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Planning for Sustainable Tourism Development in Bhutan

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Introduction

The Kingdom of Bhutan is well known for its distinct national and cultural identity based on Vajrayana Buddhism (Shrotryia, 2006). Many elements of governmental policy, such as the principle of Gross National Happiness and a cautious approach to tourism development, are rooted in Buddhist values (Ura *et al.*, 2012). In the quest to preserve its culture and safeguard against some of the negative effects of tourism, policy makers in Bhutan have tightly controlled the way tourism operates in the country (Nyaupane and Timothy, 2010). Tourism is essentially a people-to-people business, and the success of the tourism experience and the impacts on the host community depend on the host–guest relationship (Smith, 2012). This chapter seeks to investigate the ways in which tourism planning and policies in Bhutan promote, reinforce and constrain sustainability. The scope of this work will cover food and beverage purchasing decisions, human resources, transportation and souvenir sales in the tourism and hospitality industry in Bhutan. To achieve these research objectives, 19 in-depth interviews were conducted with hotel general managers in the main tourism areas of Thimphu and Paro. Our findings reveal that, while the controlled nature of tourism in Bhutan certainly protects its residents from the negative excesses of global tourism, numerous policies also impede tourism and hospitality from spreading their benefits more widely. Policy makers in Bhutan would rather adhere to the precautionary principle than allow detrimental practices or risk irreversible impact on Bhutanese culture.

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5.1 Tourism in Bhutan

Sustainable tourism is a commonly cited goal of tourism destinations and individual accommodation establishments (Liu, 2003). While sustainable tourism is a universal goal, what sustainable tourism looks like in practice and how it can be achieved are subject to much debate and thinking (Bramwell and Lane, 1993). Sustainable tourism is often categorized into three areas or dimensions – economic, environmental and socio-cultural – although these categories often overlap in discussions on the impacts of tourism. These three dimensions are often used to categorize positive and negative impacts from tourism. Yet these impacts vary in degrees and are often contradictory across and within these three dimensions, as in the case of Bhutan (Brunet *et al.*, 2001).

Bhutan is a landlocked country sandwiched between two powerful neighbours, China and India, with a population of around 750,000. Vajrayana Buddhism is the state religion and the principles of Buddhist philosophy profoundly influence governance and policy in Bhutan (Sharma and Zam, 2019). The Gross National Happiness policy, which embraces happiness, not economic production or material wealth as the indicator of national well-being and development goals, is the best-known manifestation of this perspective (Bates, 2009). Affirming this commitment, Bhutan's Minister for Economic Affairs, Lyonpo Khandu Wangchuk, stated in 2005:

Our tourism policy is inspired by the philosophy of Gross National Happiness, and emphasizes the harmony between tradition and modernity, between Man and Nature, and the importance of preserving our living local systems in an era of globalization.

(Royal Government of Bhutan, 2005)

As Bhutan is a small, mountainous country with a lack of good-quality tourism infrastructure, the Bhutanese government has taken a cautious approach to planning and developing tourism (Gurung and Seeland, 2008). Suntikul (2018) notes that Bhutan's tourism policy seeks to encompass the government's protectionist philosophy while at the same time charting a path to modernization and economic development. Even though the Bhutanese government recognizes the value of the economic income from tourism, it is also aware of the potential negative impacts of tourism (Dorji, 2001). Uncontrolled development of tourism could also overstrain the country's sparse infrastructure and could bring negative impacts on the environment and social fabric. For this reason, the government's long-standing approach to tourism is described as 'high value, low volume', aiming for a limited number of high-spending tourists as opposed to the mass tourism market.

The history of international tourism to Bhutan dates back to 1974, the year of the coronation of His Majesty the Fourth King Jigme Singye Wangchuk (Ritchie, 2008). Tourists arriving in that year entered Bhutan overland through India as 'paying guests', with each tourist paying a flat daily tariff of US\$130, which covered all accommodation, internal transport, meals, attraction fees and tour guides. In 1983, Bhutan opened its first and only international airport. The national air carrier Druk Air was founded in 1988. In 1989, the government

increased the tourist daily tariff to US\$200, and in 2012 the tariff was again increased, to US\$250 during the high seasons and US\$200 during low seasons (Suntikul and Dorji, 2016).

Tourist movement is still restricted by a government-decreed list of places that tourists are not allowed to visit, mostly important religious sites. Most tourist traffic occurs in the high seasons of March to May and September to November. This pronounced seasonality (nearly half of bed nights occur in April and October) (Rinzin *et al.*, 2007, p. 115) leads to intense concentrations of tourists at certain times and underutilized tourism infrastructure at other times, although there are currently government initiatives to attract more tourists in the off-season months as well.

Tourism is becoming increasingly important to Bhutan. There are two distinct tourism markets: the international market and regional tourists. These two markets are subject to different policy and planning rules. For regional tourists, countries whose nationals do not need to pay a daily tariff include India, Bangladesh and the Maldives. Diplomatic service and official passport holders from Thailand and Switzerland are also exempted. The number of international tourists to Bhutan grew from 7559 in 2000 to 27,196 in 2010, when the total number of tourists was 40,873 (no statistics were recorded for regional tourists prior to 2010). Table 5.1 shows a continuing upward trend in visitors in subsequent years. In 2013 and 2014, there was a relatively even split between international visitors and regional visitors, but in 2015 there was a near doubling of regional visitors and a

Table 5.1. Total visitors to Bhutan, 2000–2018 (source: authors' own compilation based on data from Tourism Council of Bhutan, various).

Year	Visitors			Proportion of total visitors (%)		Annual growth rate (%)	
	International	Regional ^a	Total	International	Regional	International	Regional
2000	7,559						
2001	6,393						
2002	5,599						
2003	6,261						
2004	9,249						
2005	13,626						
2006	17,344						
2007	21,094						
2008	27,636						
2009	23,480						
2010	27,196	13,677	40,873	66.5	33.5		
2013	52,783	63,426	116,209	45.4	54.6		
2014	68,081	65,399	133,480	51.0	49.0	29.0	3.1
2015	57,537	97,584	155,121	37.1	62.9	-15.5	49.2
2016	62,773	146,797	209,570	30.0	70.0	9.1	50.4
2017	71,417	183,287	254,704	28.0	72.0	13.8	24.9
2018	71,807	202,290	274,097	26.2	73.8	0.5	10.4

^aPrior to 2010, statistics on total visitors did not include regional tourists.

decrease in international visitors, mainly attributable to the major earthquake in April 2015 adversely affecting international arrivals. While international visitor arrivals started to recover in 2016, the number of regional visitors increased again by 50% and continued its upward trajectory so that by 2018, of the 274,097 visitors, almost three-quarters (73.8%) were regional visitors.

The travel behaviours of the two types of visitors differ in several ways. International visitors generally fly in, while regional tourists enter Bhutan via the land border with India. A desire to experience the nation's unique culture, including festivals, is the strongest driver of visitors to Bhutan. Of Bhutan's traditional festivals, the Thimphu and Paro Tshechus receive the largest number of visitors, with 20% and 32% of all tourists witnessing these festivals, respectively (Tourism Council of Bhutan, 2019). The highly seasonal pattern of tourism to Bhutan, with the highest visitation being in May and October, coinciding with the festivals. The majority of visitors to Bhutan take part in some form of cultural activity, with nature-based and recreational activities also being popular.

5.2 Methodology

To address the research objectives of this chapter, the authors conducted in-depth interviews with general managers of 19 hotels in Bhutan. Both authors travelled to Bhutan to conduct the interviews over two-week periods in 2015 and 2016, with one week in Paro, the location of Bhutan's international airport, and another week in the capital city of Thimphu on each occasion. Hotels in Thimphu and Paro were targeted as these two cities account for 59.4% of total bed nights in the country (Tourism Council of Bhutan, 2019). Purposeful sampling was undertaken by targeting these hotels. Introductions to the hotel general managers were facilitated through the Royal Institute for Tourism and Hospitality, with which the researchers were professionally networked. Snowballing sampling was undertaken after the initial interviews to expand the sample size. Although in absolute terms 19 hotels is not a large sample, it represents over 26% (19 out of 73) of the three-, four- and five-star hotels in Thimphu and Paro. International tourists are only allowed to stay in three-star and above hotels. Regional tourists (from India, Bangladesh and Maldives) are allowed to stay in homestays or hotels.

Of the 19 hotels surveyed, ten hotels were three-star hotels, five hotels were four-star, and four hotels were categorized as five-star establishments. Hotels in Bhutan are generally small by international comparison. The minimum number of rooms of a hotel in the sample was 8, with a maximum of 78. In this sample, the mean number of rooms is 33, containing 55 beds on average. The average length of stay for the tourists' whole trip is 6.63 nights, and given that tourists visit several locations while in the country, the average length of stay at any one hotel is short (Tourism Council of Bhutan, 2019). The average length of stay for the 19 interviewed accommodation establishments is 2.74 nights. The room rates vary depending on the time of year. The research participants reported that the average room rate was approximately US\$150 per person per night. Rates,

Table 5.2. Sample accommodation statistics (source: the authors' own compilation).

	Mean	Median
Number of rooms	33	30
Number of beds	55	54
Length of stay (nights)	2.74	2
Room rate (US\$/night)	150.31	81.95

however, ranged from US\$23.42 for one three-star hotel to US\$800 for a luxury resort. Table 5.2 shows basic accommodation statistics from the sample.

Hotel general managers were perceived to be the most appropriate research respondents as they are ultimately responsible for, and had the most knowledge about, the procurement practices, human resources and other services their guests required, such as transportation and shopping. In instances where hotel general managers did not know an answer to a particular inquiry, they either sought the answer from other staff members while the researchers were still on the premises or emailed later with a response. A discussion guide was developed for the semi-structured interviews that captured quantitative data across four areas: food and beverage procurement practices, human resources, transportation and handicrafts/souvenirs. For each of these areas, participants were asked the extent to which these resources were sourced locally and the extent to which they were sourced from abroad. After capturing these data, participants were then asked to provide details on each area as to how sustainable each area was and how the hotel's decisions fit with the ethos of Bhutanese culture. Each interview lasted approximately one hour. The data were then entered from the paper questionnaire into Microsoft Excel for further analysis. The analysis consisted predominantly of descriptive statistics while the qualitative data were manually coded to extract themes.

5.3 Findings

We assessed tourism policy and planning in Bhutan across four areas to highlight the ways that the hospitality sector engages with the planning and policy of the Bhutanese government across four areas: food sourcing, human resources, handicrafts and transportation.

5.3.1 Food sourcing

The sourcing of food relates to the economic sustainability of food systems (Pratt *et al.*, 2018). This entails many aspects. The further food travels, the more energy is used in transportation and storage. This contributes to greenhouse gas emissions. Sourcing food locally links the local agricultural sector and the hospitality sector by strengthening the tourism supply chain (Meyer, 2007). An added benefit is that economic leakages are reduced. Strengthening

the supply chain can also help alleviate poverty, specifically for low-income farmers (Hummel and van der Duim, 2012). This has been approached in the past through both supply-side and demand-side approaches. Significant work has been undertaken linking the agriculture and tourism sectors by helping farmers understand the needs of hotels and other food and beverage establishments that cater to tourists (Mitchell, 2013; Pillay and Rogerson, 2013). From the demand side, decision makers concerning menu and food choices, such as chefs, are being educated and encouraged to use more local ingredients in their food and beverage offerings (Bélisle, 1983; Pratt *et al.*, 2017).

Interviews with the hotel general managers revealed that food and beverages was the largest expense area for their operations. The highest food expense is meat. Rinzin *et al.* (2007) also noted this in their study in Bhutan; meat, poultry and fish comprise 33.9% of total food and beverage costs. Overall, 65.5% of all foods and beverages are imported. In general, the higher-starred hotels and resorts import a larger amount of foods and beverages than their lower-starred counterparts. The import quotient is higher for meat, at 71.2%. Most of the local animal products are chicken eggs and river fish. The main obstacles to using more locally produced foods and beverages are threefold. First, as noted above, tourism in Bhutan is seasonal; there is high tourist demand around festival times and very low demand at other times. This means that local farms do not have the quantity of produce to meet demands at certain times of the year. Second, given the limited supply of produce, farmers can charge higher prices. This is a deterrent to hotels that may be able to purchase larger, more consistent quantities at lower prices from nearby India. This was more of a factor for three-starred hotels, who were more budget-conscious than the higher-starred hotels and resorts. Consistency was the other constraint mentioned by interviewees as to why hotels do not use more local ingredients. While it was acknowledged that locally grown food was generally of higher quality, there was more variability in the quality, and it was perceived as more convenient and reliable to purchase foods and beverages through an import wholesaler.

As highlighted by Pratt *et al.* (2018), the highly controlled nature of Bhutan's tourism industry is a limiting factor in linking different sectors of the economy: in this case, agriculture and hospitality. The degree to which tourists can taste or even try local foods is dependent on choices made by tour operators. Tourists do not have discretion over which restaurants they visit; they are taken to eating places by their guides. Some tour guides might take tourists to eating places that offer more locally grown foods while others will not. Therefore, the strengthening of agriculture–tourism links is somewhat constrained by the nature of tourism in Bhutan, in which tourists have little or no discretion as to the food establishments they patronize.

The Bhutanese government has adopted the stance that tourism development should not compromise the values that underlie the protection of cultural values and the enhancement of quality of life. These cultural and religious values also affect food choices. Because Bhutan is a Buddhist country, the slaughtering of animals is considered sinful, although many people consume meat from animals slaughtered by others. Some tourists also prefer meat in their diet, adding to the demand for meat in the country. Indeed, according to

Bhutan's Ministry of Agriculture and Forests' Livestock Department, Bhutan is the highest per capita meat consumer in South Asia, with about 13.5 kg of meat consumed per person annually. Consequently, the bulk of the meat consumed in the country is imported. In 2014, Bhutan imported 10,336 t of meat products worth US\$19.2 million from India and Thailand (Dema, 2015). 'Killing is against our religion, but consuming meat has always been a part of culture and tradition', said a government official (Dema, 2015). After some debate about whether the Bhutanese government should open a slaughterhouse, the government reaffirmed its stance not to do so, meaning that meat would continue to be imported. This is an example of tourism planning having both positive and negative effects on different elements of tourism.

5.3.2 Human resources

Most tourism products are affected by seasonality (Goeldner and Ritchie, 2012) and Bhutan is no exception; the peak periods correspond to the major festivals in Bhutan as tourists are motivated to witness Bhutan's unique cultural events. Seasonality can have implications for the sustainability of tourism and the well-being of local employees. In typical tourism markets, during peak periods, staff may be expected to work overtime for no extra money and without adequate breaks (Swarbrooke, 1999). Conversely, in periods of weak demand, staff may be moved from permanent to casual employment or given limited hours, making it difficult for them to develop a career or be guaranteed a regular income.

However, in Bhutan, seasonality for human resources is not a problem, at least in terms of employing staff (Table 5.3). All of the hotels and resorts in this

Table 5.3. Breakdown of staff in interviewed hotels by origin (source: authors' own compilation).

	Local	Expatriate
Employees		
Managers (%)	63.1	36.9
Staff (%)	98.1	1.9
Total (%)	94.7	5.3
Average monthly salary		
Managers (US\$)	396.56	799.46
Staff (US\$)	165.24	412.54
	Male	Female
Gender		
Local managers (%)	44.3	55.7
Expatriate managers (%)	78.0	22.0
Total managers (%)	56.8	43.2
Local staff (%)	46.2	53.8
Expatriate staff (%)	89.5	10.5
Total staff (%)	47.0	53.0

study reported employing the same number of staff in the high season as the low season. In line with the size of the hotels in Bhutan, the average number of managers per hotel is 6.5 (median = 5), ranging from 1 to 14 in the hotels investigated in this research. The average number of staff per hotel is 55.3 (median = 47), ranging from 1 to 173. Including staff and management together, the overall ratio of employees to rooms is 1.87:1. Often, hotels' management teams tend to be predominantly expatriates while staff are sourced locally. In the case of Bhutan, however, 63.1% of managers are local and almost all of the staff (98.1%) are local. The exceptions tend to be several specialized positions such as chefs or swimming pool engineers. This means that, in total, 94.7% of all hotel employees (managers and employees) are Bhutanese. While the number of Bhutanese employed in management positions is in the majority, there is a noticeable difference between the average monthly salaries of local and expatriate employees, both management and staff. While local managers earn US\$396.56 per month on average, expatriate managers earn US\$799.46 per month on average. A similar pattern emerges for general employees (although there are far fewer expatriate general staff). Local staff earn US\$165.24 per month on average, while expatriate general staff earn US\$412.54 per month. Staff are also typically paid part of the service charge imposed on tourists. This percentage varies from hotel to hotel, from 0% to up to 80% of a staff member's salary. On average, staff receive an additional 21.9% of their salary (US\$36.11 per month) as their share of the service charge.

Bhutan's hotels and resorts generally provide attractive additional employment benefits to their managers and general staff. Both managers and general staff are provided with superannuation entitlements and meal allowances and are paid performance incentive bonuses. Some of the more upscale resorts offer housing allowances and transportation to commute to work.

Given that employees are permanently retained whether it is high season or low season, there are very few casual employees. Only four of the 19 hotels reported having casual employees. These casual employees tended to be local students undertaking internships at these hotels. In this instance, Bhutanese hotels are contributing to the further training and education of the future workforce in the Bhutanese hospitality industry. Swarbrooke (1999, p. 231) notes that the tourism and hospitality industry has traditionally discriminated on the basis of gender. He highlights that, in general, women have rarely been able to break through the 'glass ceiling' to higher management positions. In Bhutan, though, women fill 43.2% of management positions and 53.0% of general staff positions. Among local managers, females comprise the majority of positions but among the expatriate managers, men comprise 78.0% of the positions.

Research participants were asked what percentage of their staff came from relatively poor backgrounds. There is a vast range among the reported numbers, with two establishments reporting that 100% of staff were from poor backgrounds while another hotel reported that no staff were from poor backgrounds as they only employed experienced staff. The average proportion of staff from relatively poor backgrounds is 56.7%. Given the relatively attractive working conditions, it is not surprising that staff turnover is relatively low (for the hospitality sector), at an average of 9.7%, with a minimum of 0% and a maximum of 28%.

5.3.3 Handicrafts/souvenirs

Souvenirs are an important category of products in the tourism context, both as elements of the tourism experience and as a sector of the tourism economy (Jansen-Verbeke, 1998; Swanson and Horridge, 2006). In other developing countries (e.g. The Gambia and Vietnam; Mitchell and Ashley, 2010), the sale of handicrafts is one way that, through the value chain, local artisans can generate income and secure seasonal livelihood opportunities for whole families (Mitchell and Ashley, 2010). The production of handicrafts can support traditional crafts (Markwick, 2001), empower women in local societies (Kruger and Verster, 2001) and engage producers in influencing policy (Makhado and Kepe, 2006). While in other contexts, hotels and resorts provide one type of outlet for these products, in Bhutan hotels and resorts rarely sell handicrafts or souvenirs on their premises. For those hotels in this study that do sell such goods, 100% of the goods are locally produced. Only six of the 19 hotels offer handicrafts or souvenirs for sale. In and around Thimphu and Paro, speciality shops exist to provide tourists with souvenirs. The business model in these stores is that they display the art and handicrafts, and the artists are paid when the tourists actually purchase the goods. In other words, they are paid on consignment. All in all, the sale of handicrafts and souvenirs is an underdeveloped opportunity in the hotels addressed in this study, bypassing possibilities for augmenting the tourist experience of these accommodation establishments and creating local economic linkages.

5.3.4 Transportation

Another avenue that can contribute to poverty alleviation and disperse the benefits of tourism expenditure is local transportation. Transport is a major factor in tourism development and operations (Israeli and Mansfeld, 2003; Page, 2016) that can have a profound impact on the tourist experience (Lumsdon and Page, 2004). The development of transportation has played an important role in enabling the development of tourism and the economies that surround it (Culpan, 1987; Sorupia, 2005). Relying as it does on considerable expenses and the complex coordination of multiple systems, transportation can be a constraining factor in contexts that are still developing. In many developing destinations like Bhutan, the high operating and maintenance costs of vehicles, the lack of domestic vehicle production, high-cost imported fuel, and the wear and tear exacted by rough roads all add to the difficulties of maintaining a transport service (Heraty, 1989). Again, typically in developing countries, such as Tanzania and Ethiopia (Mitchell and Ashley, 2009), acquisition of transport for tourism activities can occur through the value chain, where hotels can work with local taxis and minivan operators to provide transportation services for tourists. However, in Bhutan, while the transportation operators are 100% local, the controlled nature of how tourists visit the mountainous kingdom means that the decision as to which provider to use for transportation is made by the

tour operator with which the tourist books the package holiday. This means that hotels in Bhutan are not in a position to forge linkages and synergies with transport providers, as accommodation and transport are two separate modules in the packages put together by tour operators. Additionally, while improvements in transport modes can increase accessibility to a wider range of sites (Lumsdon and Page, 2004), this motivation is also constrained by the Bhutanese government's strict limitation on the locations that tourists are allowed to visit.

5.4 Discussion

Through analysis of interviews with managers of 19 hotels of different classes in Bhutan, this chapter has investigated the roles that these establishments play in the sustainability of tourism in this developing mountainous nation. This research has confirmed that in many ways the characteristics of the Bhutanese accommodation sector correspond to familiar trends in developing countries around the world. For example, pay for expatriates and locals in equivalent jobs in the hotels under study was found to be greatly disparate, and food and beverages is a major factor in economic leakages because of the need to import food to meet the standards, consistency and volume demanded by the tourism sector.

However, there were also some indications of factors in which these hotels defy accustomed characteristics. Hotels in Bhutan were found to differ from the general trend in maintaining their full cohort of employees throughout the year, regardless of the extreme fluctuations of tourist demand between high and low seasons. This contributes significantly to the social sustainability of this sector, as it minimizes the uncertainty, at the household level, that comes with seasonal work. Also, the majority of members of the management teams in the surveyed hotels are Bhutanese rather than expatriates, diverging from the trend present in many developing countries. This factor also contributes to the economic sustainability of the industry from the point of view of the local families and households. It also supports capacity building in terms of building up a knowledgeable and experienced leadership level among people who are likely to remain in Bhutan and apply their knowledge and experience to the domestic hospitality sector, as opposed to expatriates, who would be more likely to remain for a limited time before moving back to their home countries or on to employment at other destinations. However, as mentioned above, there is still an extreme disparity in pay between locals and expatriates in management positions, perpetuating the implicit neocolonialist dual-class system apparent in many developing countries.

In terms of social sustainability, as in many places, the majority of employees in the hotels studied were from poor backgrounds, and the lack of seasonality of employment implies that this is an option for stable incomes for such disadvantaged people. There is more gender equality in management roles among Bhutanese management employees compared with expats in this same group of surveyed hotels, with women accounting for the majority of leadership positions held by Bhutanese, as opposed to only 22% women among expat managers in the sample. The fact that the minority of managers in hotels

worldwide are female indicates that the accommodation sector in Bhutan is more of a force for empowerment of women than is typical in other countries – another factor in social sustainability.

Government programmes to educate farmers in producing food suitable for the tourism hospitality sector and training chefs in the use of local ingredients in preparing food suitable for the tourism trade are positive signs that can contribute to alleviating these weaknesses, but such programmes can do little to address the limiting factors of the quantity, price and consistency of domestically produced food, which are all constraining factors on hotels' ability to patronize local farmers. In developed countries, large quantities, low unit prices and high consistency are all attained through the industrialization of food production, which takes control out of the hands of small-scale, local, family-run producers, in addition to being at odds with the Bhutanese government's cautious approach to modernization. Consequently, this ethos can be seen as setting limits to the viable amount of domestic food products used in the hospitality sector.

The long transport routes necessary to bring this food into the country detract from the sustainability of this aspect of the hospitality sector. This is a notable weak link in the government's efforts to minimize the impacts of tourism on the natural environment of the country. The habit of importing food for the tourism industry is also detrimental to economic sustainability, as it is associated with leakages in the tourism economy, displacing economic benefits that could otherwise accrue to domestic producers. Additionally, it represents a significant missed opportunity in terms of social sustainability, as it eschews the opportunity to support local farming livelihoods. Bhutan's unusual relationship to meat is a unique cultural factor that transcends the tourism industry. Demand for meat is driven largely by the domestic market and the meat dishes prepared for tourists are part of the national cuisine and not devised just for the tourist market.

The low number of hotels selling local handicrafts represents a missed opportunity to create linkages and synergies between the handicrafts and hotel sectors. This would seem to have a simple solution – to integrate more shops selling such wares into hotels – but more research is needed to ascertain the reasons why this practice is not common, as well as the institutional barriers that would need to be overcome to enable this. In particular, prior studies have revealed that favourable social and economic impacts for the people and communities that produce souvenirs and handicrafts can best be attained when these producers are engaged as partners in co-developing models for collaboration, rather than as mere providers of goods (Mitchell and Ashley, 2009).

A similar point could be made regarding the lack of linkages between the hotel and transport sectors, although, again, further study and co-development of strategies would be required to define the correct form that such linkages would take in the Bhutanese context. The high degree of control over tourists' itineraries, requiring visitors to travel predetermined routes, patronize pre-ordained establishments and visit only the sanctioned sites, always under the watchful eye of a tour guide, is another manifestation of the Bhutanese government's programme of protectionism that certainly achieves its intended goal of

controlling the impacts of tourism, but at the cost of minimizing the spread of potential benefits of tourism.

The class of tourists who visit Bhutan is more affluent and educated than those who make up the mass tourism market that is at the root of the worst impacts of tourism on other destinations. The Bhutanese government could take courage from this fact as an impetus to revisit the ways in which controls are exercised over this sector, and evaluate ways in which it might experiment with allowing greater interpenetration of tourism with other parts of the Bhutanese economy, society and culture.

Conclusions

The above discussion has probed the various ways in which tourism planning and policies in the hotel sector in Bhutan promote, reinforce and constrain sustainability, in its multiple facets. The various factors that contribute to Bhutan's national mantra of Gross National Happiness, informed by the country's deeply ingrained Buddhist values, align well with many elements of the broad concept of sustainability. Preservation of the natural environment and local cultural practices and values, contribution to the local economy and livelihoods, support of opportunities across genders and economic classes, and other factors explored in this chapter have relevance in both of these value systems.

Hotels are the epitome of location-based assets in the tourism ecosystem. They are nodes at which diverse factors and systems of the tourism sector converge – pivotal environments in the tourism experience, innately embedded in the economic, social, cultural and political specificities of their location. As such, they are sites that bear intensive investigation in terms of their potential to positively influence the sustainability of the social values, economies and livelihoods of their localities, while enriching tourists' engagement with the destination. In sum, the findings of this study point to the benefits to be gained, in terms of sustainability and Gross National Happiness, by exploiting hotels' unique position in the tourism landscape. This would require a revisiting of the centrally controlled, tour-operator-led approach to tourism in Bhutan, to divest some degree of decision-making and organization to the local level, enabling localities or even individual accommodation establishments to forge partnerships with local providers of food and beverages, workforce, souvenirs and transport. At the national level, this would need to be supplemented with policies and programmes to help local providers to increase their capacity and capabilities.

The country's cautious protectionist approach to tourism development underlies many of the positive contributions to sustainability identified in this chapter but is also at the foundation of some of the limitations that constrain performance in terms of other measures of sustainability. While these controls certainly shield Bhutanese culture and society from the negative impacts of the worst manifestations of global tourism, such policies also get in the way of the spread of the benefits of tourism across Bhutanese society and impede potential linkages between tourism and hospitality and other sectors. The raising

of capacity to forge and maintain such linkages would in many cases entail the modernization and rationalization of elements of the Bhutanese economy to meet the demands of the tourism industry, meaning that the consideration of a path forward in the development of tourism in Bhutan will entail a principled revisiting of the relationship between modernity, tradition, quality of life and sustainability, and the potential policy implications thereof.

There are several limitations to this research that provide areas for future research. Despite the 19 surveyed hotels being relatively representative of the accommodation sector in Bhutan, in absolute terms, future research could undertake a more comprehensive audit of hotels covering accommodation places outside Paro and Thimphu. This research examines the supply side of tourism in Bhutan. Future research could also examine the attitudes, preferences and choices surrounding the issues of sustainability of tourists to Bhutan. The high value of tours to Bhutan and the type of tourism 'product' offered in Bhutan would suggest that tourists may be more 'sustainable'. It would be of interest to understand these tourists better. Lastly, given the importance of tour guides in making sustainable choices, future research could explore the thinking and decision making of these important tourism stakeholders around the issue of sustainability.

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