

# The Changing Role of the Bhutanese Civil Service within the Bhutanese State

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## ***Introduction***

The changing role of public administration globally is often portrayed using the analogy of a boat. The functions of public officials have been associated with ‘rowing’ and ‘steering’ the boat.<sup>1</sup> These two functions are reflective of the models of public administration. Rowing represents the hierarchy or the bureaucratic model, and steering represents the market model. The bureaucratic model is the classic formal organisation, which is based on a vertical command structure and rule-based authority. The market model comprises independent agencies that follow self-interest, engage in exchange for mutual benefit, and follow rules that protect property rights and contracts.

In addition to these two models, a third model of public administration is the network or community model.<sup>2</sup> The network or the community model is the classic informal organisation and is based on the principles of shared values (instead of self-interest), voluntary cooperation (not on hierarchical authority), and networks. The network model shifts the function of the public official away from rowing and steering to ‘serving’. Underpinning the models is one of the theoretical foundations of public administration that distinguishes the private from the public sector.<sup>3</sup>

These models of public administration offer a way to examine the changing role of public administration within a country. Another important theoretical underpinning that forms the foundation of public administration is the distinction between politics and administration. Woodrow Wilson was one of the first public administration scholars to prescribe the politics-administration dichotomy.<sup>4</sup> Although this dichotomy tends to exist only in a normative sense, the relationship between politics and administration has been instrumental in defining the roles of the politicians *vis-à-vis* the public officials.

<sup>1</sup>Osborne, David, and Ted Gaebler. 1992. *Reinventing Government: How the Entrepreneurial Spirit Is Transforming the Public Sector*. Reading: Addison-Wesley Publishing Company.

<sup>2</sup>Colebatch, Hal, and Peter Larmour. 1993. *Market, Bureaucracy and Community: A Student's Guide to Organisation*. London: Pluto.

<sup>3</sup>Rutgers, Mark R. 2010. *Theory and Scope of Public Administration: An Introduction to the Study's Epistemology*. Public Administration Review.

<sup>4</sup>Wilson, Woodrow. 1887. The Study of Administration. *Political Science Quarterly* 2 (2): 197-222.

Using the theoretical underpinnings of public administration and its relationship with politics and the private sector, this paper examines the role of Bhutan's civil service within the Bhutanese state, and how that role has evolved over a period of time. This paper focuses on three critical phases in Bhutan's modern history, that is, the period since the 1950s, to highlight the main factors that have contributed to these changes. These three periods, which are discussed in greater details in the next section, are: the period of separation of powers (1950s and 60s), the period of privatisation and corporatisation (1980s and 90s), and the period of introduction of democracy (late 1990s and 2000s).

The changing role of the civil service in Bhutan also mirrors international trends in public administration. In certain ways, one could perceive the development of the models of public administration in a linear trajectory. The hierarchy/bureaucracy model precedes the market model, which in turn precedes the network/community model. In addition to the analysis of the Bhutanese civil service's changing role, the paper also sets the stage for changes that are likely to take place in the near future.

### ***Historical Perspective to the Role of the Civil Service in Bhutan***

A period where a definitive form of Bhutan's public administration originated is when the *choe-sid* system was established. This diarchal system of governance sought to separate the spiritual (*choe*) from the political (*sid*), and under this system the *Zhabdrung* remained the head of state. The *choe-sid* system promulgated by *Zhabdrung* Ngawang Namgyel continued throughout the next two centuries, albeit in varying forms particularly as we drew towards the end of the nineteenth century. An important development of the *choe-sid* system was the establishment of the *lhengye tshok* (state council).

Michael Aris admits that little is known about the administration system beyond the construction of *dzongs* and collection of some taxes during the period between *Zhabdrung's* era and the establishment of monarchy in Bhutan in 1907.<sup>5</sup> Perhaps the best insight into how the administration worked during this period is provided by Ardussi and Ura in their study on the investiture ceremony of the enthronement of *Zhabdrung* Jigme Dragpa I (b. 1725–1761) as religious head of state in 1747.<sup>6</sup> The first two monarchs of Bhutan inherited a structurally and operationally simple administrative system and no major efforts were made to change the status quo (Rose 1977).<sup>7</sup> It was only since the Third King's reign (r. 1952–1972) that Bhutan's governance system underwent major transformations.

<sup>5</sup>Aris, Michael. 1994. *The Raven Crown: The Origins of Buddhist Monarchy in Bhutan* London: Serindia Publications.

<sup>6</sup>Ardussi, John, and Karma Ura. 2000. 'Population and Governance in mid-18th Century Bhutan, as Revealed in the Enthronement Record of Thugs-sprul 'Jigs med grags pa I (1725-1761). *Journal of Bhutan Studies* 2 (2): 36-78.

<sup>7</sup>Rose, Leo. 1977. *The Politics of Bhutan*. Ithaca: Cornell University Press.

*Separation of Powers in the 1950s and 1960s*

The first critical period that defined Bhutan's public administration was the socio-economic and political developments that were being undertaken in the 1950s and 1960s. Two main drivers for the transformation of Bhutan's public administration that was 'run from a single room in the royal palace at Bumthang' to a 'modern' or bureaucratic model of public administration can be identified.<sup>8</sup>

The first driver was political in nature resulting in the creation of the three arms of the government in Bhutan. The legislative arm of the government, the National Assembly (*Tshogdu*), was established in 1953. With a mixed representation from the *Zhung Dratshang*, government and people's representative, the National Assembly sought to differentiate the role between the process of law-making and policy implementation in Bhutan. The judicial arm of the government was created in 1961 when a group of judges were appointed, and subsequently the High Court was established in 1968.

The second driver was economic in nature. The initiation of planned economic development in 1961 and the up-scaling of developmental activities required the set-up of an administrative system that was capable of dealing with these changes. In 1961, the Development Wing of the government headed by a Secretary-General was established to coordinate plans and distribute funds. And it was in 1968, when the Third King in consultation with the National Assembly approved the formation of the Council of Ministers, that a major change in the administrative system occurred. All administrative matters were handled by the Council of Ministers.

*Corporatisation and Privatisation in the 1980s and 1990s*

A critical period that saw the role of the civil service in Bhutan change was during the Sixth Five-Year Plan period (1987–1992). Against a backdrop of shortage of indigenous entrepreneurs and capital in Bhutan, the civil service had to play a 'leading role' in Bhutan's economy that extended into the direct involvement in operating commercial enterprises.<sup>9</sup> To emphasise the creation of an enabling environment for the private sector, the government divested and corporatised numerous government agencies.

It is important to point out that globally this was also the period where neoclassical economics and neoliberal principles were shaping public administration.<sup>10</sup> Countries such as the USA and UK under Ronald Reagan and Margaret Thatcher encouraged

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<sup>8</sup>Ibid.

<sup>9</sup>Royal Government of Bhutan. 1992. Seventh Five-Year Plan.

<sup>10</sup>Hood, Christopher. 1991. 'A Public Management for All Seasons?' *Public Administration* 69: 3-19.

privatisation and reduction in the role and size of the public sector, amongst other strategies that were classified as NPM-related reforms. This was owing to the simple explanation that markets are more efficient.

One of the first sectors to be corporatised and later privatised was the transport sector. The Bhutan Government Transport Service (BGTS) was formed in the 1960s, and the first phases of privatization of BGTS began in 1985.<sup>11</sup> With the passage of the Companies Act of Kingdom of Bhutan in 1989, many new commercial enterprises were formed whose staff were not considered a part of the civil service. Companies such as the Druk Air Corporation and the Bhutan Polythene and Pipe Company were some of the new entities registered under the new Companies Act. The emphasis on reducing the civil service size and minimising its role in corporate and private entities continued in the 1990s and 2000s with the recent creation of organizations such as the Bhutan Power Corporation and National Housing Development Corporation.

#### *Devolution of Powers and Introduction of Democracy in the 1990s and 2000s*

The third set of significant changes that took place in Bhutan affecting the role of the civil service was the introduction of democracy. It can be argued that the process of democracy started with the creation of *Dzongkhag Yargye Tshogdus* (DYT) in every dzongkhag in 1981 and the subsequent establishment of *Gewog Yargye Tshogchung* (GYT) in every *gewog* in 1991. The DYT and GYT sought to involve the local people in the decision-making process by seeking their inputs into the national plans and activities. However, the civil service was strongly positioned within this national planning framework that its role was actually enhanced.

It was in 1998 when the Fourth King devolved his executive powers to a Council of Ministers elected by the parliament that transformations in the civil service was visible. The changes were mostly reflected in the relationship between the civil servants and the ministers. For the first time in Bhutan's public administration history the ministers were considered separate from the civil service. In a major restructuring exercise of the government in 1999, there were some important recommendations that affected the civil service (RGOB 1999). One was to implement the Position Classification System as a way to address weaknesses in the Cadre System. Another major recommendation was delineating and outlining clear responsibilities of the ministers and the secretaries within each of the ministries in Bhutan.

<sup>11</sup>Ministry of Information and Communications. 2007. *Information, Communications and Transport Sectors in Bhutan: A Special Report*.

Finally, a major governance reform to influence the public administrative system of Bhutan was the first democratic elections in March 2008. The introduction of democracy in Bhutan changed the nature of its public administration, particularly the role of public participation and the citizen-state relationship. From the role of providing services as a part of the patronage system the new era of governance has transformed the role of the public to taking part in elections, which is a feature of the bureaucratic/hierarchy model.

The Constitution of Bhutan also seeks to draw a clear line between politics and public administration in the newly formed democratic state of Bhutan. Article 26 prescribes an independent and apolitical civil service. The separate relationship is also ensured through the appointment of secretaries, who are now considered the senior-most civil servants, who are first nominated by the Royal Civil Service Commission (RCSC) and then through the recommendation of the prime minister are appointed by the King.

### *Whither the Role of Bhutan's Civil Service in the Near Future?*

With democracy settling in in Bhutan, there are some transitory problems arising among the various arms of government. These problems are a result of the power dynamics and the confusion regarding the separation of powers. There have been instances where the separation lines are blurred between the Parliament and the executive, and also between the executive and the civil service.

An example of confusion between the roles and responsibilities of the Parliament *vis-à-vis* the Executive is in the framing of tax policies. Both the *Druk Phuensum Tshogpa* (DPT) government and the *People's Democratic Party* (PDP) government faced this issue. DPT was challenged by the Parliament for implementing the exemption of vehicle tax in 2011, and the PDP for implementing the exemption of book tax in 2015. In both instances the Parliament objected to the government implementing these policies without prior approval. While such tensions arise, the Constitution is quite clear about the roles of the two arms of government, as indicated by its verdict of the vehicle tax in 2011, which ruled that the responsibility of framing taxation policies is vested in the National Assembly (the lower house of Bhutan's Parliament).

### *Democracy and the Civil Service*

Another area where the lines remain quite blurry is within the executive arm of the government. The executive comprises the ministers as policy makers and the civil servants as policy implementers. Although the Constitution and subsequently the

Civil Service Act of 2010 stress the importance of the independence of the ministers and the civil servants, it is not easy to separate their roles. Ideally, the ministers set the policy based on a mandate that is provided to them by the public through the electoral process, and the civil servants implement these policies within the confines of the laws of the land. However, in reality what one observes is that policies are often framed by the civil servants, and ministers tend to be more involved in the implementation of these policies.

The tension between politicians and civil servants in Bhutan are heightened when it pertains to appointments and creation of agencies in the civil service. Two examples to illustrate these points are the appointment of the advisors to the government by the DPT government in 2008 and the creation of the Business Opportunity and Information Centre (BOIC) by the PDP government in 2013.

In the case of the appointment of advisors to the government in 2008, the National Council (the upper house of Bhutan's Parliament) members raised the concern that the appointments were not in line with the rules and regulations that govern the civil service. And, in the creation of the BOIC, the National Council again questioned the legality of its creation outside the ambit of the civil service. There are also some questions directed towards its objectives and the overlapping roles with some other development-related financial institutions. The BOIC was created as a time-bound autonomous agency to stimulate the growth of small and non-formal industries by providing financial support. Whether the DPT and PDP governments are right or wrong is a matter for institutions such as the Supreme Court of Bhutan to interpret; the point made here is that tensions will continue to emerge in various forms between the ministers and the civil service as democracy settles in.

### ***Increasing Role of Other Non-State Actors***

Another actor that has started to play a role in recent years in Bhutan's development is the Civil Society Organisations (CSOs). With the legislation of the Civil Society Organisations Act of Bhutan in 2007, CSOs are mandated to strengthen civil society, promote social welfare, and improve the conditions and quality of life in Bhutan.<sup>12</sup> As of 2015, the CSO Authority ([www.csoa.org.bt](http://www.csoa.org.bt)) has registered 47 Public Benefit Organisations (PBO) and Mutual Benefit Organisations (MBOs) as CSOs.

While the roles of MBOs such as the Association of Bhutanese Tour Operators and Journalists Association of Bhutan do not overlap with the functions of the civil service, the roles of PBOs are oftentimes in parallel to similar organizations in the

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<sup>12</sup>Civil Society Organizations Authority. 2015. <http://csoa.org.bt/content/index.php>.

civil service. Some relevant examples are RENEW (Respect, Educate, Nurture & Empower Women), Rural Education Foundation, and Royal Society for Protection of Nature, whose mandates overlap with the functions of governmental agencies such as National Commission for Women and Children, Ministry of Education, and the Ministry of Agriculture and Forests respectively.

Another critical function that was traditionally within the domain of Bhutan's civil service was in providing policy advice to the government. As most of Bhutan's educated and capable people were in the civil service, it was the natural source of ideas and policy advice (other than the ones sought from international advisors and actors). However, there is a noticeable shift in the arena of providing expert advice to the government. Along with a rising number of local consultants, there is an increasing number of PBOs that are functioning as think tanks. These PBOs seek to conduct research in their area of expertise, and although they have limited influence as think tanks at present, these PBOs could possibly play a bigger role in public policy in Bhutan in the near future.

In addition to these think tanks, increasingly the public is also beginning to make their voices heard in the policy formulation and decision-making process. Some of these voices are being channelled through social media. Although these voices are not necessarily objective or professional, politicians do tend to take them seriously as they matter since they are potential voters. These changes that have resulted in a multitude of actors in the governance process reflect characteristics of network model of public administration.

From within a citizen-state relationship where the public was required to be an obedient party, a trait of the hierarchy/bureaucracy model, there is likely to be a change in the Bhutanese public administration when the public begins to feel empowered with democracy. The changes will be more visible once Bhutan moves away from a developmental state (that is, a state that is significantly dependent on international donors for its income), which is likely to happen sooner than later once almost all international aid stops trickling in and revenues from the large hydropower projects that are near completion start to generate revenue.

### ***Concluding Statements***

The answer to the question, whether the role of Bhutan's civil service in the near future, depends on how the RCSC envisions its role amidst the socio economic and political changes taking place in the country. These changes are inevitable, and it is only a matter of time before they come into effect. The question the civil service needs to ask

itself is: Does Bhutan need a small or a large government?

There are two ways to answer this question. One is in terms of size, that is, Bhutan's civil service numbers should be reduced. Some headway has been made towards a smaller role. Recent policy decisions that reflect this pathway are the granting of autonomy to various government organisations beyond what is prescribed by the Constitution. Organisations such as the Royal University of Bhutan, Jigme Dorji Wangchuck National Referral Hospital, and some schools in Bhutan have recently been granted autonomy and are no longer part of the civil service. On one hand, autonomy may lead to efficient and better outcomes, and on the other hand, there is also the possibility that granting autonomy to some major occupational groups (for instance, Education and Training Services, which in 2014 comprised of 30 percent of the civil service population<sup>13</sup>) could reduce the RCSC's role substantially.

Another way to think about the question of small or large government is in terms of the role. The Bhutanese civil service needs to decide whether or not it plays a smaller or stronger role. There is space for the RCSC to play a stronger role in the Bhutanese state. Within a plural state with multiple and inter-dependent actors, the role of the public administration is important. There is a requirement for the RCSC to coordinate these multiple actors within the policy process. It is at this critical transitory juncture that the civil service in Bhutan needs to do a little soul-searching to look for the public value that drives the civil servants. The RCSC must be able to motivate, financially and otherwise, the existing civil servants to perform their best. At the same time, it must continue to attract and retain new, committed, and dedicated recruits into the civil service.

Returning to the analogy of the boat which this paper first started out with, to describe the role of public administration and applying it to the Bhutanese civil service: Bhutan currently stands at the threshold of moving from 'rowing' to 'steering' and 'serving'. The two functions of steering and serving actually put more control in the hands of public officials. If the Bhutanese public is able to identify and determine the processes through which policies are implemented, then the public administration can play the role of a 'server', and create an enabling environment for the public and other interest groups to decide the destination, the type of boat and the best way to row and steer the boat.

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<sup>13</sup>Royal Civil Service Commission. 2014. Civil Service Statistics (December 2014).