The Bhutan Model of Mindful Development and Governance

Reflections of a Development Economist Visitor to the Dragon Kingdom

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No one spoke of decolonisation of knowledge systems in the late 1990s and early 2000s, as they do today. The literature was skewed towards showing how the invisible hand of the market was an anonymous, hands-off and morally loftier model, whose superior rules-based institutions in a democratic polity accounted for the economic success of the western world.

Luckily for us students of the Tripos in Economics at the University of Cambridge, Professor Ajit Singh was the epitome of a Left-leaning leader of the 1968 student protests, much like Tariq Ali. He gave us a good dose of the actual benefits of the East Asian model that defied the Washington Consensus trope, and accounted for its countries catching up with the most advanced in the world in a generation or two.

Much later, in a course I designed and taught — *Interrogating Histories and Theories of Economic Development* — emphasis was given to such revisionist, heterodox economics and political economy perspectives that always favoured dirigisme over laissez-faire capitalism.

Professor Amartya Sen, who won the Nobel Prize in Economics in 1998 for his contributions to welfare economics — and who happened to be at the University of Cambridge, United Kingdom when he did so — also taught us.

I still remember vividly one of his graduate lectures, where he queried debates in the discipline of economics on whether altruism was a genuine

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non-selfish trait, or a part of a rational, *Homo Economicus* abstract individual's utility function!

In general, he changed the landscape for thinking about poverty and its converse, i.e., wellbeing, by proposing the simple maxim that income — be it of a household or a nation's GDP — is only a means to an end and not the end itself. In critiquing the narrow utility-based approach to assessing welfare in economics, he questioned the link it makes between income and consumption choices on the one hand, and broader wellbeing or quality of life, on the other.

To the question "What is meant by human development?", until this point, the standard answer for economists lay more or less in an adequate living standard for all, circumscribed by a base minimum income level needed to achieve this standard.

Now, Sen was arguing, the importance of a basic income was undeniable but what needed to be added to that metric were acceptable levels of attributes on requisite social indicator dimensions. These included tangible dimensions, such as work, education, health, housing and urban infrastructure, as well as more amorphous ones, such as self-respect, dignity, security, agency and freedom.

His Capability Approach made a fundamental shift from focusing on the means or resources to attain a "decent life" in the fullest Aristotelian sense, to concentrating on actual outcomes, with individual advantage — or lack of it — judged in terms of capabilities to perform certain basic functionings (inter alia, Sen 1982, 1985).

Moving away from a unidimensional income poverty view to a multidimensional framing of what constitutes wellbeing or its obverse — deprivation — meant a shift in its measurement, too.

The below poverty line purchasing power parity measure of a dollar a day from the World Bank's World Development Report came to be supplemented by Indices of Human Development, such as Morriss' physical quality of life (PQLI) index, the forerunner to the human development index (HDI) of the UNDP's Human Development Report.

The latter covers life expectancy, adult literacy and per capita income. A host of other multidimensional indices followed, such as the ones developed by those whose life's work came to be based on Sen's Capability Approach, such as inter-alia Martha Nussbaum and Sabina Alkire.

Attempting to give concrete form to capabilities deemed fundamental, Nussbaum invoked Aristotelian philosophy to endorse a universal set of 10 "basic" capabilities. They included life and bodily health, senses, thought and imagination; emotions; affiliation; play and control over one's environment, which ought to be protected by national constitutional guarantees (Nussbaum 2000).

Yet Sen resisted such "over-specification" of capabilities, entailing a universal and directly political agenda, on the grounds that such a list was contentious and demanded a significant amount of theoretical refinement in order to be operational in the evaluative sphere (Sen 1993).

Capabilities may relate to survival (the capability to drink clean water) or those which are rather less central (the capability to visit one's aunt, the capability to eat rich sweets). The definition of capability does not delimit a certain subset of capabilities as of peculiar importance. Rather, Sen (1992, 1999) argues that the selection of capabilities on which to focus is a value judgement that is to be made explicitly, and in many cases by a process of public debate.

Thus, unlike the basic human needs approaches, Sen has refrained from developing (i) a list of basic capabilities, and (ii) a procedure for identifying which categories, and which capabilities within categories, should have a priority" (Alkire 2002, p.184).

In my monograph for the Oxford University Press, titled *Of Poverty and Plastic: Scavenging and Scrap Trading Entrepreneurs in India's Urban Informal Economy* (Gill 2010), I took up the broad challenge laid out by adherents of a multidimensional Capability Approach, to conduct practical exercises in the field, which shed light on these abstract lists of dimensions of human development, by constructing a composite deprivation index from the data collected in the small-scale household survey of waste workers and a control group (see Chapter 3, Gill 2010).

This process resulted in an index with various components, as below, including those observed at both the individual level (education) and household level (shelter and access to urban services). The empirical results included some astonishing findings in comparison with pure poverty line measures, that are a digression here and are therefore excluded.

Table 1: Components and Indicators of the Composite Measure of Deprivation*

Component	Indicator	Justification for Inclusion of Component / Indicator
Housing	Housing Structure, Ownership	Housing structure strongly impacts the health and safety of occupants, particularly in harsher seasons. Ownership status reflects the relative insecurity and vulnerability engendered by varying categories; also serves as a proxy indicator for ration cards, hence access to subsidised food and nutritional requirements.
Entertainment and Play	Television type and ownership status; Ownership of table fan, water cooler, wristwatch, wall clock, radio, stereo, fridge	Television type and ownership scheme revealed to be a significant marker of wellbeing, including the ability to enjoy entertainment and leisure time. Other consumer durables also reflected the capacity to ease one's living conditions.
Energy Source	Cooking Fuel	Fuel type revealed to be significant in creating negative environmental conditions, as well as impacting health and safety.
Water Access	Water Provision	Water provision found to be crucial in a metropolitan city where its supply is increasingly problematic. Lack of water, particularly clean drinking water, revealed to be a leading cause of serious health complaints.
Education	Level of Study	Literacy and education levels revealed to be very important to an individual's wellbeing.
Health	Access to Health Services	Access to varying types of healthcare provision is revealed to strongly impact wellbeing.
Financial Savings	Membership of Savings Institution	Membership of a savings institution reflected the key ability to withstand shocks of any kind. Deemed especially important as a marker of varying levels of vulnerability since most respondents had sold their village land on migration to the city and did not have that as a fallback risk-insurance strategy.

Component	Indicator	Justification for Inclusion of Component / Indicator
Work Assets and Contract Type	Ownership, Required Assets for Job Type	The ability to work was the only tangible asset for a large majority of respondents and both type and ownership of work assets, as well as contract type, were revealed to be key indicators of ease of work as well as job insecurity and variability in earnings, which in turn fed into varying levels of vulnerability.

**Recreated from Gill 2010, Chapter 3, p. 66-67, Table 3.7.*

It is against the background of such academic and disciplinary antecedents, now overlaid by a decade and a half of serious study of Nalanda Philosophy at Tibet House, New Delhi, and teaching of universal ethics and the principle of non-violence on the basis of the said philosophy, that I write my observations of Bhutan's very unique model.

This was prompted by my receiving an invitation to The Centre for Bhutan Studies' Vajrayana Conference (3-6 June 2025), which gave me the precious opportunity to travel to Thimphu, Paro and Bumthang. It also afforded a meeting with some of the key thinkers and writers on Bhutan's Gross National Happiness (GNH) Index, such as Dasho Karma Ura and Sabina Alkire.

In the usual magic of *tendrel*, or dependent origination, the critical factor was happening to sit next to, and have a discussion with, an editorial board member of The Druk Journal, who invited me to contribute to this special issue on Mindful Governance, Mindful Society.

Now, the Bhutanese reader of this article is likely to have firsthand and superior knowledge of Bhutan's famed multidimensional GNH Index, but just to recap for the general reader, it includes nine domains (with 33 indicators), as below.

Table 2 and Figure 1: Number of, and Actual, Indicators Under Each Domain [of Bhutan's GNH Index]*

#	Domain	No. of Indicators	Indicators
1	Psychological wellbeing	4	Life satisfaction; Positive emotions; Negative emotions; Spirituality
2	Health	4	Mental health; Self-reported health status; Healthy days; Disability
3	Time use	2	Work; Sleep
4	Education	4	Literacy; Schooling; Knowledge; Value
5	Cultural diversity and resilience	4	Speak native language; Cultural participation; Artistic skills; "*Driglam Namzha*", *i.e.,* The Way of Harmony
6	Good governance	4	Government performance; Fundamental rights; Services; Political participation
7	Community vitality	4	Donations (time and money); Community relationship; Family; Safety
8	Ecological diversity and resilience	4	Ecological issues; Responsibility towards the environment; Wildlife damage (rural); Urbanisation issues
9	Living standards	3	Assets; Housing; Household per capita income
	Total	33	

*Compiled and recreated from Karma Ura, Sabina Alkire, Tshoki Zangmo and Karma Wangdi, 2012, *Introduction*, p.8 and p.13.

A passing glance at the above framing of the GNH Index shows clearly that although living standards feature as a key capability domain (as income does in all multidimensional indicators of human development, in the recognition that its importance to wellbeing cannot be denied), there are various other facets that are included and given much salience, such as domains 1-8.

Indeed, it is remarkable that the term, Gross National Happiness, was first coined by the truly visionary fourth King of Bhutan, His Majesty Jigme Singye Wangchuck, because it is only in recent years that very mainstream economists, such as Richard Layard, are seeking to assess and measure "happiness" in advanced industrial societies, and writing what they call field-defining textbooks on the science of wellbeing!

In this paper, I posit that mindful governance — including mindful polity, mindful economy, mindful society — is the trajectory that the fourth King, His Majesty Jigme Singye Wangchuck, premeditatedly set Bhutan on during his truly transformative reign, from 1972-2006. By that, I mean he recognised that opening up the country to a degree and modernising it were inevitable realities whose time had come.

At the same time, it was (and continues to be) a controlled opening up and modernising, with a development model that was not just going to be dictated by conventional economic or modernisation theory. Neither would it be by implicit pressures of what other so-called developing countries had done, in line with received economic theory, or the pressures of Bretton Woods institutions such as the World Bank and IMF, or indeed in defiance of their so-called wisdom.

Bhutan developed very consciously, confidently, slowly and in alignment with all that was unique and precious about its own history, values and circumstances.

This is absolutely extraordinary and not something that I have come across in the context of any other country in the world and certainly not one situated in the Global South.

With the proviso that I am no expert on Bhutan, the guiding sentiment of its citizens, from the highest to the lowest, appears to be to serve the *tsa-wa-sum* – i.e. The King, the country and its government / people.

In terms of polity, it is a monarchy, with the overarching umbrella of leadership provided by benevolent dharma Kings, alongside significant roles for a democratically elected Parliament, as well as civil service and a spiritual clergy and its leaders. For extraordinarily important matters, it seeks the blessings, via oracle, of the founder of Bhutan, Zhabdrung Rinpoche Ngawang Namgyal (1594–1651), who unified the country and established theocratic rule in the 17th century.

In terms of economy, from a late and relatively recent start, with five-year plans only introduced in the early 1960s, it has made vast strides under the fourth King. Quoting His Majesty The King, Jigme Khesar Namgyel Wangchuck, on this progress, as cited in Ura 2023, Volume 1:

> "As a result of national development under the guidance of His Majesty, people across the 20 dzongkhags and 205 gewogs have access to public services and infrastructure, and are able to live in dignity and comfort.
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> Looking back at the beginning of His Majesty's reign, I am struck by the prevailing fiscal situation. The outlay for the third five-year plan that was in progress was a mere Nu. 300 million, contrasted to the outlay for the current 11th five-year plan of Nu. 213 billion, in addition to which we will spend Nu. 200 billion for hydropower development.
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> Hydropower development has been regarded as the most important cornerstone of our development, and described as the wish fulfilling gem and primary wealth of the people. Yet, in 1972, the production of the hydropower sector was barely 1MW. (ibid., p. 4).

India is Bhutan's largest trading partner, with mutual trust and very close bilateral ties in investment, development cooperation, regional security, educational and people-to-people exchange, including for pilgrimage, as the cornerstones.

Economically, the weaknesses that were perceived, especially during and after Covid-19, were unemployment and regional as well as rural-urban inequality, with the east of the country and rural areas lagging behind.

To address the issue of a roughly 9% migration outwards, especially by the educated youth and largely to Australia, His Majesty The King in 2023 proposed the very innovative and ambitious idea of the Gelephu Mindfulness City, as a special administrative region that would be investor-friendly, but not in the usual World Bank sense of the term.

Rather, the plan is to create a city that is architecturally and ecologically in harmony with its surrounds, yet provides gainful employment to educated youth to attract them back to Bhutan. The idea and blueprint for it look extraordinary — like everything Bhutan seems to do — and like nothing I have ever seen before.

It is here that I would like to address the youth of Bhutan, as someone who lived in Cambridge and the United Kingdom for 13 years, loving it while I was there and gaining a lot from it educationally and in my holistic

personality development, yet who returned to live in my own country of India without ever once wishing I had made a different choice.

To go back to the start of this article, i.e., what do we mean by human development and "a good life" in the fullest Aristotelian sense? It is not the chimera of higher incomes and a life of consumption that one sees on the Internet, in Insta-reels of the west, although of course, as His Majesty The King has recognised in his vision for GMC and Bhutan, to some degree those are undeniably important in the 21st century. It is:

- To be embedded in your own culture and society, with its rich networks and insider references.

- To have access to the profound and living Buddhist philosophy of *tendrel* and *jangchub sem* and even vajrayana in its completeness, that has a proven basis-path-result to ultimate happiness.

- To eat and drink organically and be surrounded by dense forests and high mountains and nature in all its pristine glory.

- To wear with panache your own *ghos* and *kiras* with their own coded fashionista colour-palette known only to locals, and speak and cuss in Dzongkha, without ever having to interpret and censor your own culture for others in English 24/7.

- To have the capability to have a meal of *ema-datshi* with your grandmother or your childhood best friend, and amble down the one-horse Paro High Street after a visit to the glorious Kyichu Lakhang.

- To effortlessly hold within you the bandwidth to be superb in your chosen field while also respecting and venerating the values with which you were raised and that you took for granted until you reached a foreign shore.

If you tried to have all the above in a land far from your own, their monetised commodified value would run into millions in dollar terms, and even if you could afford them, you could not have them, for they are not a matter of mere income.

Globalisation has not worked for the many advanced industrial countries, and their ire — wrongheadedly but understandably given the narrative sold to them by populist leaders — is directed against the non-white immigrant, dangerously so at this time in history, and manifesting in outright violence or lifelong subtler microaggressions.

So why would one become an immigrant — as a figure of pathos in a Jhumpa Lahiri novel like *The Namesake* — when one can live a life of belonging in an Edward Hopper painting set in a magical Buddhist Kingdom, that is the entire country of Bhutan, and especially some of its areas, such as the *beyul* of Bumthang? This is a million-dollar question, especially to a development economist visitor to your land, such as myself.

The only possible answer that comes to mind is that for us samsaric beings overtaken by *takzin marigpa* or self-grasping ignorance, fundamentally misconceiving the nature of reality, the virtual world of illusion-like possibilities that are shown to us add another thick layer of ignorance, wrongly conceiving the grass as greener on the other side of the world. By the time we wake up, it is too late and we are too old.

So, to the young Bhutanese non-residents reading this, I would urge you, do support His Majesty The King in his quest to lure back the talent to Bhutan, for your own long-term happiness. See your land through the eyes of visitors to it, for then such a decision is the only possible one to make.

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