Democracy, Good Governance and Happiness:

Some Views from the Kingdom of Bhutan

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Democracy, Good Governance and Happiness:

SOME VIEWS FROM THE KINGDOM OF BHUTAN

Abstract

Bhutan is making the transition to parliamentary democracy. But it is doing so in its own distinct way. Rather than simply adopting a Western model of liberal democracy, Bhutan has selected the elements of a democratic system that it feels will best contribute to its desired outcome – a state governed according to its philosophy of Gross National Happiness (GNH).

This paper reflects on the prospects of Bhutan's democratic transition, drawing on lessons of international experience and on the Kingdom's own unique characteristics. Part One examines the international community's prevailing definitions, reviews some theories of democracy against actual performance on the ground, and summarises the confusion underpinning dominant hypotheses for democratic transition. It suggests the need for clearer distinction between ends and means with respect to governance, and for more penetrating analysis of the causal factors behind democratic deficits.

Part Two introduces Bhutan, outlining its context and planned governance reforms. Using international criteria, Bhutan may appear to be embarking on a risky venture. But the paper identifies a number of strong mitigating factors in Bhutan's

favour, especially the guiding hand of the King, the quality of today's policy-makers and the country's pragmatic, trial-and-error approach, all of which will contribute toward a successful transition. To perpetuate good governance, however, the paper suggests that Bhutan's own internal logic may need to be taken even further.

Introduction

This paper was inspired by the drafting of Bhutan's first written Constitution,[1] released for public consultation on 26 March 2005. The country already had many of the institutions and legislation necessary for the effective management of the state. However, His Majesty, King Jigme Singye Wangchuck, felt it was time to consolidate the country's legal framework into a supreme law and, in so doing, to take the next steps in governance reform.

While Bhutan had developed home-grown systems of democratic governance over decades (e.g. election of village heads, local representatives to a National Assembly, municipal councillors and Royal Advisory Councillors) and had experimented with elements of international democratic experience (e.g. universal suffrage, decentralisation of authority and finances to locally elected bodies), the draft Constitution nevertheless represents a quantum change. It makes the leap to multi-party democracy.[2]

The system of governance in Bhutan is considered by many to be of high standard. While authoritarian in character, policies and programmes have consistently been made in the interest of

the people. The King is widely considered benevolent and wise. The people are not clambering for multi-party democracy, neither the masses nor the elite. No foreign power is exerting significant pressure in this direction. So, many Bhutanese are wondering, if the system didn't need fixing, why change it?

The King has repeatedly explained that no governance system heavily dependent on the character and designs of a single person is good for the people in the long run. Therefore, of his own accord, he set about realising a grand plan to transition the country from an absolute to a constitutional monarchy, within a parliamentary democracy. In so doing, he embarked on an intriguing experiment in social engineering.

The draft Constitution of Bhutan has several remarkable features. Firstly, it tries to capture the vision of a GNH[3] state, eliciting high ethical values and principles that, unfortunately, seem almost old fashioned in this day and age. Secondly, it is based solidly on Bhutan's own governance experience and socio-cultural context. Although it draws upon some elements of international norms and experience, its point of departure is unequivocally Bhutanese. Thirdly, it was designed by first envisioning the desired outcomes, then by studying the main problems facing democratic countries today, and finally by tailoring the system to achieve Bhutan's desired outcomes, while trying to avoid common pitfalls observed elsewhere.

In the context of these unusual circumstances, I found my preconceived notions of good governance and democracy challenged. In today's heyday of liberal democracy, why does democratic governance so often fail to deliver on its promises?

Is poverty born under democracy's watch any better than its ailing brother conceived of autocratic parentage? If the liberal democratic model is so vulnerable to distortion and corruption, or so dependent on preconditions characteristic of the West, why have so many countries rushed to adopt it? Why are socio-economic inequalities expanding under so many democracies, old and new? If the remedy for today's democratic deficits is simply more and deeper democracy, why do we not see better results? This line of enquiry sent me back to some of the classical thinkers on democracy, to assessments of democracy's current state of health around the world, and to the fundamental aims of Bhutan's experiment in democracy. A new way of looking at the issues emerged, more nuanced in perspective.

This paper briefly traces my thought journey. It does not pretend to be either comprehensive or exhaustive. It certainly does not provide a complete assessment of Bhutan's governance challenges. It draws unashamedly from a selected group of writers (see footnotes), and on almost four years of close association with Bhutan.

The objective is to offer some food for thought on enhancing democracy's performance by, first, stealing a glance under the carpet of conventional wisdom on liberal democracy to ascertain what is really going on and, second, examining Bhutan's unique approach to democratisation.

Part I: International Context

Good Governance and Democracy: sifting the wheat from the chaff

Good governance is the bedrock of productive and peaceful societies. It has been the pursuit of peoples since time immemorial. Although different systems of governance have arisen in various parts of the world, there began a gradual convergence toward the Western liberal democratic model during the latter part of the last century. This trend reached such proportions that by the 1990s the term 'good governance' came to be used interchangeably with 'democratic governance', meaning liberal democracy. But what do we actually mean by 'good governance' and 'democratic governance'?

Definitions – 'a rose by any other name?'

Development organisations that advocate for good governance and democracy world wide tend to use the terms loosely, as though the meanings were obvious. Some examples of their definitions are:

UNDP – *Good governance* translates into governance for human development, which "is about having efficient institutions and rules that promote development by making markets work and ensuring that public services live up to their name. But it is also about protecting human rights, promoting wider participation in the institutions and rules that affect people's lives and achieving more equitable economic and social outcomes... Governance for human development must be

democratic in substance and in form – by the people and for the people."[4]

World Bank – *Governance* is "the traditions and institutions by which authority in a country is exercised for the common good. This includes (i) the process by which those in authority are selected, monitored and replaced, (ii) the capacity of the government to effectively manage its resources and implement sound policies, and (iii) the respect of citizens and the state for the institutions that govern economic and social interactions among them."[5]

European Commission – *Good governance* exists "as the concepts of human rights, democratisation and democracy, the rule of law, civil society, decentralised power sharing and sound public administration gain importance and relevance, and society develops a more sophisticated political system."[6]

USAID – *Good governance* "assumes a government's ability to maintain social peace, guarantee law and order, promote or create conditions necessary for economic growth, and ensure a minimum level of social security."[7]

CIDA – *Good governance* "is the exercise of power by various levels of government that is effective, honest, equitable, transparent and accountable."[8]

AsDB – The four basic elements of *good governance* are: "accountability, participation, predictability, and transparency."[9]

While these definitions contain some overlapping features, they also reveal considerable differences. They are somewhat hybrid in that they mix means (rules, processes, institutions) with ends (equity-UNDP, human development-UNDP, sound policy-WB, social peace-USAID, minimum level of social security-USAID). Yet despite the differences in definition, most international organizations currently equate good governance with democratic governance in practice.

With respect to democratic governance, there is a broad spectrum of definitions. At one end of that spectrum, one of the minimalist definitions recognises democracy as a "political system of political rights that specifies how leadership should be designated at the highest national level in a polity."[10] Very broad indeed. At the other end of the spectrum, a maximalist definition describes a country as democratic when it encompasses "not only a civilian, constitutional, multiparty regime, with regular, free and fair elections and universal suffrage, but organizational and informational pluralism; extensive civil liberties (freedom of expression, freedom of the press, freedom to form and join organisations); effective power for elected officials; and functional autonomy for legislative, executive and judicial organs of government."[11]

Based on these and other definitions, several international institutions have attempted to devise conceptual frameworks for good governance to guide their operational work. One such framework, recently proposed by a bilateral aid agency to the Royal Government of Bhutan, included the following system level goals: capability of the public sector, accountability and voice, transparency, political stability, rule of law, participation

and representation. While these elements are certainly laudable in and of themselves, it is difficult to understand how they relate to one another, what rationale is used for their inclusion over other equally noble system level goals (such as equitable policy outcomes, efficiency, etc.), and what overall system is being referred to. Insubstantial conceptual frameworks such as this, of which there are many, are as good as no conceptual framework.

The premise of this paper is that such conceptual fuzziness persists because we have confused ends with means. Good governance exists when the results produced by a particular system of governance correspond to the collective needs and aspirations of the society that is governed.[12] As society's needs and aspirations differ across countries and over time, so have systems of governance evolved to meet different expectations. The extent to which governance succeeds in meeting societies' requirements and objectives qualifies the system as good or otherwise.

This is a relative definition, challenged by those who perceive certain universal values embodied in the democratic system. I contend that these values would best be separated from a particular system of governance when qualifying it because of the disconnect that emerges between theory and practice. For example, in countries where democratic governance produces high inequalities, systematic social injustice and insecurity, the system cannot be positively qualified in the name of equality, freedom, and participation, regardless of whether these values are universal or not. We cannot qualify a system by its intentions. We must qualify it by the outcomes it produces. By

definition, then, good governance produces good societal outcomes according to that particular society's expectations. Democratic governance in practice may produce good or bad outcomes depending on a large range of factors. Democratic governance equals good governance only when it produces outcomes desired by the society.

Societies and their governments would thus be wise to clarify exactly what outcomes they aspire toward. Too often, these are only vaguely assumed, leaving open huge opportunities for misunderstandings, unaccountable governance, disappointment for the people, and misguided action by development partners. It also serves as an invitation to widen the gap between theory and practice. This disconnect is explored below.

Theory versus Practice of Liberal Democracy

Western liberal democratic theory

The Western liberal democratic system consists of two parts -- liberalism and democracy. The term liberalism in this context is used in its classical sense, evoking the values of public authority constrained by law, individual human rights and liberties, and rights to private property.[13] Unlike in the 1800s and early 1900s, countries classified as democratic today are nearly all liberal to some degree and *vice versa*. Conventional wisdom tells us that if you want one, you must also take the other, as if they were inextricable parts of a natural whole. But examples of illiberal democracies abound, to greater or lesser degrees (e.g. Georgia, Indonesia, Venezuela), as do cases of liberal authoritarian regimes (e.g. Bhutan, Tunisia, Malaysia). Clearly, liberalism and

democracy are not a package deal. The evolution of liberal democracy is, in fact, a veritable history of competition and conflict between its two components, one part usually dominating over the other in any given period. And even within the two parts, huge variations exist across countries' liberalism (e.g. with respect to open market policies, or human rights, or private property rights) and their degree of democracy (e.g. free and fair elections, or ability of people to influence policies that effect them, or freedom to form political groups).

Today's liberal democratic model of governance has its origins in ancient Greece. Unfortunately, information on indigenous democratic practices outside the West is less well documented. Therefore this paper confines itself to the Western perspective.[14]

One of the clearest theoretical descriptions of Western democracy as conceived by the ancient Greeks is that of Robert A. Dahl.[15] He describes five key criteria for full fledged procedural democracy. Any compromise on one or more criteria results in partial procedural democracy, or democracy with respect to some essential aspects of governance but not others.

Robert A. Dahl's five criteria for full procedural democracy are: (i) *political equality*, for which different mechanisms are employed for various purposes (e.g. one person one vote, free and fair elections), and for which the methodological variants should be assessed on the basis of how well they support the criteria of political equality; (ii*) effective participation*, in which all citizens have adequate and equal opportunities to express preferences as to final outcomes (e.g. freedom of expression and

association, access to alternative information, etc.); (iii) *enlightened understanding*, whereby each citizen has adequate and equal opportunities for discovering and validating what his/her preference is on a public issue (e.g. access to alternative information, education, freedom of thought and beliefs), (iv) *final control of the agenda*, in which citizens may decide on the topics for public decision-making (they may also decide collectively that certain decisions be made outside the democratic process), and; (v) *inclusiveness*, in which all adults subject to a government and its laws have the right to participate as full members of the democratic process (e.g. universal suffrage, right to run for elected office).

Dahl's analysis shatters the image of states being either democratic or not. Much of his work has been dedicated to explaining how liberal democracies today are, in fact, not democratic in the classical definition of the term, hence his preference for the term 'polyarchy'.[16] Polyarchies are characterized by two fundamental principles: firstly, citizenship is extended to the vast majority of adults in the country and, secondly, citizens are allowed to vote out the highest government officials. Polyarchies can be recognised by the following institutional practices.[17]

(i) *Elected officials*. Control over government policy decisions is constitutionally vested in elected officials.

(ii) *Free and fair elections*. Elected officials are chosen in frequent and fairly conducted elections in which coercion is uncommon.

(iii) *Inclusive suffrage*. Practically all adults have the right to vote in the election of officials.

(iv) *Right to run for office*. Practically all adults have the right to run for elective offices in the government, although age limits may be higher for holding office than for the suffrage.

(v) *Freedom of expression*. Citizens have a right to express themselves without the danger of severe punishment on political matters broadly defined, including criticism of officials, the government, the regime, the socio-economic order, and the prevailing ideology.

(iv) *Alternative information*. Citizens have a right to seek out alternative sources of information. Moreover, alternative sources of information exist and are protected by laws.

(vi) *Associational autonomy*. To achieve their various rights, citizens also have a right to form relatively independent associations or organizations, including independent political parties and interest groups.

Dahl concludes that while no single characteristic can account for a state being polyarchic or not, if all characteristics are absent or extremely weak, then polyarchy exists only in name. In most countries, however, the situation is mixed. While some of the characteristics may be relatively strong, others are weak. And, of course, characteristics may change within a country over time, either strengthening or weakening its democratic nature.

Dismal democracy in practice

The above section differentiates between degrees of democratic practice based on adherence to specific criteria. This provides a useful platform from which to assess democracy in practice today. Although such an assessment can only be done meaningfully on a country-specific basis, some general trends may be observed.

Broadly speaking, it appears not too difficult to attain procedural democracy in a narrow sense, including some elements of the criteria of political equality and effective participation, nor is it very difficult (from a systems design perspective) to meet the inclusiveness criteria. Perhaps this is why disproportionate emphasis is currently placed on elections and universal suffrage over other essential democratic criteria. Liberal democracies today tend to perform much more poorly on the third and fourth criteria, namely 'enlightened understanding of the population' and 'final control of the agenda by the population'. These are, however, gross generalisations. At the country specific level, assessments against these criteria will likely register democratic deficits across-the-board to greater or lesser degrees. And the problems are very different from one country to another.

Of the 119 countries classified as democratic[18] in Freedom House's 2005 report[19], 89 are rated as 'free' while 30 are classified as 'partly free'.[20] One quarter of the world's liberal democracies are thus deficient in one or more criteria. They constitute a group of so-called pseudo-democracies with hybrid systems preserving "a façade of electoral contestation."[21] Among

them we find, not surprisingly, a good number of countries from the former Soviet Union (e.g. Armenia, Azerbaijan, Belarus, Kazakhstan, Russia), but also a broad set of countries across all regions (e.g. Nicaragua, Guatemala, Paraguay, Albania, Moldova, Mongolia, Kenya, Madagascar, Sierra Leone).

Critics of Freedom House's methodology have suggested that it may be over-counting the number of 'free' democracies in the world, arguing that many so-called democracies possess weak constitutional and legal frameworks and that, in this context, their free and fair elections enable illiberal majority groups to misuse power.

In 2002, Thomas Carothers, Carnegie Endowment for International Peace in Washington D.C., concluded that of the nearly 100 countries that attempted to democratise in the final quarter of the 20th century, fewer than 20 were "clearly en route to becoming successful, well-functioning democracies or [had] at least made some democratic progress and still enjoy[ed] a positive dynamic of democratisation."[22]

That same year UNDP's *Human Development Report* was a little more generous in its conclusions. Despite national elections based on universal suffrage, the report concluded that of the 81 countries that transitioned to democracy during the 1980s and 1990s, only 47 could be considered *functional democracies*.[23]

Regardless of the exact figure, Carothers claimed that the bulk of transitional democracies had "entered a political grey zone.

They have some attributes of democratic political life, including at least limited political space for opposition parties and independent civil society, as well as regular elections and democratic constitutions. Yet they suffer from serious democratic deficits, often including poor representation of citizens' interests, low levels of political participation beyond voting, frequent abuse of the law by government officials, elections of uncertain legitimacy, very low levels of public confidence in state institutions, and persistently poor institutional performance by the state."[24] Two political syndromes were identified by Carothers as affecting countries in the grey zone -- *feckless pluralism* and *dominant-power politics* -- both of which seemed at that time to have produced a kind of hovering, negative stability (*feckless pluralism* being stuck in its own 'dysfunctional equilibrium' and *dominant-power politics* having imposed a form of stasis).[25]

> Countries whose political life is marked by feckless pluralism tend to have significant amounts of political freedom, regular elections, and alternation of power between genuinely different political groupings. Despite these positive features, however, democracy remains shallow and troubled. Political participation, though broad at election time, extends little beyond voting. Political elites from all the major parties or groupings are widely perceived as corrupt, self-interested, and ineffective. The alternation of power seems only to trade the country's problems back and forth from one hapless side to the other... Overall politics is widely seen as a stale, corrupt, elite-dominated domain that delivers little good to the country and commands equally little respect. And the state remains persistently weak...

> Countries with [dominant-power politics]... have limited but, still real political space, some political contestation by opposition groups, and at least most of the basic institutional forms of democracy. Yet one political grouping – whether it is a movement, a party, an extended family, or a single leader – dominates the system in such a way that there appears to be little prospect of alternation of power in the foreseeable future... [A] key political problem in dominant-power countries is the blurring of the line between the state and the ruling party (or ruling political forces). The state's main assets – that is to say, the state as a source of money, jobs, public information (via state media), and police power – are gradually put in the direct service of the ruling party... The state tends to be as weak and poorly performing in dominant-power countries as in feckless-pluralist countries, though the problem is often a bureaucracy decaying under the stagnancy of de facto one-party ruling rather than the disorganized, unstable nature of state management (such as the constant turnover of ministers) typical of feckless pluralism. The long hold on power by one political group usually produces large-scale corruption and crony capitalism.[26]

Today, three years after Carothers' thought-provoking assessment of the democratic paradigm, his views have become more pessimistic. "The former Soviet Union has gone from democratic frontier to democratic wasteland in just over a decade. South America is facing a crisis of democracy marked by political instability, rising conflict, and declining public belief in democratic institutions**....** Dozens of African countries have seen once-promising democratic openings deliver only weak pluralism at best, or destructive civil conflict at worst... In many new democracies, citizens are seriously disenchanted with

their governments. This disenchantment is turning into a larger loss of belief in democracy itself."[27]

Although the old democracies come across scot-free in Freedom House's books, this hides a rising democratic malaise within the countries of Europe and North America. Two important indicators of this are public opinion and political participation. U.S. public opinion of its government today has never been so low (polls registered a 40 percent decline in positive public attitude toward the federal government from its popularity heyday in the 1960s). Election participation rates are down in most Western democracies – hovering around 50 percent of eligible voters in the US presidential elections[28] and below 40 percent for mid-term elections (congress and senate).[29] And membership in political parties is at an all time low. In France, Italy, Norway and the U.S., political party membership plummeted by 50 percent from its level some twenty years ago.[30] These trends are worrisome because a politically active citizenry is central to the proper functioning of the liberal democratic model. The fact that the mantel of political correctness has tried to seal the topic from open discussion is another disturbing sign that all is not well.

Fareed Zakaria, journalist and observer of politics in the United States, identifies systemic issues as the root cause for the American people's disappointment in its governance. He contends that a central problem is insufficient buffering for government from lobby groups and opinion polls, which makes it almost impossible for governments to make tough or complex decisions for the public good. He espouses more representative democracy and less direct democracy in order to

protect certain decision-making independence from the sea of US lobby groups and opinion polls that so easily sway elected officials from the pursuit of the common good. "What we need in politics today is not more democracy but less."[31]

Benjamin R. Barber, professor of political science at Rutgers University, explains it differently. He sees the United State's democratic problems as rooted in an erosion of the essence of citizenry.[32] He contends that within every citizen of a liberal democratic regime, there is a dual identity: one that must demand his/her individual rights and express individual preferences (private sphere), and one that must participate in collective decisions for the common good (public sphere). For liberal democracy to function properly, the roles and responsibilities associated with these two facets must be balanced within the citizenry. In the United States, as the forces of free market economics grew, they became increasingly effective at appealing to the consumerist tendencies of citizens (private sphere). Unfortunately, no counterforce appealed with equal vigour to the public sphere of citizens' identity. The resultant imbalance gradually reached such proportions that the public sense of responsibility of today's citizens toward the community and the nation is all but eclipsed by their individual, private, consumerist personas. Yet "citizens cannot be understood as mere consumers because individual desire is not the same thing as common ground, and public good is always something more than an aggregation of private wants."[33]

A good example of this syndrome at work lies in the field of education, where it is thought that the problems with public schooling can be addressed through private choice:

> Through education vouchers[34] we are able, one by one, to leave our indelible marks on policy options that in serving private choice no longer reflect public goods. I want a school where my kid gets the very best; you want a school where your kid is not slowed down by those less gifted or less adequately prepared; she wants a school where groups whose 'disadvantaged backgrounds' (often kids of colour) won't stand in the way of her daughter's learning; he (a person of colour) wants a school where he has maximum choice to move his kid out of 'failing schools' and into successful ones... What do we get? The satisfaction (sometimes) of those private wants through a fragmented system in which individuals secede from the public realm. And thus the undermining of a system to which we can subscribe in common. No one wants a country defined by deep educational injustice and the surrender of a public and civic pedagogy whose absence will ultimately impact even our own private choices. Certainly that is not what we opt for when we express our personal wants with respect to our own kids. Yet aggregating our private choices as educational consumers in fact yields an inegalitarian and highly segmented society in which the least advantaged are further disadvantaged as the wealthy retreat from the public sector. As citizens, we would never consciously select such an outcome, but in practice what is good 'for me' the educational consumer turns out to be a disaster for us as citizens and civic educators and thus for me the citizen of an American commons (or what's left of it).[35]

Barber refers to the situation in America today as a form of "soft tyranny", where the steady bombardment of consumerist messages through advertising, TV, cinema, etc., have subtly deluded citizens into thinking that (i) they are free (when, in

fact, many of their consumerist 'wants' have been fabricated exogenously for them), and (ii) that they are part of, and contributing to, a collective America when, in fact, they are becoming more and more isolated through excessive exercise of private choice, at the expense of public concerns. Thus, private freedom has gradually, invisibly strangled public liberty (as defined by people's capacity to make or influence public choices). "This explains how a society without villains or conspirators, composed of good willed but self-seeking individuals like us, can produce a culture which many of us despise." [36]

The facts point to a gathering storm around the very legitimacy of the liberal democratic system as practiced today in both old and new democracies. 'Consumer democracy', 'sham democracy', 'bandit democracy', even 'fascist democracy' are labels appearing in print with increasing frequency.[37] The Gallup International Millennium Survey of 60,000 people in 60 countries (including both old and new democracies) revealed that only 10 percent of respondents felt their governments were responsive to the will of the people.[38] Observing the current practice of liberal democracy thus begs the following questions: is it really the best system to reduce poverty, to balance society's current needs with those of future generations, to serve the public good in general? And if it is, why is it not doing a better job of it?

> Partial democracy is worse than dictatorship. Dictators tell you what to think, so you think the opposite. Partial democracies manipulate the mind, spread fear and arrest independent thinking.[39]

Clearly, it is very difficult to engineer and calibrate liberal democracy to function as expected and to produce desired results. Numerous prerequisites are required, themselves dependent on a wide range of factors -- systems, mechanisms, actors and participants. The democratic system is particularly susceptible to the character and intent of key individuals within the system, and to forces embedded in its general institutional and cultural environment. When not attended to by a vigilant, engaged citizenry, it is co-opted by other forces, deterring it from its original function and purpose.

Given democracy's vulnerability to corrosion and corruption, why have so many countries embraced it? Understanding the causal factors behind democracy's spread is important if we hope to be able to improve its performance.

Can we Explain Liberal Democracy's Rapid Spread?

Many different theories have tried to explain the rapid global spread of liberal democracy, particularly during the last quarter of the 20th century. Some point to internal preconditions, others to external factors. Already in the early 1990s, Samuel P. Huntington had identified no less than 27 explanatory variables for democratisation,[40] ranging from economic development to culture, and from socio-political institutions to religious beliefs.

Revisiting some of the main hypotheses in light of recent assessments of the health of liberal democracy today is enlightening. Certain long and widely held views now appear naïve and confused. And yesterday's controversial explanations somehow seem more plausible today.

'Capitalism first' versus 'democracy first' explanations

"No bourgeoisie, no democracy." wrote the renowned social scientist Barrington Moore, Jr. in his seminal work "Social Origins of Dictatorship and Democracy".[41] Many scholars of the origins and evolution of liberal democracies in the West came to the same conclusion, although they may have emphasized different characteristics of the same general notion. Dahl refers to it as the "modern, organisationally pluralist society". Others single out particular sub-characteristics, such as the business-class, market-oriented economies, economic development, etc.[42] All are considered not only prerequisites for successful democratisation, but also the driving force that leads to democratisation.

Proponents of this theory justify it by tracing the development of liberalism in the West, from the first private property rights in connection with expanding European trade, through the gradual development of capitalist space, to the formation of a bourgeois class that ultimately came to rival the authority of the ruling monarch, and the introduction of increasingly participative forms of governance. They point out that it was the merchants followed by the bourgeoisie who instigated the first institutions of people's representation, developing political institutions and mechanisms that they, and others, could influence. Their conclusion? Without a strong capitalist class, there would be no development of political institutions that represent class interests, and no smooth transition to democracy. "Modern democracy is a product of the capitalist process."[43] Of course, these scholars recognize that there have been many cases of countries with weak capitalist classes and

little familiarity with classical liberal values that have transitioned to democracy. But they conclude that the majority of these countries failed to develop democratic systems in any meaningful sense beyond the mere fact of holding multiparty elections.

One conclusion that emerged from this theory was that social equality (produced through market economic forces in the case of Europe) was conducive to democratisation since diffusion of economic power rendered political plurality more palatable. Conversely, "the more the sources of power, status and wealth are concentrated in the state, the harder it is to institutionalise democracy."[44] And, "although the political equality of citizens... is... possible in societies marked by a high degree of [economic] inequality, the contradiction between political and economic inequality opens the field for tensions, institutional distortions, instability and recurrent violence...[and may prevent] the consolidation of democracy."[45] This idea evolved into the notion that in poor countries with high inequality, market economies were actually required in order to keep resources out of state control so as to avoid rampant corruption and elite rent seeking behaviour.

This theory contends that market economies create socio-political pluralist dynamics that push for democratisation. Curiously the same theory lay behind the popularly held notion of the 1960s and 1970s that authoritarian rule might be better at producing socio-economic and institutional pre-conditions necessary for subsequent democratisation. This view petered out during the 1980s in the face of numerous authoritarian regimes that failed to bring prosperity. And by

the late-1980s, democracy and economic development were being perceived to "go hand in hand – or even more strongly, that democracy, with its presumably better systems of representation and accountable governance, actually facilitates economic growth."[46]

This reversal in theory was recently restated by Siegle, Weinstein and Halperin, who argued that "countries frequently remain poor precisely because they retain autocratic political structures; democracy brings the political checks and balances, responsiveness to citizen priorities, openness, and self-correcting mechanisms – all of which contribute to steady growth and superior living conditions."[47] The list of democracy's assumed consequences has been further extended by many Western countries to include the eradication of terrorism.

Ironically, this categorical restatement of views from the 1990s occurs at the same time that a significant part of the developing world is concluding just the opposite: that authoritarian regimes may, after all, be better at producing socio-economic development and fighting terrorism, and that successful democracy can only be achieved thereafter. Thus we are back full circle to the 1960s.

Clearly, the international community is lost in a classic chicken or egg conundrum. And perhaps the real explanation for both successful democratisation and development lies in completely different factors that have yet to capture our imagination.

Adrian Leftwich, of the University of York, claims that the data do not suggest any relationship whatsoever between democracy

and development "nor, more generally, between any regime type and economic performance... [I]t has not been the regime type but the kind and character of the state and its associated politics that have been decisive in influencing development performance. This in turn highlights the primacy of politics, not simply governance, as a central determinant of development. In short, the combination of democratic politics and economic liberalism has rarely been associated with the critical early breakthroughs from agrarianism to industrialism, now or in the past."[48]

No democracy, no development assistance

For many decades the world's most powerful and influential nations have promoted liberal democracy as the best (or least worst) form of governance. While they did this rather discretely prior to the 1980s and 1990s, they took a more proactive approach thereafter. "Between 1989 and 1991 there followed a flow of pronouncements on governance, democracy and the relationship of either or both to development. These pronouncements issued from all major Western governments and were especially forceful from the British, French, German, Nordic governments and the U.S. They were supported by the main international development institutions."[49]

In 1989, the European Union made democratisation a central condition for its development assistance to Africa (Convention of Lome IV). For the first time, recipient countries that made insufficient efforts to democratise could suffer a suspension of development assistance from the European Commission.

In April 1990, at a meeting of the Bretton Woods Committee in Washington D.C., U.S. Assistant Secretary of State for African Affairs, Herman Cohen, stated "it is likely that democratisation would become the third conditionality for U.S. assistance, after World Bank/IMF approval of economic policies and U.S. assessment of a country's human rights record."[50] One month later, John Major in his then capacity as UK Chancellor of the Exchequer declared that developing country governments had to "become more accountable to their people before rich nations could justify further aid."[51]

Then in June 1990, President Mitterand, in his famous speech to the 16th Franco-African Summit at La Baule, announced that the continuation of French development assistance to Africa would thereafter be conditional on democratic transition (emphasizing free elections, free press, independence of the judiciary, and multi-partism). The message was clear: no democracy; no French aid.

This phenomenon occurred at the height of the structural adjustment period when international organisations, supported by countries of the Organisation for Economic Cooperation and Development (OECD), were insisting that developing countries privatise state-owned enterprises, downsize their governments, and open up their economies to foreign investors.

Some authors argue that this more aggressive push for democracy abroad by OECD countries was motivated by rising concerns over global human rights abuses. Others argue that it was a means of accelerating some of the persistently stubborn privatisations of state-owned companies in developing

countries, to foreign advantage. Whatever the reasons, five years after Mitterand's La Baule address, of the 32 countries that attended the summit, all 22 francophone African nations had installed some form of multi-partism, 17 nations had crafted new Constitutions, and close to 50 elections had been held at various levels.

The Trojan horse theory

This is a very controversial theory. It builds on one of the two explanatory motivations alluded to above, linking OECD country promotion of democracy abroad to self-interested economic gains. The theory has two strands. The first dates back to the aftermath of World War II, when the allied forces created international conditions to avoid a third world war with the establishment of the United Nations, leaving European nations free to focus on national reconstruction, and to consolidate the conditions for social peace and economic growth. This led to the 30 glorious years of post-WW II growth, which continued until the first oil crisis in the 1970s. A popular association between democracy and economic prosperity formed during this period, but was initially reserved for the West. Indeed, within OECD countries, the two co-existed synergistically at that time to the benefit of society as a whole (since the economic pie was growing) and to the particular profit of some people/companies that did extraordinarily well.

The first oil crisis came as a wake up call for those who expected growth in prosperity *ad infinitum* under the same conditions (e.g. mainly within national boundaries). Faced with hard domestic supply constraint, combined with the gradual

rise in domestic environmental lobby groups, market forces within OECD countries began searching aggressively for economic opportunities to expand elsewhere -- abroad. This is the second strand of the Trojan horse theory. Proponents of the theory point out that the subsequent period (1980s and 1990s) corresponds to the acceleration of economic globalisation, during which OECD country markets became increasingly intertwined among themselves and with the rest of the world. Whereas global trade as a percentage of global GDP increased from 24 to 26 percent between 1960 and 1970, it rose to 38 percent in 1980 and by the year 2000 stood at 50 percent.[52]

Within this contextual backdrop, the Trojan horse theory holds that democracy was used, perhaps inadvertently, as a peon by OECD countries to help open up foreign markets abroad for purposes of economic expansion. It does not suggest conspiracy. Rather, it suggests that as conventional wisdom had associated democracy with economic growth at home in Post-WW II Europe and North America, it was assumed that the same held true for other countries, irrespective of their socio-cultural, political and economic context. And as this notion conveniently served the interests of Western economic expansion (in fact, the surest safeguard for domestic investments abroad was assumed to be liberal democratic governance committed to open market economics), the hypothesis was, perhaps, not scrutinized as rigorously as it might otherwise have been. The export of liberal democracy thus became a formal policy.

When measured by its ability to grow the economies of OECD countries, the global expansion of the liberal democratic model has been highly successful. In fact, it has made possible

enormous economic profit by both foreign companies and elite groups across the developing world. But the majority of citizens in these countries have not benefited proportionately. Thus, proponents of this theory claim that whether or not liberal democracy is the best (or least worst) system of governance depends on who you are.

The Trojan horse theory goes on to explain that one reason enabling both foreign and domestic elite capture political power and economic gains, is inadequate public sector control over market forces. Market forces themselves are not considered the culprit. But foreign and domestic elite capture enabled through unbridled market forces is another story. The theory postulates that due to inadequate control mechanisms, market forces were allowed to sidle into the driving seat of liberal democratic systems. Being primarily concerned with profit maximisation, they attacked any obstacle in their path, including their own host (democracy). The biological name for such an organism is a 'parasite'. And being morally and ethically blind, they found little use for other liberal values such as social equity and the public good, or for troublesome concerns like environmental sustainability.

Those who uphold this theory point out that this phenomenon is observed not only within the newer liberal democracies of the developing world, but also in the old democracies. Barber, in 2004, noted that:

> Capitalism may actually be de-democratising America. That is the disturbing conclusion of a new American Political Science Association report [2004]. It notes that disparities of

> income, wealth, and access to opportunity are growing more sharply in the United States than in other nations....This, while the political voice of those on the economic margins grows weaker....That's not because the market isn't working, but because the market is working all too well at reinforcing inequalities, in the absence of any serious effort by government to control it. In so doing, we are undermining the promise of American democracy.[53]

Clearly, this is not a popular hypothesis in this day and age. But its proponents claim that it explains, for example, why the international community tolerates Vietnam (liberalising in the open market sense, but not democratic nor liberal with respect to human rights), while it does not tolerate Venezuela (with a democratically elected leader, but who recently launched a drive to nationalise strategic oil industries).

The democratic transition paradigm

This paradigm does not exactly explain the rapid rise in democratisation. Instead, it takes it for granted that liberal democracy is the best, or least worst form of governance to which all countries either do or will aspire toward, for the simple reason that it is the best.[54] Democratisation is thus perceived as a historical inevitability. The paradigm, linear in essence, is based on five main assumptions:[55]

- that most countries are in some sort of transition to liberal multi-party democracy;
- that countries moving away from different types of authoritarianism tend to follow a three-part process of

democratisation consisting of o*pening, breakthrough* and *consolidation;*
- that the establishment of regular, genuine elections will not only give new governments democratic legitimacy, but will also foster a longer-term deepening of democratic participation and accountability;
- that a country's chance of successfully democratisation depends primarily on the political intentions and actions of its political elites without significant influence from underlying economic, social and institutional legacies, conditions and trends, and;
- that state building is a secondary challenge to democracy-building and compatible with it.

Almost all multilateral and bilateral development organisations currently subscribe, explicitly or implicitly, to this paradigm or variations thereof. When deviations occur in the democratisation process, the answer is almost always 'more democracy' to push the inevitable transition along.

However, given the growing sense of public disillusionment in liberal democracy around the world, and the rising number of cases of illiberal democracies where elected governments systematically deprive citizens of their rights and ignore constitutional limits on power, one wonders where exactly the democratic transition paradigm has the world transitioning to.[56]

Already in 2002, Thomas Carothers called this paradigm into question by revisiting its basic assumptions in light of the evidence. "What is often thought of as an uneasy, precarious middle ground between full-fledged democracy and outright dictatorship is actually the most common political condition

today of countries in the developing world and the post communist world."[57] The transition paradigm, he concludes, was a "product of a certain time ... and that time has now passed."

Natural resource-based economies

Again, this hypothesis does not explain the rapid spread of the liberal democratic system across the globe *per se*, but rather why some countries may have trailed behind others. The explanation holds that countries with generous endowments of natural resources tend to be slow in their political and economic development. Observations of oil and mineral rich developing countries are the source of this theory. The rationale is that the natural resources in these states tend to be centrally managed which both hinders the development of other economic activity (the crowding out phenomena) as well as the development of laws and institutions that permit pluralist activity and thought. Although such states may develop a business class, it is usually dependent on the state, rather than an independent force influencing the evolution of governance.

The second explanation behind this theory is that natural resource rich states have less need to tax their citizens. With taxation comes an implicit bargain or contract between citizens and governments for public services. From this evolves expectations by citizens to influence decisions related to the provision of these services. When taxes are low or non-existent, but the state is rich and basic services provided, citizens tend to be slow to pressure the political system for change. Although

this hypothesis relates only to a few country cases, it is mentioned here because of its relevance to Bhutan.

* * * *

The evidence supporting these and other theories of democratic transition is generally thin and "the record of social scientists as futurologists is not good."[58] This makes it difficult to explain with any degree of certainty why the world witnessed such a rapid spread in liberal democracy during the final quarter of the 20th century. This is unfortunate because part of deepening our understanding of liberal democracy's mixed results today is inextricably linked to why and how it spread so swiftly. If the imposition of conditionalities on Official Development Assistance (ODA) were the primary cause, then we might focus efforts to improve democracy's performance on appropriate adaptation to local conditions. If, on the other hand, the forces of economic globalisation were the prime instigators, we might zero in on how such forces articulate with the systems of democracy at country specific level to seek balancing mechanisms. And if democracy were a linear inevitability, we would look for and support the preconditions most propitious for the transition.

In the absence of satisfactory explanations for the rapid global spread of democracy and a rigorous conceptual framework for curing ailing democracies, we are obliged to take an extremely broad and eclectic approach. By focusing solely on more of the same, the general policy response emanating from the widely held linear democratic transition paradigm, we may be missing the point. Instead, we must be guided by specific underlying

political patterns intrinsic to each country, "rather than trying to do a little of everything according to a template of ideal institutional forms."[59] Such penetrating, country specific analysis should ideally be a nationally owned process, both in order to deepen the analysis and to enhance opportunities for follow-through on recommendations.

Part II: The Quest for Good Governance in Bhutan

Why would a tiny country like Bhutan, lost in the foothills of the Himalayas, cut off for centuries from the rest of the world for fear of being overwhelmed by it, ruled for four solid generations by an absolute monarchy, why would such a country be transitioning to multi-party democracy?

Bhutan is a small Kingdom, precariously situated between China to the north and India to the south. Perhaps partly because of its vulnerable geopolitics, Bhutan has always maintained a deep attachment to its traditional culture and a strong sense of identity and self-worth. Outside influences have systematically been viewed with healthy suspicion and global trends and fads have consistently met their match in Bhutan.

Unlike many other absolute monarchies, Bhutan's four successive kings served the people well, first in stabilising the then fractious state, and second in developing both the institutions and practice of effective governance with a strong sense of public ethics.

Shortly after ascending the throne, the reigning King Jigme Singye Wangchuck recognised that the world's dominant economic development model did not resonate with Bhutan's beliefs, nor did it live up to the aspirations of Bhutanese society. He therefore introduced a more holistic mode of development, known as the philosophy of Gross National Happiness (GNH). This home-grown development model reaped impressive results over the years, both with respect to human and economic development, as well as environmental preservation.

During the same period, various forms of popular participation were gradually introduced to the authoritarian system of governance and the King's own prerogatives were curtailed. For example, a broad decentralisation strategy was launched in 1981 and subsequently expanded in 1991. The selection of ministers evolved from a system of appointment by the King to election by the National Assembly from a short list. In 1998, the King devolved the role of head of government to the Chairman of the Council of Ministers. Universal suffrage was introduced for local elections in 2002.

While Bhutan was characterised by gradual modernisation between the 1960s and the 1980s, the pace picked up markedly in the late 1990s. The introduction of TV, cable television and internet began influencing people's lifestyles and expectations. The significant public investments in education began producing the first educated unemployed youth. And, for the first time, despite a policy framework designed to ensure equity and social justice, the nation was faced with indisputable evidence of rising inequalitiy.

It was in this context that in 2001 the King challenged the nation to codify its values and systems through a written Constitution. In so doing, he engineered a major governance reform -- the transition to multi-party democracy.

With this impending political transformation, Bhutan finds itself 'back to the future', so to speak. Just as 35 years ago the economic growth paradigm had not resonated with the Bhutanese, so the international community's democratic transition paradigm and conventional wisdom ring hollow. The

Bhutanese are not interested in democracy for its own sake. They are interested in it only in so much as it can contribute to good governance outcomes, in other words, Gross National Happiness.

The GNH State

> Our King was clear that happiness is the ultimate end desire... of every human being. All else for which we labour are but means to fulfilling this wish. Yet it is ironic that human society is pervasively susceptible to confusion between this simple end and the complexity of means. This explains why the conventional development or economic growth paradigm is seriously flawed and delusional...GNH stands for the holistic needs of the human individual - both physical and mental well being.... [It] therefore seeks to promote a conscious, inner search for happiness and requisite skills, which must harmonise with beneficial management and development of outer circumstances. GNH recognizes that happiness should not be approached or viewed as yet another competitive good to be realized by the individual. It supports the notion that happiness pursued and realized within the context of the greater good of society offers the best possibility for the sustained happiness of the individual.... It may be emphasised that the society as a whole cannot obtain happiness if individuals compete irresponsibly for it, at all cost, in a zero-sum game. It is His Majesty's belief that the legitimacy of a government must be established on the basis of its commitment to creating and facilitating the development of those conditions that will make viable the endeavours of citizens in the pursuit of their single most important goals and purpose in life... In a state bearing responsibility for collective happiness, GNH must

> be a serious arbitrator of public policies... To this end, GNH stresses collective happiness to be addressed directly through public policies in which happiness becomes an explicit criterion in development projects and programmes.[60]

The goals of a GNH state, or the outcomes for which it strives, include: equity, fairness, compassion, justice, peace, environmental sustainability, and cultural and spiritual fulfilment. These outcomes define the essence of good governance to the Bhutanese. While they may not differ in essence from many Western liberal values, they embody clear distinctions that can be traced back to Buddhist origins. The Buddhist view is that happiness lies in mastery of the mind by the individual, which, in turn, leads to enlightenment with respect to the interconnectedness of all sentient beings. Any public action or policy that "institutionalises ignorance about our interconnectedness"[61] or introduces negativities such as greed, hatred, aggression -- forces that pull people apart -- is inconsistent with GNH.

While Bhutan has its own unique value system, there is convergence with Western liberal values in a number of important areas. For example, while the emphasis in Bhutan has been more on collective well-being than on individual rights, a deeply ingrained Buddhist principle is the fundamental equality among all people. With respect to protection of private property, unlike neighbouring Nepal and the Tibet Autonomous Region (PRC), Bhutan is traditionally a nation of landowners. And regarding the openness of its economy, Bhutan's 60 percent ratio of trade to GDP is the highest of all South Asian countries.[62]

In addition, Bhutan has for decades had policies to ensure that individuals have the wherewithal to improve their living conditions and to be heard in the political process. Over 25% of Bhutan's public expenditures has consistently been allocated to health and education (mostly basic services -- areas with maximum impact on the greatest number of people). To ensure social equity, the state has established financial credit outlets across the country with interest rates subsidized for the poor. Moreover, for decades Bhutan has had a broad set of formal social safety nets, including land distribution and in-kind assistance by the state to families in distress.

In the political sphere, decisions at both the Cabinet and local levels have been made either by consensus or through votes. Election of local representatives to a National Assembly was initiated in 1954**,** after which a steady broadening of political participation followed suit through gradual but deliberate measures.[63]

As a result of these practices and policies, virtually all socio-economic and political indicators have registered steady positive trends, and some currently exceed the sub-regional average**.** Life expectancy in Bhutan rose from 48 years to 66 years within a mere two decades and is now higher than the regional and Least Developed Country averages. Infant and under-five mortality rates declined from 90/1000 and 123/1000 live births in 1990 to 60/1000 and 84/1000 live births respectively in 2000. And Bhutan has already reached three of the Millennium Development Goal targets (child wasting, access to improved sanitation, and access to safe drinking water).[64]

Despite these achievements, the Royal Government of Bhutan does not pretend that it is a GNH state; rather, it aspires to be one.[65] What the country thinks it has accomplished to date is the concept and building blocks for an enabling environment to achieve GNH. And the principle means for achieving this has been the example set by the country's top leadership, which has percolated down in some measure to most parts of the government apparatus. The main concern at this juncture is how the new political system, as envisioned in the draft Constitution, will impact upon a mechanism so dependent on the character of individuals, and what other safeguards may be required to ensure the continued pursuit of GNH outcomes in future.

> If promotion of happiness is the primary purpose of a GNH state, then it is essential that the institutional arrangements of a society reflect this value. Yet it is very challenging to even contemplate what a GNH state should be like. The nature and theoretical foundations of a modern developing or libertarian democratic state are well-known. But the structures and processes of a GNH state are yet to be defined clearly. If at all this needs to be done, should it be distinct from either the ascendant liberal state or declining socialist state? What will be the nature of GNH political economy? What will be appropriate social welfare, legal and constitutional foundations for GNH? What will be its education and health policies? How would the polity have to change? And so forth.[66]

The drafting of the Constitution brought these important questions to the fore. The challenge is thus not so much about making the transition to multi-party democracy smooth, as it is about how to ensure that democracy delivers on good

governance results, to which the Bhutanese have become accustomed.

As many liberal democratic principles are consistent with Bhutanese values and its practice of governance, one might have thought that the transition to multi-party democracy would be more straightforward in Bhutan than elsewhere. But the challenge is being approached from a different angle.

The problem, as perceived by the Bhutanese, is that many common outcomes of liberal democracy, such as high inequality, elite capture, environmental degradation, are fundamentally inconsistent with Bhutan's aspirations to a GNH state.[67] The challenge in Bhutan is thus how to make democracy work to produce GNH outcomes.

Parliamentary Democracy – why and how?

Why?

Part Two of this paper began by enquiring why Bhutan is transitioning to multi-party democracy. After the above contextual review, we now return to this question.

The explanation offered by Bhutan's King is quite simple. He says that he does not believe that the system of absolute monarchy, wholly dependent on one individual, is a good system for the people in the long run. Eventually, no matter how carefully royal children are prepared for their role, the country is bound to face the misfortune of inheriting a king of dubious character. Therefore, the King has for many years

overseen a gradual, steady democratisation of governance. This is by far the most compelling explanation for Bhutan's democratic transition. But might there be other reasons as well?

With respect to the theories of democratic transition postulated in section 3, several can be ruled out categorically, while others merit some consideration. As no influential foreign country is actively pushing Bhutan to democratise, and as the country has yet to attract the attention of foreign economic forces in any significant measure, the ODA conditionality and the Trojan horse theories do not appear to apply. The absence of a strong capitalist class pushing for political change also rules out the "bourgeoisie first" theory. Rather than an independent force pushing for change, Bhutan's business class is complicit with the state, some would say inextricably intertwined with the state, fitting the description of a 'natural resource economy' (see section 3.5).

Perhaps another explanation for Bhutan's transition to multi-party democracy has to do with envisioning national sovereignty into the future. For the past three to four decades, Bhutan's welfare state policies and programmes have worked well for the people. But they have also inculcated an attitude of dependence by the people on the state for their well-being. As a result, individual and local initiatives have to some extent slumbered and certain groups have taken advantage of the situation. The decentralisation strategy went some way in overcoming this, but not far enough. Bhutan's rugged terrain, combined with low population density and far-flung communities makes it difficult to connect the country together. This is particularly important given the political instability in

Assam, West Bengal, and Nepal. Jumpstarting local and individual initiatives and political participation may thus be crucial not only for development, but also for checking the rise in inequality[68] and ensuring that Bhutan remains closely knit as a nation.

How?

The draft Constitution represents the next step in Bhutan's political development. Unlike previous governance reforms that were introduced one step at a time, some of the reforms currently envisioned are, in fact, great leaps (i.e. multi-partism). Coming from a high level of good governance, it is natural that the people are concerned about whether the expected outcomes of the new system will at least match in calibre those of the current one. So the performance bar for multi-party democracy in Bhutan is high.

Rather than blindly importing blueprints from abroad, the starting point was Bhutan's own rich cultural heritage, its values, its ways of thinking, and its formal and 'natural' systems of governance -- polished over decades of practice. The Bhutanese sense of social justice, convictions with respect to man's relation to his fellow man and to his environment, the importance of both individual and group aspirations, the connections between physical and mental spheres, all influenced the political enquiry, forming the foundation for the draft Constitution.

The modern liberal democratic model was then reviewed in the context of its ability to achieve the outcomes desired by the people of Bhutan, according to their vision. Just as the

Bhutanese felt that the international community had confused means with ends in its mistaken embrace of economic growth as a goal, so the country views democracy as a means, rather than an end in itself.[69]

The new system that Bhutan is poised to embrace is a form of constitutional monarchy designed to produce good governance outcomes. The system does not pretend to be an experiment in 'higher' democracy *á la* Dahl (i.e. the more democracy the better). Rather it seeks to establish '*right' democracy*[70] (right articulation between elements of the system, right balance between representation and direct democracy, right outcomes produced – GNH outcomes).

The draft Constitution goes a long way in laying the foundation for this new form of *'right' democracy*. It has been wisely crafted for an emerging polity. It is fundamentally Bhutanese in spirit, liberal in character, and democratic by design. The draft Constitution enshrines public good as the central purpose of governance and politics, with corresponding systems designed to realise this aim. It contains a wide range of checks and balances to achieve effective separation of powers and independence for constitutional offices. It consolidates the rule of law and the legal protection for individual rights. And it ensures responsible and accountable management of state finances.

One of the unique features in the draft Constitution lies in its explicit normative content.[71] In addition to general requirements for the state to promote circumstances that will enable the successful pursuit of Gross National Happiness (Art. 9.2) and create conditions for the development of a good and

compassionate society (Art. 9.20), the draft Constitution also requires the state to endeavour to: create a civil society free of oppression, discrimination and violence based on the rule of law, protection of human rights and dignity, and to ensure the fundamental rights and freedom of the people (Art. 9.3); provide justice through a fair, transparent and expeditious process (Art. 9.5); provide legal aid to secure justice, which shall not be denied to any person by reason of economic or other disabilities (Art. 9.6); develop and execute policies to minimize inequalities of income, concentration of wealth among citizens, and promote equitable distribution of public facilities among individuals and people living in different parts of the Kingdom (Art. 9.7); provide security in the event of sickness and disability or lack of adequate means of livelihood for reasons beyond one's control (Art. 9.22). The state must also provide free education for all children up to the tenth standard (Art 9.21) and free access to basic public health services (Art. 9.21).

The opposition party is required to play a constructive role to ensure that the government and the ruling party function in accordance with the provisions of the Constitution, provide good governance and strive to promote national interest and fulfill the aspirations of the people (Art. 18.1). And all political parties are required to ensure that national interests prevail over all other interests and that they provide choices based on the values and aspirations of the people for responsible and good governance (Art. 15.1).

Another important characteristic of the draft Constitution is the pains to which it goes to minimise the possibility of misuse of political power, authority and public resources. In addition to

requiring the separation of powers between the executive, the legislative and the judiciary (Art. 1.13), it goes on to explicitly require: fully public funded elections (Art. 16), with the accounts of political parties subject to auditing (Art. 15.12); electoral constituencies to be delineated by an apolitical Election Commission (Art. 23.4); a mechanism for apolitical selection of competent constitutional office holders (these appointments will be made from a short list recommended *jointly* by the Prime Minister, the Chief Justice, the Speaker, the Chairperson of the National Council, and the leader of the Opposition Party -- Art. 2.19, 23.5, 24.2, 25.2 and 26.2), and; safeguards against the institutionalisation of personal interests through term durations (Art. 12.2, 17.2, 23.6, 24.3, 25.3 and 26.3) and a retirement age of 65 for key constitutional positions (Art. 21.5, 21.12, 23.5, 24.3, 25.3, and 26.3).

One of the most startling features of Bhutan's draft Constitution is the retirement age of 65 years for the king (Art. 2.6).

To avoid 'feckless pluralism', the draft Constitution mandates a *de facto* two-party system for the National Assembly (Art. 15.5). While any number of political parties will be able to participate in the primary elections, the two parties receiving the highest votes in the primaries will go on to a subsequent general election to determine which will form the government and which will serve as the opposition party[72] (Art. 15.7 and 15.8). Only two parties will thus sit in the National Assembly. The intention is to ensure both a strong government and a strong opposition, and to avoid the difficulties and instability associated with feckless pluralism (see section 2.2). To temper the anticipated strong party dynamics emerging from the National Assembly,

the draft Constitution calls for a wholly party-less National Council (Art. 11.3). It is hoped that the combination of a party-based National Assembly and a party-free National Council will endow Parliament with the usefulness of political parties, yet safeguard it from being overwhelmed by party politics.

A party-less National Council may also dissuade, to some extent, the formation of 'dominant-party politics' (the second major political syndrome afflicting many democratic countries today, according to Carothers).

Protection of the natural environment is another central feature of Bhutanese traditional values captured in the draft Constitution. Every Bhutanese is made a trustee of the Kingdom's natural resources and environment for the benefit of the present and future generations (Art. 5.1). It is considered a fundamental duty of every citizen to protect the natural environment, conserve biodiversity and prevent all forms of ecological degradation (Art. 5.1). In addition, the government is required to ensure that a minimum of sixty percent of Bhutan's total land be maintained under forest cover for all time (Art. 5.3).

Finally, the draft Constitution respects and codifies Bhutan's obligations under international law, particularly its treaty obligations. This includes an extensive list of individual human rights (Art. 7) drawn from the Universal Declaration of Human Rights, including the fundamental rights of: life, liberty and security of the person (Art. 7.1); freedom of speech, opinion and expression (Art. 7.2), and; freedom of thought, conscience and

religion (Art. 7.3). The rights to free basic health and education for all are also guaranteed (Art. 9.16, 9.21).

These and other provisions in the draft Constitution are designed to safeguard, and indeed enhance good governance outcomes while expanding democratic means through the introduction of multi-partism. Are they enough and will they succeed?

Into the Future

Assuming the draft Constitution is adopted without fundamental changes, what might be the expected outcome??

Scholars, if invited to predict the success of Bhutan's pending experiment in multi-party democracy, might utilise criteria for procedural democracy and minimum characteristics of a functioning polyarchy (outlined in section 2). They might thereby conclude that while some of the essential ingredients are present, others are weak or absent. On the positive side, Bhutan has relatively free and fair elections and citizens have the right to run for elected office at local level, although elections at ministerial level are still narrow and participation in local elections is still low. The weakest areas relate to: freedom of expression and of association (although the draft Constitution embraces both); equal level of education and understanding, and access to information (ref. the 'enlightened understanding' criteria), and; inclusiveness.

With respect to criteria for the actual transition itself, Bhutan scores reasonably well in the areas of concentration and control

of violent coercion (although this control is not fully subject to the democratic process), and lack of foreign influence or control (with respect to the democratic transition). However, Bhutan does not yet possess a 'modern, organisationally pluralist society' (the sequencing argument), and economic inequalities are on the rise, thus rendering the prospect of meaningful political 'voice' from the lower-income quintiles of the population difficult. In addition, the belief in modern or formal democracy is not yet strong in the population as a whole, from which future political activists will emerge. Moreover, the natural resource-based economy description applies to Bhutan. While this criterion is more a prediction of a delay in the transition, some of the underlying characteristics, such as a business class heavily dependent on the state, rather than a counterbalance to it, could be expected to influence the transition process.

This line of analysis suggests that the transition to multi-party democracy may be risky. However, this overlooks a number of key influential factors specific to Bhutan that do not feature, or are too deeply imbedded, in the above criteria. Some of these features are:

a) The process is being closely guided by the King who, given his apparent lack of self-interest in the process, is acting as an independent third party, albeit one with considerable influence. It was the King himself who insisted that the draft Constitution incorporate a retirement age for the ruling monarch and other curtailments of royal authority.[73] It was the King who voluntarily relinquished his role as head of government to the chairman of the Cabinet at the National Assembly session of

1998. It was the King, and his father before him, who introduced all previous democratic reforms under no pressure from the people nor influence from outside foreign countries. And it was the King who pushed the Constitutional drafting committee to include multi-partism. This unusual situation of voluntary devolution of absolute power to the people is surely proof of commitment to democracy at the highest level.

b) Bhutan is a stable country with a strong government and high degree of unity among top decision-makers. Although dissent exits, as in all countries, it has not been apparent at the top level of the system.[74] This will certainly facilitate a smooth transition. Bhutan's stability has also provided the nation with the luxury of time. Unlike other countries that have had to rush the Constitutional drafting process due to exogenous or endogenous exigencies, Bhutan can take the time it needs for the process. Not only does this allow for serious study of the relative merits of different options during conceptualisation, it also allows citizens the possibility of familiarizing themselves with the issues and influencing the process.

c) Democracy is not new to Bhutan. Since the establishment of the National Assembly in 1953, the election of people's representatives to this and other important bodies, and the launching of the decentralisation programme in the early 1980s, Bhutan has been implementing components of democracy. Granted, some are in their formative stages. But when combined with age-old democratic practices at village level, they provide Bhutan with strong elements of a democratic culture. Leo Rose refers to Bhutan's village administrations as 'semi-democratic.'[75] Perhaps a more appropriate terminology would be 'natural' or

'indigenous' democracy. However we describe these local systems, suffice it to say about 80 percent of the population resides in villages that practice a form of local democracy. Bhutan can capitalise on this democratic base to facilitate the broader, formal transition to multi-party democracy.

d) The Bhutanese are a comparatively disciplined people. Unless mobilised to the contrary, they tend to prefer to resolve their differences through dialogue, consensus and reconciliation. And although life for the majority or rural people is still difficult, the welfare state has taken care of many of their basic needs, and most Bhutanese are thus relatively content. This does not mean that there are no disenfranchised people or groups. However, as the new system of governance will provide these groups with much more space and opportunity to participate, they have generally received the draft Constitution positively. How the power-sharing will play out in the medium to long term is still unclear. In the short to medium term, barring *force majeur*, Bhutan's stable social environment will facilitate the smooth introduction of multi-party democracy.

e) The Bhutanese are a practical people, not averse to revisiting systems or decisions that do not produce the desired results. As they roll out multi-party democracy, they are likely to fine-tune the system. In such a complex arena as democracy and good governance the trial-and-error approach may, in fact, be indispensable. The notion that a country could design the perfect system at one go is likely fictitious. Bhutan will undoubtedly adopt a gradualist and pragmatic trial-and-error approach to their advantage.

f) Bhutan's current system of governance is already considered good. Certain important institutions and systems, perhaps imbedded in the polyarchy criteria, are already functioning reasonably well. For example, corruption is comparatively low, the professional civil service generally uses resources well, and concerted efforts have been made to render the justice system efficient and effective. If, as Carlos Santosi concludes, "the fundamental requisite for an effective democracy is a state that works,"[76] we may expect Bhutan to do well.

g) Bhutan's small size will make it easier to keep national politics close to the people. Like Switzerland, Bhutan will be able to engage in direct democracy with national consultations and referenda more frequently than is practicable in large democracies. This provides a valuable opportunity to keep Bhutan's democracy true to its purpose.

For these reasons, the risks associated with democratic transition in Bhutan are largely contained, and the chances of success good. For the international community, this might be enough – reasonable assurances of a reasonable outcome. But Bhutan's aspirations are high, and she will not be satisfied with average, run-of-the-mill governance results. She is aiming at becoming a democratic GNH state. Therefore, the Kingdom's own internal logic demands extra precautions.

Good Governance Safeguards

The draft Constitution provides strong foundations for good governance; but the devil is in the details. Given the context within which the Constitution will be implemented,[77] what

complementary measures and tweaking of the system could enhance the possibilities for good governance outcomes? The following suggestions are indicative only.

Calibre of leadership

If one had to identify the single most important contributing factor to Bhutan's success story today, it would be leadership. The calibre of the current top leadership is remarkable. Starting from the King himself and among top-level decision-makers, standards of public service and ethics are high.

As the King continues to withdraw from direct involvement in the management of the State, and as multi-partism rolls out, how might this impact on the calibre of Bhutan's future leadership? If multi-partism in other countries is anything to go by, one might expect a decline. Of course, as long as the King and the Crown Prince are there to set a high moral standard, there will likely remain a strong incentive for party leaders and others not to deviate radically from that standard. But the distance between rhetoric and action can be great. It may therefore be important to do more to promote the prospects for good leadership across the system at large.

The educational system is a good starting point. The current curricula are thin on values, ethics and civics. This may not have mattered so much in the past, when traditional values were passed on to youth systematically by the family and by society. But as Bhutan modernises, the education system may need to take on a greater role in this respect, particularly through its courses in civics and ethics.

Another important area lies with the electorate, and the criteria they used for voting people into and out of office. Currently, they often elect local representatives based on such criteria as: easy to manipulate, not aggressive, not intrusive. On the positive side, they give weight to mediation skills. On the negative side, they do often not look for commitment to the public good or ability to mobilise people around common aims. Clearly there must be good reason for this. Perhaps proactive local leadership is associated with hassles or even some sort of coercion. It will be important to better understand the forces and mental calculations at work so that changes may be made to ensure more systematic election of Bhutan's best and brightest potential leaders. In addition, perhaps the existing system at local level needs to make it easier for the electorate to vote out non-performing *gups*[78] and *chimis*[79] during their terms.

Experience abroad shows us that formerly respectable citizens, once elected to positions of political leadership, too easily become adept political liars. Worst still, the general public seems to have a high tolerance for political lies and, to an extent, even expects it. This phenomenon is curtailed to some extent in small countries where the distance between the elected and the electorate is not great. Nevertheless, for multi-party democracy to produce good governance, it is important to keep leaders accountable for their words, promises, decisions and deeds. This is an area that begs creative thinking to keep the calibre of leadership high. One way may be to insist on greater clarity and precision with respect to expected governance outcomes, and to institute rigorous public monitoring mechanisms that hold political leadership accountable for results.

The media can play an important role in this respect. More broadly speaking, Bhutan will need to rethink the role of the media in a GNH democratic state. The right balance between a public service role and independent freedom of expression will be necessary for both the public good and for successful democracy.

Finally, how will Bhutan avoid elite capture? This is a very difficult question. On the one hand, the people most competent to govern the country (e.g. most familiar with the issues, the systems, etc.) are the educated elite. And the elite currently in high-ranking decision-making positions are, for the most part, serving the public good reasonably well. Yet, abuses also occur and there is growing discontent with respect to the unorthodox privileges enjoyed by some elite people at the expense of commoners. An interesting safeguard against elite capture is already contained in the draft Constitution that stipulates the resignation of government officials prior to running for elected office. In addition, it may be necessary to level the playing field for election campaigns by, for example, prohibiting the wearing of *kabnes*[80] and offering general training for less educated or exposed individuals on how to run a campaign. It would also be beneficial to organise broad civic awareness campaigns on the electorate's responsibilities in selecting the 'right' candidates, and to devise mechanisms to keep elected officers true to their promises. Finally, a more radical safeguard might be to place income/wealth limits as a qualifying criteria for candidates to run in elections. For example, if a candidate or his/her family owns more than x percent of the land in a locality, s/he is automatically disqualified from the elections on the basis of

potential conflict of interest. This criterion could also apply to party leaders.[81]

Avoiding elite capture will probably be one of the biggest of Bhutan's challenges ahead. In this context, it is important to remember that the accumulation of great wealth in the hands of a few is not only inconsistent with GNH outcomes, it is also incongruous to successful democracy.

> We can have a democracy in this country, or we can have a great concentration of wealth in the hands of a few, but we cannot have both.[82]

Values and Identities

GNH policies have done well in Bhutan because the values behind the concept have both evolved from the country's traditional belief systems and been emulated from the top. A very positive sign of the successful transmutation of GNH values from one era to another is the rising number of NGOs, charity works and volunteerism in Thimphu. This growing sense of responsibility by advantaged urban dwellers toward their less well off rural cousins is a new form of social capital that can only help perpetuate GNH values. But Bhutan still has some way to go towards firmly anchoring GNH into formal governance systems and the development process.

While young people are familiar with the basic values underpinning GNH, they are vague about the concept itself and how it relates to governance. If Bhutan's aspirations to a GNH state are to be realised, youth will need greater exposure to it.

There is no better place to start than involving youth in the development of the concept itself and its implementation. The educational system should also integrate GNH into its curricula, especially as a decision-making tool.

Government cadres and elected officials may also need exposure to tools and methods for GNH decision-making. And systems to ensure that policies and legislation are reviewed from the perspective of their GNH outcomes are required. Strategically placed GNH safeguards should, therefore, be engineered into the polity. Otherwise, if left to its own devices, multi-party democracy may not reflect GNH concerns. In fact, GNH may be misused as an ideological façade.

Bhutan's intellectual community needs to probe deeper into the GNH conceptual framework. This may involve accelerating ongoing in-country and international research and analysis. It may also involve greater reaching out to local communities for their inputs and perspectives. One priority area of research is how to articulate the introduction of party politics (with its resultant centrifugal forces – crystallising different positions, enhancing divisions, and driving people apart), with Bhutan's cultural preference for conciliation, consensus, mediation – techniques, which bring divergent parties closer together. This would help inform how to better articulate 'natural' democratic practice with formal institutions of democracy. It would also help ease the inevitable psychological confusion of a population whose psyche lives and breathes national unity, when faced with internal political choices and divisions derived from multi-party politics.

As part of the GNH value system, it will be important to ensure that ethical standards and expected behaviour are well inculcated in politicians and political party members, as well as in cadres across the three branches of government. While blatant corruption in Bhutan is still low, recent trends point to a marked rise in the incidence of corruption in various forms. The Royal Audit Authority has proven itself very independent and, indeed, courageous, helping to keep the government clean. Its good efforts will receive a huge boost upon the establishment of the envisioned national anti-corruption commission. But both institutions may require other forms of support, such as clearer definitions of what constitutes corruption, clearer processes to deal with dangling cases of declared corruption and a more independent press that feels free to pursue corruption leads.

National identity in Bhutan is strong. However, as this identity has solidified around one of the country's several ethnic groups, it will be important to broaden it into a set of national identities (with the national identity at the top and those of specific ethnic, regional or other groups underneath). What Bhutan must avoid at all costs is any rise in sub cultural discontent. Having tried in the past many of the standard recipes for socialisation (affirmative action, reserved seats, etc.), it will be difficult to resurrect them at this time. More important, perhaps, is that the choice of election system be perceived as fair by all groups, that high level appointments reflect some diversity, that top leadership (especially political party leaders) emphasizes strong messages of national unity and inclusiveness, and that judicial system ensures equality before the law.

Articulating 'natural' and formal democratic practice

As formal systems of democracy are introduced and the franchise is enlarged, it will be important to capitalise on the rich democratic culture that thrives at village level. As mentioned in the previous section, village administration in Bhutan has traditionally utilised an indigenous form of 'natural democracy'. Tashi Wangchuk describes the system as follows[83]:

> Decisions affecting the community are made in the village meeting (*zomdu*) where at least one representative – male or female – from each family participates... Decisions are made once a consensus is reached, and all differing viewpoints are debated....The village *zomdu* embodies what Dahl terms 'primary democracy' at the village level. The village *zomdu* is comparable to what Dahl describes as the 'ekklesia in Athens, the New England town meeting, or the assembly of citizens (Landsgemeinde) in a rural Swiss canton [where] quite possibly everyone may speak who really wants to, and so all may feel their viewpoint has been adequately expressed. In primary (or town meeting) democracy, then the citizens may have a well-justified confidence that they really do govern directly themselves, particularly because participation is not confined to the town meeting proper but is interwoven with the totality of community life'.

By contrast, the central government and most of the formal government apparatus, has tended to confine decision-making to a relatively small group. The King long ago recognized the need to broaden participation in decision-making and in 1981 launched a policy to decentralize from the centre to the districts (*dzongkhags*). He followed this in 1991 by decentralization to

village blocks (*gewogs*). While the decentralization policy brought decision-making closer to the people on issues that concern them, it also had some unintended consequences on village-level democracy. For example, the 2002 GYT Act[84] governing the *gewog* level system does not provide adequate downward accountability checks on the power of the *gup* (the elected chair of the *gewog* development committee). This is complicated by the fact that the *gup* is both an elected official and a government employee; a situation that could lead to conflict of interest in addition to greater upward, rather than downward, accountability. "It is ironic, then, that the decentralization efforts have created powerful bureaucrats at the local level where none existed before."[85]

In addition, it appears that the culture for free and fair elections needs reinforcement at local levels (both DYT and GYT), as numerous observations of fraudulent and incorrect practices have been noted.

Better articulation is clearly required between the traditional and modern systems of democracy. Incentive systems and accountability frameworks must reinforce elected officials' primary responsibility to the people, and people must be encouraged to exercise their public responsibilities through political participation.

Active, engaged citizenry

Democratic governance demands an active, engaged citizenry. Citizens must not only express their political preferences through voting and referenda, they must also participate actively

in public debates on policies and programmes and ensure that the needs of their communities are known and acted upon by their political representatives. Without an active, engaged citizenry, the democratic model of governance falls apart. Of course, too much popular participation can also create havoc; as with many things in life, the challenge is to strike the right balance.

Looking around the world today, we witness a crisis in citizenship. In both older and newer democracies, public interest and engagement are low. The 'soft' revolutions that recently swept across Georgia (2003), the Ukraine and Kyrgyzstan (2005) are exceptions, rather than the trend. And such uprisings reflect political systems where ongoing political exchange between the top leadership and the people is lacking. What we have today is, too little political participation in general. Bhutan's local election turnouts also signal low political participation.

With Bhutan's relatively content population, dispersed in far-flung communities across the country's rugged terrain, often several days walk from the road head, preoccupied with working the land and grazing their livestock to make ends meet, how will the country develop the kind of politically engaged citizenry required to make multi-party democracy work? Part of the answer may lie in better articulation between village level 'natural' democracy and the formal systems. But there will also need to be broad civic awareness-raising to help citizens understand their new political responsibilities. The government will also have to make it easier for citizens to participate in the political process -- for example, enabling citizens to vote from

wherever they reside in the country or wherever they happen to be on election days. [86]

However, even with all-out efforts to mobilise the citizenry, this process will take time. In the interim, how will the country avoid elite capture and other democratic ailments endemic to so many democracies? If citizens are unable to provide the counterbalancing forces to make democracy work, who or what can?

The obvious answer in Bhutan is – the King. He has demonstrated his commitment to withdrawing the monarchy from direct involvement in governance, reining in and curtailing royal prerogatives, and empowering the people to take their destinies into their own hands. And since he will remain above political parties, he is best placed to ensure that the voice of the people is both expressed and heard. This may seem ironic – that a king would be best situated to play the role of prime defender and representative of the people -- but that is precisely the situation in Bhutan.

The King will be the first to recognise the incongruity of this situation. In fact, this dependence by the people on the King to make things work for them is exactly what he hopes to surmount through the introduction of multi-party democracy. Yet the King's role as final arbitrator for and prime defender of the people will likely be required for some time, until the citizenry has become sufficiently mobilised to play its rightful role in Bhutan's politics.

If international experience is anything to go by, however, public mobilisation and the King's vigilant oversight may not be enough. As Bhutan modernises and global influences penetrate the country, people's public identities may be eclipsed by their private identities, as in other parts of the world. Bhutan's urban citizens will be particularly vulnerable to this phenomenon. Could mechanisms or public space be engineered into the system to keep citizens' public identities alive and well, to keep checks on elite capture, perhaps drawing on GNH values of collective responsibility? Perhaps the establishment of something like the Control Yuan[87] branch of the Taiwan government might be interesting to explore (it performs not only the standard public audit function, but also serves as a public watch dog over all sorts of government and political party activity). When average citizens are convinced that their government is both clean and responsive, their political participation tends to be more forthcoming.

Rule of Law

Bhutan has a long-established system of customary law and has steadily been developing its formal legal systems. The customary and formal systems work side-by-side and, while not without challenges, are generally synergistic. The body of modern law continues to expand, the judicial system has both extended and improved markedly in efficiency, and the citizenry has been increasingly sensitised to the proper functioning of the rule of law.

Despite these achievements, the country cannot afford to be complacent. With respect to the principle of equality before the

law, certain gaps persist. While the legal system provides for appeals against judicial decisions, and a historical right of appeal to the king, there is no clear path for a citizen to appeal administrative decisions. It is therefore important to introduce a system for administrative review. Once the Constitution is adopted, it will also be important to establish independent systems to handle human rights cases.

The process for establishing laws, rules, regulations and administrative orders has evolved and Bhutan has recently seen a surge in the preparation of Acts now queued for review by the National Assembly. While this is a positive sign in that decision-makers perceive the need to codify practice for purposes of standardisation and control, the legal status of certain administrative orders, rules and regulation is sometimes unclear. It is not always obvious who has the legal authority to promulgate what kind of order under what conditions. In addition, the increasing number of Acts has not been accompanied by a simultaneous effort to make legislative content known to the average Bhutanese. As a result, a degree of confusion often exists as to what the law actually says and people in remote areas, or otherwise vulnerable, are naturally at a disadvantage. Proactive efforts to publicise legislation, rules, regulations and orders would help address this.

The draft Constitution calls for the establishment of a Supreme Court, several key constitutional commissions and the rule of law. Bhutan's 72 trained lawyers, holders of Bachelor of Law degrees, are just managing to keep up with the expansion of the existing judicial system. A significant human resource capacity

development effort will therefore be required to meet the demands of the new system.

The National Assembly will play a pivotal role in the new system of governance. It forms a crucial plank in the check-and-balance architecture. A broad capacity-building effort is required to bring elected representatives up to speed in order for them to perform their role effectively. Recent decisions in the National Assembly on the Personal Income Tax law and deliberation on interest rates, for example, demonstrated both wide-spread technical ignorance on the part of legislators and weaknesses in procedures. Some professionalisation of the National Assembly has begun through the establishment of two committees – legislative and public accounts. But an important challenge lies ahead in helping local representatives to fully understand their responsibilities and accountability, and in developing systems to provide them with the necessary technical and other backstopping. A standing annual induction course for all newly elected *chimis* would help. Raising the professionalism of the legislature will also improve its credibility and legitimacy, which is necessary to help promote a culture of respect for the law.

Electoral system

While local elections have taken place regularly since 1954 under reasonably free and fair conditions, they have been conducted in a legal vacuum. The country does not yet have an electoral law and is working hard on one at present. Major decisions will need to be taken in this context since different electoral systems produce different election results. Given Bhutan's context, it will be important that the electoral system be simple enough to

be readily understood by the average voter, that it produce a strong government, that it encourage moderation across party platforms, that it minimize the sense of divisiveness introduced with multi-party politics, and that it be perceived as fair (e.g. votes won must correlate reasonably with Parliamentary seats obtained). While the draft Constitution does not define the electoral system, it does specify single-member constituencies. This effectively eliminates proportional representation and mixed systems, leaving the choice between: (i) a first-past-the-post system, (ii) an alternative vote system, or (iii) a two-round 'run-off' system. Each has advantages and disadvantages that will require close scrutiny with respect to their possible application to Bhutan.

Conventional wisdom associated with consociational strategy has claimed that proportional representation is the fairest and most inclusive electoral system family with respect to representing minority interests. But recent studies show that in agrarian societies this may not be the case.[88] In fact, it turns out that majoritarian electoral systems with single-member districts in agrarian societies can result in outcomes no less fair and inclusive because farmers tend to vote in geographic blocks, rather than as individuals. Therefore, the stipulation in Bhutan's draft Constitution for single-member constituencies, and the resultant restriction to a majoritarian electoral system, should not be misconstrued to assume less proportional or inclusive electoral results. Furthermore, the direct line of accountability between the elected and the electorate established through single member constituencies will help keep Bhutan's future politicians grounded in the concerns of their constituencies.

Of greater concern may be how the introduction of political party elections could affect citizens' perception of national solidarity. The idea of having to choose between one party or another, when both may appeal to deep-rooted Bhutanese values, may seem unnatural to average rural citizens. If this is indeed an issue, it may be helpful to consider a preferential or approval voting system. This would have the added value of engineering moderate political platforms, as parties would have to appeal to a broad range of groups.

A great deal is at stake in the design of the electoral system. Fortunately, the Bhutanese are taking a careful and pragmatic approach. It is expected that after some 10 years, the electoral system will need to be reviewed. Given that one of the major pitfalls in liberal democracies today is that power advantages coagulate around design elements of the electoral system, redesigning the system periodically may be an effective way of shaking things up and laying down a more level playing field for all political parties in subsequent elections. However, since we know that electoral systems are practically impossible to redesign in other democratic countries due to political party vested interests, safeguards would need to be put in place to keep the review process apolitical.

Changes to the electoral registration system will also need revisiting. The inordinate time and effort required to relocate electoral registration and the stipulation that one must own land in one's new place of residence discourages many Bhutanese from even commencing the procedure. Particularly in urban centres, a large number of the long-time residents are therefore not registered to vote locally.

* * *

A comprehensive assessment of good governance safeguards is beyond both the scope of this paper and the capacity of the author. However, based on the observation of democracy's pitfalls around the world, and in keeping with Bhutan's 'vision-led strategy' approach to governance, it is recommended that Bhutan undertake such assessments on a regular basis to keep governance true to the aspirations and objectives of the Bhutanese people.

> We should not flow with change, but create good changes that are an outcome of our aspirations.[89]

Concluding Remarks

Part One of this paper highlighted the international community's general confusion surrounding the definitions and concepts of good governance and democracy, as well as the gap between the theory and practice of liberal democracy, and the inconclusive theories used to explain the rapid rise in liberal democratic regimes over the last 30 years. Part Two introduced Bhutan's views on good governance and its lucid differentiation between ends and means. The paper considered both conventional theory and indigenous contextual factors to anticipate the possible outcome of Bhutan's pending transition to multi-party democracy. Finally, it used the country's own logic to suggest further safeguards that may be required to ensure continuation of good governance outcomes.

This analysis suggests the following conclusions:

• Good governance cannot be defined as democratic governance. Even if this definition is intended at the theoretical or ideological level, it has led us down a muddy path that now risks undermining the very system it intended to glorify. Democracy in practice comes in many shades and hues – the good, the bad and the ugly. By including ugly democracies in the same club as the good ones, we undermine the pursuit of good democratic governance. We also render the term useless from an analytical perspective. We must turn our thinking around, as in Bhutan, and first define the outcomes we wish liberal democracy to achieve, and then qualify the system based on its performance in achieving those outcomes. Only democracies that produce good outcomes qualify as good governance.

• Although an active, engaged citizenry is central to the proper functioning of democratic governance, the liberal democratic system as practiced today does not appear particularly adept at ensuring public involvement in decision-making on public goods. It may therefore be necessary to engineer greater political space for, and promote more vigorously the involvement of, citizens in discussion and decision-making. This has become all the more urgent in a globalised world where no satisfactory mechanism has been devised to manage global public goods.

• Nothing can replace high-calibre and morally upright leadership. The most perfect system of governance is still open to manipulation. In order for democracy to work well, the electorate must choose leaders who have the requisite qualities for producing good governance outcomes. Voters must also have reasonable recourse for removing 'bad eggs' from office. How to do this is a country-specific exercise. One avenue to explore may

be the establishment of more specific governance outcomes for which leaders are kept directly accountable through independent, apolitical monitoring and evaluation of results that are released at regular intervals to the general public.

• The system is as important as the people who run it. Even good leaders sometimes cannot produce good outcomes when the system is straight-jacketed by excessive interference from interest groups, or by elite capture. Democratic systems must be perceived by the citizenry as in perpetual, dangerous flux, in need of vigilant oversight by them at all times. "Constant vigilance is the price of liberty."[90] Periodic shake ups of the system may be desirable, such as revisions to the election law, if they can be engineered apolitically. In addition, periodic reviews of the state of the system may be required to ensure, for example, that the driving seat is occupied by forces operating in the public good.

• While political parties are an indispensable part of democratic governance, some democratic countries have been overwhelmed by party politics, thus rendering them a mixed blessing. Democratic systems should be designed to reap maximum benefits from political parties (e.g. coherent policy platforms, representation of people's issues and concern, checks and balances on the government, etc.), while not allowing them to sabotage governance broadly speaking. In Bhutan, this will be attempted by introducing political parties to the National Assembly, while the National Council (the upper house) will be kept party-free. Full public funding for political parties that participate in both primary and general elections will help keep them clean and accountable. And the appointment of

independent Constitutional office holders from a short-list to which both head of government and leader of the opposition (and other senior office holders) have agreed, will also serve to manage party politics effectively.

• For democracy to produce good governance, the values and desired outcomes of society may need to be better anchored within the polity. Yes, the politicians and citizenry are supposed to oversee this. But trends in both older and newer democracies indicate that politics has become mixed up with big business and active citizenry has waned. The Australian Parliament requires that new legislation be submitted with an environmental assessment. Bhutan may correspondingly wish to require 'GNH assessments'. Until the citizenry learns to play its vital role in making democracy work, such control mechanisms may be necessary to protect the public good.

• To improve democracy's performance, there are no shorts cut around penetrating country-specific analysis to uncover the specific problems generating democratic deficits, many of which are likely to be deep rooted and difficult to change. While Carothers suggests general areas of concern specific to the 'feckless pluralism' and 'dominant-power politics' syndromes, they are still too broad for the analysis required as input to country-specific strategies. What are needed are in-depth country assessments that are nationally owned, both to ensure requisite understanding of local forces at work and viable remedies, as well as to capitalise on country-specific opportunities for translating recommendations into action.

• If the democratic transition involves a significant departure from the past, and when circumstances permit, it may be wise to adopt a slow and gradual approach. Careful trial and error may establish more solid foundations than 'big bang' transitions. In addition, by drawing upon the positive dimensions of indigenous or natural democratic systems (an effort that itself demands time), the democratic transition may be rendered smoother and more sustainable.

* * *

If, indeed, "establishing liberal political and economic institutions is... less like architecture than like horticulture,"[91] then liberal democracy might be expected to exhibit the following characteristics: variable in colour, like a chameleon (often confused with other species by even the most practiced taxonomists); grows slowly and not in a straight line, tending to curl around objects in its path; highly sensitive to light, temperature, water quality/quantity, soil nutrients, CO^2 emissions, habitat in general and, particularly, the personalities of the gardeners; and does not respond well to transplantation. Proceed with care.

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[1] The 39-person National Constitutional Drafting Committee, chaired by the Chief Justice, comprised one elected representative from each of Bhutan's 20 districts and representatives of the judiciary, the executive branch and the clergy.

[2] Although only two parties will sit in Parliament, the system is considered multiparty because any number of parties may run in the primary elections.

[3] GNH refers to Bhutan's guiding development philosophy of Gross National Happiness (see section 3.1).

[4] UNDP, *Democracy in a Fragmented World' Human Development Report*, (Oxford University Press Inc.: N.Y., 2002), p. 51-52.

[5] From the World Bank website (www.worldbank.org/wbi/governance/about.html, September 2005).

[6] European Commission, Governance and Development, Communication from the Commission to the Council, the European Parliament and the European Economic and Social Committee, October 2003, p.3-4.

[7] From the USAID website (www.usaid.gov/our_work/democracy_and_governance/technical_areas/governance, September 2005).

[8] CIDA, Policy for CIDA on Human Rights, Democratisation and Good Governance, December 1996, p. 21.

[9] ADB, Governance: Promoting Sound Development Management, May 1997, p. 9.

[10] Cited in Shabeer Cheema Democracy, Government and Development: Governance Report in Developing Countries (Kumarian Press: Bloomfied, CT, 2005), p. 4.

[11] Larry Diamond, *Promoting Democracy in the 1990s: Actors and Instruments, Issues and Imperatives*: A Report to the Carnegie Commission on Preventing Deadly Conflict. (The Commission: Washington D.C., 1995).

[12] The discovery of a society's needs and aspirations is a very important topic, but beyond the scope of this paper. It opens the door to the concept of 'social contracts'. And it leads to debate on whether states should be trying to

ascertain and meet the collective needs of its citizens as such, or rather focusing on creating conditions under which citizens can pursue the realisation of their aspirations themselves, or both.

[13] Unlike its current usage that refers exclusively to free market economics.

[14] The topic of indigenous or 'natural' democracy is taken up briefly in Part Two.

[15] Robert A. Dahl, "Procedural Democracy", Philosophy, Politics and Society, ed. P. Laslett and J.S. Fishkin (Blackwell Publishers: New York, 1979).

[16] The basic difference between polyarchy and democracy lies in how directly democratic a system is. Dahl contends that direct democracy is the only system that merits the title. All other mixed systems (direct democracy plus forms of representation and/or guardianships) are 'polyarchies'. Yet, while polyarchies fall well short of achieving the democratic process, Dahl believes that 'compared with its alternatives, historical and actual, polyarchy is one of the most extraordinary of all human artifacts.' (Dahl, 1989, p. 223).

[17] Robert Dahl, *Democracy and Its Critics*, (Yale University Press: New Haven, CT, 1989), p. 221.

[18] Defined by Freedom House as political systems whose leaders are elected in competitive multi-party and multi-candidate processes in which opposition parties have a legitimate chance of attaining power or participating in power.

[19] From Freedom House website (www.freedomhouse.org).

[20] Based on a broad range of indicators of political rights (e.g. free and fair elections, freedom of political association, absence of discriminative polices, corruption, government accountability to the electorate, etc.) and civil liberties (e.g. freedom of expression, belief, association, rule of law, personal autonomy and individual rights).

[21] Freedom House, *Freedom in the World 2005, Civic Power and Electoral Politics*. A Report from Freedom House, (from website www.freedomhouse.org), p. 10.

[22] Thomas Carothers, "The End of the Transition Paradigm" in *Journal of Democracy*, vol. 13, no. 1, (January 2002), p.9.

[23] UNDP, Deepening Democracy in a Divided World, Human Development Report (Oxford University Press Inc.: New York), p. 63.

[24] Thomas Carothers, ibid, p. 9.

[25] Thomas Carothers, ibid, p. 13.

[26] Thomas Carothers, ibid, p. 10-12.

[27] Thomas Carothers "Democracy's Sobering State" in *The World 2005*. p. 412-414.

[28] Although voter turnout in the 2004 presidential election was higher (60%), this is considered exceptional due to hard Democrat and Republican vote driving campaigns.

[29] Figures taken from www.elections.gmu.edu/Voter Turnout FAQ/htm.

[30] Peter Mair and Ingrid van Biezen "Party Membership in Twenty European Democracies, 1980-2000", in *Party Politics* 7 :1, (2001), p. 12.

[31] Zakaria, The Future of Freedom: Illiberal Democracies at Home and Abroad, (W.W.Norton & Co.: N.Y., 2003), p.248.

[32] Benjamin R. Barber, "Berkeley Commencement Address," (from website benjaminrbarber.com), 2005.

[33] Benjamin R. Barber, ibid, p. 2.

[34] This refers to a system, wherein the government provides parents with vouchers or cheques for them to 'spend' on the education provider of their choice for their children.

[35] Benjamin R. Barber, ibid, p. 4.

[36] Benjamin R. Barber, ibid, p. 3.

[37] Benjamin R. Barber, *Jihad vs. McWorld: Terrorism's Challenge to Democracy*, (Ballantine Books: New York, 1995).

[38] UNDP, Deepening Democracy in a Fragmented World, Human Development Report, (Oxford University Press: N.Y., 2002), p. 63.

[39] Edward Said (paraphrased from a BBC *Hardtalk* broadcast, 2004).

[40] Samuel Huntington, *The Third Wave: Democratisation in the Late Twentieth Century,* (University of Oklahoma Press: Norman, 1993), pp. 37-38.

[41] Barrington Moore Jr. Social Origins of Dictatorship and Democracy: Lord and Peasant in the Making of the Modern World , (Beacon Press: Boston, 1966).

[42] A crude extraction from this theory is based on *per capita income*. A comprehensive study concluded with a prediction of average life expectancies for new democratic regimes based on their per capita income as follows: 8 years for countries with per capita incomes below USD 1500; 18 years for countries with per capita incomes between USD 1500-3000, and; high chances of indefinite survival for countries with per capita incomes of over USD 6000. These conclusions were derived from empirical analysis of all countries in the world during the period 1950-1990.

[43] Joseph Schumpeter, *Capitalism, Socialism, and Democracy,* (Harper and Brothers: New York, 1942), p. 297.

[44] Seymour Martin Lipset, "The Social Requisites for Democracy Revisited: 1993 Presidential Address" in *American Sociological Review*, Vol. 59, No. 1 (Feb. 1994), p. 4.

[45] Seymour Martin Lipset, ibid.

[46] Thomas Carothers, "Democracy's Sobering State" in *The World 2005,* p. 414.

[47] Joseph T. Siegle, Michael M Weinstein and Morton H. Halperin "Why Democracies Excel" in *Foreign Affairs*, (September/October 2004), p.71.

[48] Adrian Leftwich, "Governance, Democracy and Development in the Third World" in *Third World Quarterly*, Vol. 14, issue 3, (Sept 1993), p. 7 of webversion.

[49] Adrian Leftwich, ibid, p. 5 of webversion.

[50] *Africa Recovery*, Vol. 4, No. 1 : 15, (April-June, 1990).

[51] ibid.

[52] World Bank, World Development Indicators, April 2005.

[53] Benjamin R. Barber, "*Democracy Building?*" opinion editorial (from website www.benjaminrbarber.com), 13 May 2004.

[54] Upon the demise of the Soviet bloc in the late 1980s, one popular theorist went so far as to declare the 'end of history' (Francis Fukuyama "The End of History and the Last Man," 1992). This grandiose statement overlooked the fact that liberal democracy is not a unique system. In fact, the nomenclature has been used to include such huge diversities of practice across nations and over time, that it is no longer a useful categorisation for analytical purposes. Additionally, the model has proven malleable and easily deterred from some of its original central tenets, thus permitting striking inequality and injustice. As most revolutions are instigated by inequality, real or perceived, it seems unlikely that persistent liberal democratic inequalities might fare a different fate. Mankind, therefore, likely has a little more history in store for itself.

[55] Thomas Carothers, "The End of the Transition Paradigm", in *Journal of Democracy*, Volume 13, No. 1, (January 2002).

[56] UNDP, Human Development Report 2002, p. 63.

[57] Thomas Carothers, "The End of the Transition Paradigm" in *Journal of Democracy*, Vol. 13, No. 1, (Jan. 2002), p. 18.

[58] Seymour Martin Lipset, "The Social Requisites of Democracy Revisited: 1993 Presidential Address" in *American Sociological Review*, Vol. 59, No. 1 (Feb. 1994), p. 17.

[59] Thomas Carothes, ibid, p. 18-19 (webversion).

[60] Jigmi Thinley, "What Does Gross National Happiness (GNH) Mean?" Keynote speech, Second International Conference on GNH, Nova Scotia, Canada, 2005, pp. 1-5.

[61] Peter Hershock, Poverty Alleviation: A Buddhist Perspective (unpublished), 2004.

[62] Derived from 2003/2004 statistics published by Bhutan's Royal Monetary Authority's 2005 annual report.

[63] Rugged terrain still hampers broad participation in elections. It takes some voters several days walk to reach polling stations, so electoral participation has a high opportunity cost. In addition, a large number of urban dwellers who migrated from rural areas are not registered to vote in their new place of residence.

[64] Royal Government of Bhutan, *Millennium Development Goals Progress Report*, 2005, (unpublished).

[65] Jigmi Thinley, ibid, p. 6.

[66] Jigmi Thinley, ibid, p. 6.

[67] see part 3.1 below.

[68] Bhutan's gini co-efficient rose from .341 in 2000 to .416 in 2003. Bhutan's gini co-efficient thus exceeds that of India, Bangladesh, Pakistan and Sri Lanka (sources: Poverty Analysis Report Bhutan, 2004 ; and ADB *Key Indicators*, *2005*).

[69] This view is contested by scholars like Amartya Sen and institutions like UNDP, who hold that participation is both a means and an end in itself (Sen, *Development as Freedom*, 1999). However, since Bhutan has systematically expanded political participation over several decades, the issue is perhaps of minor importance.

[70] Pun intended (a reference to Buddhist 'right thought' and 'right action').

[71] It has been suggested that the draft Constitution is, in fact, too normative and that much of this content should be left up to Parliament. The counterargument is that (i) all national Constitutions are normative in content, (ii) none of the normative content in Bhutan's draft Constitution is out of step with what the majority of Bhutanese want into the foreseeable future, and (iii) there is concern that the new system of governance may make elite capture easier, hence the need to 'protect' public interests. Furthermore, other people feel that the draft Constitution is actually not normative enough and that the implications of a GNH state should be more deeply anchored across all Articles of the Constitution.

[72] Those political parties that are not included in the general elections are expected to continue to participate in local elections, if they so chose.

[73] International commentators on Bhutan's draft Constitution usually highlight the broad discretionary powers that remain under the king's prerogative, suggesting that either they be exercised only on the advice of the prime minister or that they be further curtailed. While the Constitution will likely undergo more drafts before being finalised, and no one can anticipate its final form, it is important to understand the evolutionary context within which it has been conceived. The discretionary powers accorded to the king in the current draft Constitution represent a significant reduction from his current powers.

[74] See section 3.5 'values and identities', paragraph on avoiding sub cultural discontent.

[75] Leo Rose, *The Politics of Bhutan,* (Cornell University Press: Ithaca, New York, 1977).

[76] Carlos Santosi, "International Cooperation for Democracy and Good Governance: Moving Toward a Second Generation?" in *European Journal of Development Research*, vol 13, no. 1, June 2001, p. 10.

[77] Assuming the Constitution adopted by the people does not differ radically from the current draft version.

[78] Locally elected chair of the local development committees.

[79] Locally elected representative to the National Assembly.

[80] *Kabné* is a colour-coded scarf worn on ceremonial occasions indicating hierarchical rank or function.

[81] This proposal might be considered undemocratic in that it would exclude the ultra-rich from political participation. However, until such time as all Bhutanese possess similar levels of education, elite capture is a distinct possibility. As this proposal would ensure that elected office holders reflect the profile of the majority of Bhutanese, it can be argued that its application would, in effect, produce more democratic results.

[82] US Supreme Court Justice Louis Brandeis, 1941.

[83] Tashi Wangchuk, "The Middle Path to Democracy in the Kingdom of Bhutan" in *Asian Survey*, Vol. XLIV, No. 6, (Nov/Dec 2004), pp. 841-842.

[84] GYT refers to village block development committees.

[85] Tashi Wangchuk, ibid, p. 845.

[86] In other words, the nearest *gewog.*

[87] The Control Yuan is responsible for correcting government officials at all levels and monitoring the government through the powers of impeachment, censure, and audit. It is a stand-alone branch of the government apparatus, on

a par with the other independent branches. The Control Yuan's 24 members, including its president and vice president, are appointed to six-year terms by the Taiwan president and confirmed by the Legislative Yuan. They are not allowed to hold any other public office, engage in other professions, or have any political party affiliation. The Control Yuan exercises its power of audit through its Ministry of Audit, which is responsible for auditing all government expenditures at the central, provincial, municipality, county, and city levels. (From Government Information Office, website: www.gio.gov.tw).

[88] Joel D. Barkan, "Elections in Agrarian Societies" in *Journal of Democracy*, 6:4 (1995), pp. 106-116.

[89] Jigmi Thinley, 14th Annual Dzongda's Conference as reported in *Kuensel*, Vol XX, No. 58, (17 August 2005), p. 1.

[90] Alexis de Tocqueville

[91] Michael Mandelbaum 'The Ideas that Conquered the World' *in Public Affairs*, 2001.