

# Promoting Bhutanese Products to Build Rural Economy

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## Introduction

To use a provocative pun, this article looks at the “real” Bhutan and “real people”. The writer believes that, beyond the snow clad peaks and lush valleys, rich biodiversity and spiritual monuments—all the wondrous things that we like to talk about—there are colours and flavours of a real Bhutan that need to be explored. It is the essence that lies beyond diplomacy, beyond spiritual legacy, beyond political stature. It is the Bhutan that needs to be revealed and promoted.

From a broad perspective, it is a contemplation of the lifestyle of the average Bhutanese—the cuisine drawn from nature, clothing and textile extracted from natural elements, the subsistence economy that supports their simple lives, and the process of so-called development that is changing all that. It is about the structure of society and how it should function, and it is about how we adapt to the process of change.

## The Initiative

We are looking at this phenomenon as an experiment through the prism of the Royal initiative called “One Gewog, One Product” (OGOP). The philosophical premise is that the ultimate answer to sustainability of life lies in the realisation that man and nature are interdependent. The rationale is that more than 60 percent of the Bhutanese population still live in rural Bhutan, their livelihood based on agriculture (including livestock) (BLSS 2017).

It is an experiment with Bhutanese culture, all the unique elements that constitute the Bhutanese identity. The purpose is not to admire what we have and to congratulate ourselves for this uniqueness; it is to see how we can understand and overcome the enormous risks of change, and be the small nation that dares to be different.

In essence, the project draws on existing wisdom, skills and resources that includes the 13 arts and crafts and culinary traditions that are not tasted elsewhere, and the bountiful raw materials found around the country. There have been some amazing products that have inadvertently earned a reputation and gained in value—textiles, red rice, *ezay*, lemon grass spray and incense, to name a few. OGOP is a comprehensive initiative to tie these together on a national scale.

When we talk about Kishuthara weaves from Lhungtse, we mean the intricate months and even years of concentration at the loom, interlacing fine silk into intricate patterns with the naked eye and nimble fingers. In Trashiyangtse, the *Shazo*, or the carving of burl wood into traditional bowls and cups that are now changing shape to suit modern times. Blacksmiths and silversmiths in Paro fashion swords and knives, their handles and cases then engraved with silver and gold patterns. In the south, people of Zhemgang strip and weave cane and bamboo work into baskets and utensils.

Bumthang, which has developed sophisticated tourism services, boasts of yak wool blankets and buckwheat noodles. Wangduephodrang chilli was in high demand for decades. Remote Kengkhar made clarinets used for sacred ceremonies. Mongar turned acres of wild lemongrass into fragrant sprays.

## One Gewog One Product

These are a few among numerous products that evolved, and saw a growing demand without any marketing. OGOP plans to identify at least one authentic Bhutanese product from each gewog among the 205 gewogs around the country. As of 2018, OGOP has purchased products worth more than Nu.10 million from farmers—food, herbs, handicrafts,—initially showcasing 60 products to show what Bhutanese can produce and sell, and to motivate farmers. By 2018, OGOP had expanded this collection to more than 100 products from 80 gewogs, representing skills in art and craft, agriculture and dairy, herbs, packaged food, spices, and pickles, among others, which were launched to start the project.

The project, identified as a flagship project within the government's 12<sup>th</sup> Plan, will increase the number of gewogs supplying OGOP products to 200 by the end of the Plan. The target is to place 10 products in the external markets, train at least 500 producers, and strengthen the rural economy over the period of five years.

OGOP was inspired by the best practices of the One Tambon One Product (OTOP) initiated by the Queen of Thailand. With fine handicrafts available in South and South-East Asia, His Majesty the King and Her Majesty the Gyaltsuen commanded a feasibility study for OGOP. The Thailand International Cooperation Agency, which conducted the study in 2014, found the concept to be the best suited to enhance the rural economy. The Queen's Project Office launched the OGOP project on 11<sup>th</sup> November, 2015, as a part of the 60th Birth Anniversary Celebrations of the Fourth Druk Gyalpo.

The project targets the domestic market to establish the products, and will then work on the value chain to penetrate the international market. The vision responds to vital needs of Bhutanese society with broad implications: To produce and market authentic Bhutanese products to enhance socio-economic well-being of farmers; nurture the rural economy; create economic opportunities for employment with emphasis on youth; facilitate and encourage community development to complement existing efforts in poverty reduction, and to achieve sound and inclusive economic growth for national economic self-reliance. By the end of the 12th Plan, OGOP aims to cover all the 205 gewogs, enhance rural income, and create employment opportunities. The Nu. 200 million initiative will take on board universities, the private sector, government agencies, and farmers.

## **Branding Bhutan**

The concept of branding products is a sophisticated science in the world of business. For Bhutan, it is a new and comprehensive approach to not just sell products, but establish the credibility of what is already a powerful brand. As a GNH nation Bhutan is already known to be clean and green, organic and natural, exotic and rare. A project to brand Bhutan is redundant.

The government's Economic Development Policy 2010, promotes “Made in Bhutan” and “Grown in Bhutan” in the tone of a tourism policy to promote Bhutan as a high-end destination. The policy requires that producers wishing to inscribe the Brand Bhutan logo on their products have to meet certain benchmarks. The idea behind Brand Bhutan is small-volume, high value, targeting niche markets and customers who are not just rich but sensitive and knowledgeable.

Bhutanese and international experts agree that Bhutan has good potential for branding niche products but it has not been able to take advantage of this. A recent IPO conference in Thimphu recognised the vibrant but untapped potential for Cottage and Small Industries. An international expert told the newspaper, Kuensel, that Bhutan had “incredible opportunities” but had not been able to translate the rich diversity of natural products and handicrafts into brands. There was no focus on promotion and export.

Besides selling Bhutanese products, the policy aims to highlight Bhutanese culture and identity. “We must be true to the ideals and values that are inherent in Brand Bhutan,” former Prime Minister, Lyonchoen Tshering Tobgay, said. “We must pass this on to our children, for therein lies the true value of Brand Bhutan.”

## Challenges

The policy and attempts to promote “Made in Bhutan” and “Grown in Bhutan”, however, face a range of hurdles. Interestingly, there is the unusual challenge of living up to an already existing brand. Bhutan is a brand with no products. It is a genuine challenge, because the country has a long way to go in quality production, packaging, as well as transportation and marketing of goods. As one expert said at the 2018 Better Business Summit, if Bhutanese products are of substandard quality, it will kill the brand.

Bhutan has been producing agricultural and artisan products for centuries but quality is often crude by global standards. A Thai silversmith said that the engraving work done by Bhutanese is of extremely high quality but the finishing is crude. Why is it that, given the extremely sophisticated

technology and tools available, Bhutanese products are relatively crude and expensive? Is it because exposure and training outside the country are monopolised by officials who see them as “foreign trips”, instead of sending craftsmen?

Simple technology that has even been recommended to the Institute of Zorig Chusum has not been taken up. For example, the finely crafted silver work, like the swords worn by senior officials, could easily be refined with a simple polishing machine, but their rough contours are instead wrapped in sellotape, to prevent them from ruining the clothing.

IFAD pointed out in 2015 that the difficulty in accessing markets, and the lack of capacity, have been the main bottlenecks for small-scale Bhutanese farmers and artisans in the villages, despite their natural skills. Then there are factors like poor quality, the low volume and high cost of production, and competition from cheap imports.

The inadequate linkage between the production and market interventions is exacerbated by different stakeholders pursuing their objectives in isolation. This situation calls for better coordination and the development of value chain systems in the country, from collection of raw materials to production to marketing.

The management of OGOP points out, among others, that it is not seen as a full-time occupation for farmers, and that there is a wide gap between supply and demand, very poor delivery and transport services, lack of storage, inconsistent quality, low quantity, no recipes, and crude packaging.

Transport has been and continues to be a major hurdle for Bhutanese products, both for internal deliveries as well as export. The small quantity and scale of raw materials and finished products, and the short shelf-life of agricultural products, is aggravated by poor transportation systems. Raw material from far-flung places are difficult to gather, store and then transport to distant markets. Traditionally, Bhutanese farmers and craftsmen relied on favours from family, friends, and well-wishers to convey products to the markets. Suppliers say they have to often plead with bus drivers to carry their goods. The delivery services lack professionalism.

## Private Initiatives

OGOP's vision is ultimately to involve the private sector, with a focus on the rural communities. Meanwhile, a number of private initiatives are also emerging and expanding. The proprietor of Chuniding Foods, Kesang Choden, has been experimenting with various forms of preserving traditional foods. Her resort, restaurant, and shop offer a variety of Bhutanese cuisine and traditional organic food with modern packaging. The company now boasts 150 local and organic products.

With its stated mission to “preserve and promote Bhutanese food culture”, the family-owned company works with Bhutanese farmers, encouraging them to grow natural and organic foods, and employs young Bhutanese women, tapping into their intuitive affinity for food and handicrafts.

In terms of the tourism market, Bumthang dzongkhag has taken the lead in offering authentic Bhutanese with cozy resorts and local food. Bumthang's response to high-end tourist demands has been to install wood stoves in the cold winter and offer buckwheat delicacies that the people are proud of. With the woollen weaves that central Bhutan is known for, the beautiful valley is a self-contained market.

Authentic Bhutanese food in the market means small home-cooked food restaurants with traditional cuisine. Indigenous dishes cooked in the traditional style is aimed solely at the Bhutanese palate. This market is so far confined to lunch for Bhutanese office workers, who form a growing clientele. Not surprisingly, home-made ezays have become a favourite for the chilli-loving community. Handicrafts have been limited to one single-file bazaar of bamboo huts, but promises to expand into a creative village on the southern edge of Thimphu, on the command of His Majesty The King.

Civil Society Organisations like Tarayana Foundation and Mutual Benefit Organisations, such as, SABAH, APIC, and Handicrafts Association of Bhutan have reached out to local communities and traditional artisans and also improved production and packaging.

## Fulfilling a Promising Future

Notwithstanding the isolated efforts being made by individuals and organisations, there is a need to coordinate the wealth of Bhutan's farms and forests into a vibrant industry of goods and services. Just as the Thai government invested in OTOP, the OGOP project has taken the initiative to nationalise a range of enterprises that could include not just "Made in Bhutan" and "Grown in Bhutan" but "Done in Bhutan", with related services like collection, delivery, packaging, sale, and export.

The initiative is a community-led approach with government support in product development and diversification, research and development (R&D), education and awareness that would include training, marketing and distribution, and access to finance. This aligns with the government policy to promote CSIs, an RMA-led initiative inspired by His Majesty The King's National Day address in 2016. CSIs would do well to take up some of these services.

Feedback from institutions around the world says that the Bhutanese character is not conducive to grunt work, but young Bhutanese have shown a natural creativity. Trends that we have seen in the Bhutanese market have also shown that Bhutanese have a herd mentality and will follow business successes, from trucking to restaurants to hotels. If these two phenomena-creativity in indigenous products and services and the tendency to emulate successes-are combined, it could lead to a booming CSI industry with a strong Bhutanese identity.