

Editorial

A Deep Dive into Tourism in Bhutan

“... in the 1970’s, tourism as an industry was only introduced after the Coronation of His Majesty the Fourth Druk Gyalpo. It was suggested to us then that Bhutan would benefit economically from bringing as many tourists as possible into the country... yet, with Drukgyal Zhipa at the helm, we had the confidence to make our own decisions -- to decide that our approach to tourism policy would be that of high value low volume... because of that policy, Brand Bhutan emerged. And you see the results of that policy for yourselves today. People who make it to Bhutan feel privileged to be our guests. In hindsight, we realise the profound wisdom of that decision, but we could have easily gone the other way had it not been for that conviction we had to forge our own path, our future, and our destiny.” His Majesty The King - 2016.

Today, there is growing evidence that the Bhutanese tourism industry is headed in the wrong direction. When we talked about mass tourism in the past, we were talking about other countries. Now we worry about the onset of mass tourism in Bhutan. So what went wrong? When did we go wrong? Why did we go wrong? How did we go wrong? Who went wrong? Most, importantly, what are we going to do about it?

Bhutan had a vision for tourism long before the concept of sustainable tourism became trendy. But, with our pristine nature and rich culture under peril, that vision now seems threatened by a rapid trend towards mass tourism. The policy was changed from high-value low-volume to high-value low-impact but, in hindsight, both remained largely rhetoric. The absence of statistics and records, another Bhutanese trait, makes accurate analysis impossible but the general trends can be deduced even from memory.

In the past, the profile of the average tourist coming to Bhutan was the middle-aged international tourist who paid USD 250 a day, and some international celebrities happily travelling unrecognised. It was only in the past decade or so that regional -- mostly Indian -- tourists were called tourists. This enormous blind spot came to light when the government announced, in 2008, the goal to promote Indian tourists in an Accelerated Bhutan Socio-Economic Development Plan, advised by McKinsey

India. A Rupee crisis and global economic recession, with international tourism declining, reportedly influenced this decision. Then the second government's tenure was characterised by inaction.

This trend is disconcertingly connected with Bhutan's transition to democracy, despite the prerequisites which actually define democracy -- public interaction and discussion, consultations and interaction, and vigorous parliamentary debate. The situation was allowed to deteriorate because of a combination of malaise, inability to choose even the obvious policy options, and several wrong decisions. The past decade saw a rapid increase in regional tourists because of the conditions that encouraged budget tourists.

Sadly, our political parties were reluctant to formally contribute party ideology to this issue of *The Druk Journal*, on an industry that can make or break the country. But the basic theme of this editorial is based on informal conversations with senior party members. And all parties have no options but to be active participants in the Conversations that follow.

By 2019, the supposed low impact has become high impact, and not a desirable one. The concept of visitors being guests and pilgrims changed overnight. The reversed proportion of regional and international tourists also changed the culture of the industry, not just in numbers but in terms of behaviour. Crowds in monasteries and at scenic viewpoints, congested footpaths, loud music, selfies along roadsides, cash transactions without receipts... the result? High-end tourism has taken a blow. A resounding message came from an agent who had brought high-end tourists to Bhutan for many years: "Goodbye," he said, after a visit to Taktshang in May this year... "Bhutan is no more a high-end destination."

There is no argument on the national vision for tourism. Neither is there any misgiving that the vision is lost in the absence of a coherent policy, strategy, and implementation. To understand the descent of high value into low value tourism, we need to look at the key issues related to this complex industry which, internationally, represents 10 percent of the global GDP.

What we see is that tourism, as a main revenue earner, has devastating implications if it is translated into mass tourism instead of promoting the Bhutan brand, which was synonymous with “high-end”. And these are a result of government decisions and functioning. One major reason is the lack -- rather the absence -- of coordination among the organisations involved in governance. The tourism industry involves dozens of organisations working in isolation: Cabinet, ministries, TCB, DCSI, *thromde*, RSTA, banks, tour operators, hoteliers, *dzongkhags*, transporters.

There is an explosion of budget hotels and a herd behaviour in building three-and four-star hotels. In this trend, the nail decided what the hammer should do. Banks gave generous loans; TCB, the Ministry of Economic Affairs and the *thromde* issued hotel licenses with blind abandon; the government approved biased incentives to hotels which included tax waivers for furniture and fittings. There is credible information that some hotels are funded by outside money. And Airbnb is the latest disruption.

Frustratingly this deterioration into mass tourism was repeatedly predicted by experts and observers. Yet we watched it happen with open eyes. Tourism officials claim that they have submitted a number of proposals that were ignored by governments which were reluctant to take what they perceived as unpopular decisions. The Tourism Council and the Hotel Association of Bhutan have strong representation of the private sector with vested interests.

It certainly does not help that the growth trend of Thimphu city is a mess. A good structural plan was completely ignored, zoning laws were either deliberately or inadvertently reversed, even by the *thromde* itself. While hotels, shops, and bars were encouraged, the essential needs like health, education, food, water, energy, and waste management for the existing population has not improved. The dilution of Bhutanese culture is hastened and the ecosystem strained.

Transport is another critical issue, perceived by some as being politically sensitive. Tourists from India are driving in Indian taxis disguised as private vehicles and, in the last two years, one estimate says about 12,000 Indian vehicles entered Bhutan. In the arrangement between India and Bhutan, reciprocity has always been seen in symmetry because, just as Bhutan has 750,000 people and India has 1.5 billion, Bhutan has 80,000 motor vehicles and India has an estimated 250 million. It has to be a proportionate exchange.

The trends were partially driven by the perception of the tourism sector as a major employment generator, employment which threatens to become a crisis by Bhutanese standards. It was a narrow vision for employment. There was no attempt at economic diversification until His Majesty The King commanded such a strategy on National Day, 2016. Now we see the potential and need for entrepreneurship in many areas like agriculture, ICT, the cultural and creative industry, herbs and foods, and other niche products.

Tourism has never been of benefit to the rural population. It has made a few people in Thimphu rich, leveraging the Bhutan brand that actually attracted the tourists in the first place. As someone said, “profit was privatised, and losses socialised”. The remote host communities did not benefit from tourism and, in such a situation, tourism makes no sense. When the people are not the beneficiaries of the policies and plans, there can never be sustainability.

It has been recommended in the past that campsites, services, local transport, and essentials, including food and water, be provided by the local people. Thimphu operators should pay the local communities for these services. Not only has this been ignored, it has now been made redundant by roads that scar the mountainsides. Places where tourists could have trekked and camped for days and weeks, paying the daily rates, are now just photo opportunities for groups carrying a packed lunch.

How has such a powerful industry stumbled along without direction? Who has (or has not) been making all the decisions? Why is it that we have a system where there appears to be no accountability? Why are the host communities not involved, as responsible citizens, not just as voters? The government needs to take a raincheck and re-think. Apart from strong political commitment we need a good policy, expanded from the existing vision, developed with citizen involvement. We need a strategy to implement the policy, and we need regulations in place. These are a starting point. Today, there are trends to be reversed, difficult decisions to be made.

For Bhutan it is all about scale and proportion. We need data and analysis. How many tourists can a small population with vulnerable infrastructure accommodate? How should tours be organised? By who and with whom? What regulations need to control the flow?

What are the charges and fees that will ensure sustainability? These are not terms and restrictions unique to Bhutan. They are applied by every country to ensure that society functions. At the recent UNWTO conference in Thimphu, every country made it clear that tourism must not destroy their heritage. Ironically, it has been destroyed in many of them.

The essence of a new policy should be a cap on the number of tourists allowed into Bhutan, the actual number being based purely on their value and our capacity. A tourism official from India was involved in Kerala's brand "God's own Country" when they decided that each tourist should spend at least USD 100 a day. The basis for Bhutan has to be the GNH of the Bhutanese population. GNH, not as rhetoric but as a real goal. The volume must be decided by policy makers who are advised by analysts and experts, not pressured by hoteliers and tour operators and transporters.

Someone said that today's generation must work together for those who are not here yet. This has been cited, more powerfully, in many a Royal Address: In his first Royal Address to the nation in 2006, His Majesty said:

Deep in our hearts, as Bhutanese citizens, we will be able to see beyond His Majesty's (Drugyal Zhipa) selfless act and find that this special nation built by His Majesty is left to none other than the people of Bhutan. Such a legacy is a source of great optimism for our future. I share His Majesty's complete faith in the people and I believe that we will, as His Majesty has bestowed on us today, leave for our own children such a gift in 30 years.

What will our legacy be for future generations of Bhutanese? Sustainability seems to be the buzzword today. For Bhutan, this can be translated as survival.