions only in: New Delhi, Dhaka, Bangkok, Kuwait, UNO New York and Geneva.

The second major influx of ethnic Nepali migrants into Bhutan began after 1961 when Bhutan started the modernisation of its economy, creating new job and business opportunities. This attracted massive illegal immigration through the long and porous border in the south. In many cases the new immigrants were again closely related, by family ties or caste, with Bhutanese of Nepali origin. In the early 1980s, protected by the lack of a sufficient administration in the south and by conniving civil officials of ethnic Nepali background, many of these illegal immigrants obtained Bhutanese citizenship cards through fraudulent means. On this basis, many of them acquired land properties.

Tensions had started when the Government, after becoming aware of the unexpected dimensions of this problem, felt it necessary to act for the preservation of the national identity which it saw threatened. The principals of “Dringlam Namzha”, meaning traditional values and etiquette, were introduced: civil servants for their work, citizen at all public functions and visiting public offices, children at school, had to wear the national dress, the Kho for men, the Khira for women. The Nepali language was withdrawn from teaching in primary schools.

Enforced political agitation, undertaken by some Bhutanese of Nepali ethnic background, were the answer. Its aims were to force the dilution of the Bhutanese citizenship laws, the tilting of the demographic equation and eventually to dominate the political life in the country. Such agitation was admittedly supported from abroad i.a. by the later PM of Nepal. From 1988 on, underground subversive activities and terrorist acts gave another new dimension to the problem.

When violence failed to enfeeble the Government, the dissidents resorted to enticing all ethnic Nepali, whether bona-fide Bhutanese citizen or illegal immigrants, to leave Bhutan. These people were given promises of a safe haven in the UNHCR-refugee camps in Nepal and a victorious return to Bhutan. Those who refused to join the exodus were threatened or persecuted with dire consequences.

The openly declared aspirations of the dissidents were to support the creation of a Nepali dominated Bhutan or even a “Greater Nepal” or a “Ghurkha State” comprising Nepal, Sikkim and Bhutan.

Seeing the negative repercussions for the domestic peace of their country and the negative international reactions, Bhutan immediately endeavoured to settle this problem directly with Nepal. In 1991, a bilateral commission on ministers’ level took up their work with the aim to find a solution. Until today, after 15 such meetings, substantial progress in details could be seen, but no comprehensive and lasting solution has been found yet.

Soon after the beginning of this crisis, Bhutan has practiced a policy of transparency: representatives of Amnesty International, the ICRC and the UN-Human Rights Commission were given unlimited access to investigate the situation in situ.

Bhutan has good reasons to doubt that all refugees living in the camps are legal Nepali-Bhutanese with a right to return to Bhutan: how would it be otherwise explained that Nepal continues to refuse a thorough scrutiny of the refugees in the

camps in order to establish their background? Bhutan continues to pledge that it will take back any refugee who is found to have fulfilled the pre-requisites of the Bhutanese Citizenship Acts before leaving Bhutan.

The 2 sides had agreed in 2003 that, on February 16th, 2004, the repatriation process for the first group of those eligible and wishing to return to Bhutan would start. But in late December 2003, the Bhutanese field team, verifying refugees in Khudunabari, the first Nepalese camp to be cleared, was attacked by refugees, suffering serious injuries.

The Nepalese authorities obviously had not taken any proper security arrangement. Thus, the Bhutanese team was forced to leave Nepal.

So again those who are interested to disrupt the final stages of a process that was on the verge of bringing about a solution to this long and complex problem had again the upper hand.

Another problem in Bhutanese external relations was, up to December 2003, the existence of between 18 and 20 camps of 3 different groups of together approximately 3.000 Assamese rebels in the Southern Bhutanese jungles. 2 Bodo factions fight for a Bodo homeland, the ULFA³ for an independent Assam. They used these hide-outs in Bhutan to launch their attacks against their targets in Assam. The Indian Army was pursuing them on India territory wherever they could but were not able to prevent them from escaping time and again to the Bhutanese jungles. The Bhutanese Government undertook all possible efforts to find a peaceful solution through negotiations with the rebels. But to no avail. In 2003 the pressure from New Delhi to either oust the rebels themselves or to agree that the India army entered Bhutan for that purpose eventually forced Bhutan to act. Under the personal command of H.M. King Jigme Singye, the Bhutanese army⁴, in December 2003, attacked the rebels and, with casualties on both sides, destroyed all their jungle camps and drove them out of Bhutanese territory.

The open question remains: was this a final solution or, what is rather to be feared, will the Indian rebels sneak back into the Bhutanese forests after some time, re-establish their camps and take revenge? And give the problem probably another political dimension to the detriment of Bhutan?

One can only wish Bhutan every possible success in its efforts to guard its cultural identity, to master its social challenges and to maintain its political independence in its nature-given sandwich situation between the 2 giants India and China. The very impressive dedication of the present King and his ministers to improve the living conditions of the nation, to educate the Bhutanese youth and give them professional perspectives for their future and the outstanding skills of Bhutanese diplomacy proven over the last 100 years allow to be relatively optimistic.

I thank you for your attention.

Now I invite you to see some slides on Bhutan.

After the slides I shall answer questions.

³ United Liberation Front of Assam

⁴ estimated in total at about 5000 men