

## SUSTAINABILITY OF TOURISM IN BHUTAN

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### **Introduction**

Bhutan's tourism industry began in 1974. It was introduced with the primary objective of generating revenue, especially foreign exchange; publicising the country's unique culture and traditions to the outside world, and to contribute to the country's socio-economic development<sup>1</sup>. Since then the number of tourists visiting Bhutan has increased from just 287 in 1974 to over 2,850 in 1992 and over 7,000 in 1999.

By the late 1980's tourism contributed over US\$2 million in revenues to the royal government. In 1989, the royal government raised the tourist tariff. That year only 1,480 tourists visited Bhutan but the government still earned US\$1.95 million through tourism. By 1992 tourist revenues contributed as much as US\$3.3 million and accounted for as much as 15-20% of the total of Bhutan's exported goods and services.

The royal government has always been aware that an unrestricted flow of tourists can have negative impacts on Bhutan's pristine environment and its rich and unique culture. The government, therefore, adopted a policy of "high value-low volume" tourism, controlling the type and quantity of tourism right from the start. Until 1991 the Bhutan Tourism Corporation (BTC), a quasi-autonomous and self-financing body, implemented the government's tourism policy. All tourists, up to that time came as guests of BTC, which in turn operated the tour organisation, transport services and nearly all the hotels and accommodation facilities. The government privatised tourism in October 1991 to encourage increased private sector participation in the tourism sector. Today there are more than 75 licensed tour operators in the country.

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**Table 1: Tourist Arrivals by Country of Residence and Tourism Revenue Receipts from 1989-1998**

Region	'89	'90	'91	'92	'93	'94	'95	'96	'97	'98
Americas	479	377	544	616	751	734	1003	1039	1010	1714
Asia Pacific	335	459	755	728	791	1193	1529	1639	1712	1418
Europe	621	614	807	1229	1323	1884	2227	2391	2590	2062
Others	45	88		190	119	160	6	69	51	9
All Regions	1480	1538	2106	2763	2984	3971	4765	5138	5363	6203
Revenue Receipts (million US\$)			2.30	2.99	3.30	3.97	6.00	6.51	6.50	7.98

Source: Department of Tourism, Thimphu

After the privatisation process, a regulatory body, the Tourism Authority of Bhutan (TAB), now called the Department of Tourism (DOT), was established under the Ministry of Trade and Industry. The primary responsibilities of the Department of Tourism include ensuring compliance by travel agents with the tourism policy of the royal government, including the regulation of the number and segments of foreign tourists; fixation of rates for trekking, expeditions, and cultural tours; receiving of tourist payments and processing of tourist visas; issuing and ensuring compliance with guidelines and regulations related to tourism activities; ensuring conservation of culture, tradition, environment and protection against ravages of pollution and exposure from tourism activities; and developing new opportunities for generating growth and foreign exchange through protective tourism, and to undertake research and development in such areas.

Currently the minimum daily tariff set by the Department of Tourism for both cultural tours and treks is US\$200 for the high season and US\$165 for the low season<sup>2</sup>. There is no quota or limit on the number of tourists allowed to visit Bhutan. Rather the volume of tourists coming to Bhutan has been limited by the capacity constraints of tourism infrastructure due to the pronounced seasonality of tourism in the country. March/April and October/November are the top tourist seasons as the weather is best for

trekking and cultural festivals are taking place in different parts of the country.

So far the royal government's overall objective of maximising foreign exchange earnings while minimising adverse cultural and environmental impacts of tourism seems to have paid off. The tourism industry has made significant contributions to the socio-economic development of the country, especially after the privatisation of the industry in 1991. A high level of profits is available to tour operators and an increasing number of Bhutanese entrepreneurs are investing in the tourism sector. Bhutanese have also found employment as guides, cooks, transport operators, and hotel and restaurant owners. Tourism contributes significantly to rural incomes through earnings from tourist transport and portage. Tourism has also provided the impetus for the development of the service sector, including hotels, restaurants, transportation and communication. Another visible impact of tourism has been the promotion of the indigenous cottage industry and the setting up of handicraft shops in Thimphu and other frequently visited areas.

Bhutan's main tourism attractions are its traditional culture and way of life, its religious festivals, historic monuments and its pristine environment. Bhutan has received much international acclaim for its cautious approach to development that places a high priority on conserving the nation's natural and cultural heritage. Protecting nature and culture is part of the Bhutanese value system and is an important aspect of the traditional way of life in Bhutan, and the tourism policy reflects these concerns. The policy of imposing a high tariff has succeeded in making tourism in Bhutan an exclusive and distinctive experience. However, with the increase in the number of tourists coming to Bhutan every year there is a need to monitor and evaluate the environmental and cultural impacts of tourism and offer measures to reduce any adverse impacts.

World tourism is evolving as well as growing and tourists increasingly want to engage in recreational or sporting activities, learn more about local cultures or develop special interests. Among these special interests is the natural environment resulting in what is commonly termed "eco-tourism". This offers new opportunities and challenges for Bhutan.

Bhutan is keen to develop its tourism industry in a way that is socially, economically and environmentally sustainable. It should be recognized that tourism in Bhutan has been sustainable so far due to the sound environmental and cultural policies of the royal government which has considerable authority over setting policy direction. The future sustainability of tourism will, however, depend on greater participation from the tourism industry. The tourism industry must realise that our environment and culture are the basic resources on which it thrives and grows. It must recognize its responsibility for conservation and sustainable natural resource management by committing to and working within principles and guidelines to achieve sustainable tourism development.

The sustainable development of tourism will require partnership and cooperation within the tourism industry, and between the industry, government, tourists and people. Local input and involvement are also important for the long-term sustainability of tourism in Bhutan. If local residents and communities are part of tourist operations and receive benefits from tourism, then the goals of the local communities, tourism operators, and the government can be met.

### **Environmental and Cultural Impacts of Tourism**

Although tourism in Bhutan is referred to as a model for other fragile mountain areas where there is much concern over the society's traditional heritage, there has emerged a number of pressing tourism-related environmental and cultural problems in the last few years. Among the problems currently encountered are<sup>3</sup>:

The destruction of vegetation through the cutting of slow-growing trees for firewood. This is particularly more pronounced in Bhutan's high alpine regions through which most of the trekking routes are located. The local people in these areas rely on wood for fuel and tourism adds more pressure on the forests.

Erosion of delicate vegetation is another visible problem associated with tourism in Bhutan. Although tourism activities are not solely responsible for erosion in the high mountain areas, the use of horses and yaks during treks have a significant impact. Also local residents tend to increase the size

of their domestic herds for transport contracts with the tourism industry, which in turn adds to the limited carrying capacity of fragile mountain ecosystems.

The creation of garbage trails from the indiscriminate disposal of non-biodegradable waste is another visible environmental problem associated with the tourism industry. It has been pointed out that tourism is promoting changes from sustainable farming and cropping patterns to other more profitable and less sustainable livelihoods to meet the needs of affluent tourists. Some people also argue that interactions with tourists have led to the erosion of Bhutanese culture and value systems.

Several steps have been taken by the royal government to address these problems. The Department of Tourism has banned the use of firewood on treks. Tour operators now use liquid petroleum gas or kerosene. The Department also levies a fine of Ngultrum 5,000 on operators who continue to use firewood on treks and for littering. Although the fine is not very substantial, operators might not get trekking permits for the next season if they are charged with two violations in a particular season. The Department has also constructed permanent campsites, rest houses and toilet facilities along the more popular trek routes.

The Department of Tourism has conducted several training courses for guides and has instituted a system of licensing cultural and trekking guides. All guides employed by any tour operator in Bhutan have to be licensed. This ensures that all guides have basic training in trekking and mountaineering techniques and are briefed on all aspects of tourism in Bhutan with special emphasis on the environmental and cultural issues.

#### **Problems that Affect the Future Sustainability of Bhutan's Tourism**

There are other problems associated with tourism in Bhutan that might affect the sustainability of the industry in the long run if they are not addressed now. These include:

*Seasonality*: Tourist arrivals in Bhutan are subject to pronounced seasonality. March/April and October/November are the top months as the weather is ideal for trekking and religious and cultural festivals are taking place all over the country. January/February and June/July are the months

with the lowest activity as the weather is too cold or rainy for trekking and there are hardly any significant cultural events taking place. The seasonal nature of tourism leads to a highly inequitable distribution of visitors throughout the year adding pressure on the limited infrastructure during the peak seasons. As a result there is a severe shortage of facilities during the peak seasons and private operators resort to makeshift arrangements that may not meet the desired quality of service.

**Table 2: Number of Tourist Arrivals by Season and Month**

Sl.No	Month	1997	1998	1999
1	January	108	96	148
2	February	254	154	322
3	March	1062	542	1145
4	April	662	1167	604
5	May	275	267	395
6	June	90	97	108
7	July	123	152	132
8	August	231	340	348
9	September	276	1107	1069
10	October	1488	1329	1856
11	November	640	678	841
12	December	154	274	190
Total Arrival for the year		5363	6203	7158

Source: Department of Tourism, Thimphu

*Regional Imbalance:* Another problem that might affect the sustainability of tourism is that it is mostly limited to a Himalayan zone for mountaineering and high altitude trekking and a central zone for cultural tours. As such tourism is mostly limited to the western valleys of Paro, Thimphu, Punakha, Wangdiphodrang, and the central valleys of Trongsa and Bumthang.

*Insufficient Product Diversification:* Tourism in Bhutan is so far mostly limited to cultural tourists, sightseers and trekkers. In 1999, out of a total of 7,158 tourists there were 6,328 cultural tourists and 830 trekkers. Although Bhutan has vast potential for other forms of tourism and special interests

such as sports tourism, adventure tourism and nature tourism, the process of product diversification is just beginning.

*Weak Institutional Base:* The Department of Tourism lacks both manpower and finance to manage and monitor the tourism industry effectively. There is a lack of qualified manpower, particularly at the management and entrepreneurial levels. There are no formal hotel and tourism training institutes in the country. Most companies have problems in attracting and keeping adequately trained employees at all levels.

*Involvement of the Local Community:* The government and local communities are now beginning to argue that local communities need to be more involved in the business and should receive more benefits from tourism. Local community involvement is currently limited to providing tourism transport and portage.

*Lack of Substantive Tourism Research Base:* Proper research, surveys, feedback, statistics, data collection and processing and research related to tourism development are needed for making sound policy decisions in the future.

*Deterioration in Pricing Integrity:* Although the government's policy allows a high margin of profitability to tourism operators, increasing competition has brought about undesirable results. This has led to a break down in pricing integrity. Operators are resorting to discounts and rebates to foreign operators in order to snatch business away from competitors. This practice not only has a direct impact on the royal government's policy of high value - low volume tourism but also leads to deterioration in the quality of services provided.

#### **Sustainable Tourism in Bhutan<sup>4</sup>**

A few countries including Bhutan have demonstrated that tourism is not ugly. Bhutan is perhaps the best example where controlled tourism has been effective in ensuring the sustainability of the industry in the long run. It has contributed significantly to foreign exchange earnings and government revenues, to income and employment generation and to regional development to a certain extent. It has created opportunities for the development of locally owned and operated private sector enterprises. Tourism has been an important mechanism for publicising the country's culture and traditions to the outside world, and interactions with tourists have contributed to a sense of national identity, making Bhutanese proud of their country's unique culture and environment. Tourism has further enhanced the need to conserve the country's natural and cultural assets.

Bhutan's tourism potential is considerable with comparative advantages in many areas to ensure economic growth and diversification. Cultural tourism, eco-tourism and adventure/sports tourism (rafting, canoeing, climbing) which are based on the country's natural beauty, biodiversity and unique and distinct culture offer numerous opportunities for further development of the industry. The tourism industry can also generate jobs at a time when unemployment is becoming a problem with limited job opportunities in the government and private sector.

Bhutan has a clearly established framework for the development of tourism. It has clear tourism policies, excellent tourism resources, a developing and expanding private sector, qualified and experienced personnel, established marketing channels and contacts. In short, the initial phase of setting up the tourism sector, of privatising the industry, and of establishing Bhutan as an exclusive, distinctive destination has been achieved. The future development of tourism should now involve a process of refinement whereby attempts are made by the industry itself to mitigate any negative environmental and cultural impacts; explore and develop the numerous niche markets, such as eco-tourism, that offer significant growth potential and are consistent with the other development objectives of the royal government; and increase the participation of local communities in tourism activities.



The future development of tourism should still be guided by the concept of high-value tourism and should include a well-defined and effective policy on sustainable tourism. Such a policy should continue to advocate caution and control instead of aggressive tourism development, and be inclusive rather than sector-based. The policy should also promote value consciousness and heritage conservation. Bhutan has considerable tourism resources today because of the cautious approach adopted by the government. This approach should be applied to policies regarding the future development of the industry to ensure that tourism development is consistent with the royal government's goals of environmental and cultural preservation. A cautious and controlled policy will also allow periodic monitoring and review to ensure that the country's tourism develops sustainably, avoiding the negative impacts of tourism. As tourism is a wide-ranging social and economic activity that is multi-sectoral by nature, such a policy should include inter-ministerial committees to facilitate coordination between different ministries, agencies, and the industry. Bhutan's traditional way of life and culture, its religion and its pristine environment have always been the main tourist attractions. A sustainable tourism policy should ensure that these values are promoted amongst visitors and that our cultural and natural heritage is preserved.

The following are a few issues that need to be addressed urgently to ensure that tourism in Bhutan remains sustainable.

*Organizational Development:* The future sustainability of tourism will depend largely on the effective functioning of the Department of Tourism and the industry association (Association of Bhutanese Tour Operators). To this end there is an urgent need to strengthen the capacity of the Department and establish an effective co-ordination and organization of the private sector.

*Product Development:* The addition of facilities and services which will improve and enrich the tourism product, lead to greater visitor satisfaction, contribute positively in terms of environmental, economic and socio-cultural impacts will further help to reduce the seasonal nature of tourism and also spread tourism activities and benefits to other regions of the country. There is also a need for the development of more niche, high-value special interest market segments - e.g. Photography, zoology, ornithology,

botany, white water rafting. Related to product development there is a need for more emphasis on a classification system for tourism facilities and specification of minimum standards.

*Marketing Strategies:* The collection and processing of more complete market information, and improved analysis of characteristics of market behaviour is another basic requirement for developing future policies and plans. Also the development of new products and attractions requires effective joint marketing initiatives that combine public and private resources.

*Human Resource Development:* The development of human resources, not only within the Department of Tourism, but also within individual private operators and other bodies is a must for the success of future programs.

With careful planning and management of the industry and the appropriate inputs, the tourism industry in Bhutan could well surpass its economic expectations without eroding the cultural and environment of the country. To this end several initiatives have already been undertaken to a) build up the resources to finance development of the industry b) involve all relevant partners in drafting future policies related to tourism; and c) form an industry association that will take steps to promote, encourage and assist in the development of tourism in Bhutan.

#### **The Tourism Development Fund**

The Tourism Development Fund was set up by the Department of Tourism in 1999 to fund tourism development in the country. The Department collects US\$10 per visitor from tour operators and it is intended that this fund will be available for the maintenance of tourism infrastructure, joint marketing programmes, and development of new tourism products (eco-tourism and adventure sports such as white-water rafting and kayaking). The fund has also been utilised to set up the office of the Association of Bhutanese Tour Operators (ABTO).

#### **The Tourism Development Committee**

Tourism is not a sector in itself but a wide-ranging social and economic activity that is multi-sectoral by nature. As such, it poses problems of coordination between a variety of different government ministries and agencies. For this reason special inter-ministerial committees or councils are necessary to provide the necessary degree of co-ordination useful to ensure that tourism development plans take into consideration the concerns and sensitivities of all the sectors involved. In Bhutan the Tourism Development Committee was established with the following functions: a) to act as the apex body to oversee all matters related to tourism development in the kingdom of Bhutan; b) to provide advice and guidance to the Department of Tourism in carrying out its functions; c) to approve all plans and programs drawn up by the Department of Tourism in consultation with the Association of Bhutanese Tour Operators (ABTO) and other relevant organizations on an annual basis; d) to approve the annual budget for the development of plans and programmes to be allocated out of the Tourism Development Fund (TDF); and e) to act as a medium between the government and the private sector and facilitate effective and expeditious resolutions of issues emerging from time to time.

The Committee consists of 12 members from government agencies as well as the private sector. It is hoped that the wide representation on the Committee will ensure that issues related to the cultural and natural integrity are addressed at this committee during the development of future plans and policies.

#### **The Association of Bhutanese Tour Operators (ABTO)**

The Association of Bhutanese Tour Operators (ABTO) was formed in December 1999 with the overall objective of bringing together all the private sector interests involved in the tourism industry. One of the objectives of ABTO is to establish a channel for closer and more effective collaboration between the tourism industry and the Department of Tourism. ABTO is also the first step that the industry has taken to create a mechanism for self-control and self-regulation.

#### **Ecotourism**

The royal government has realized that it is now time to think strategically about the need for and the impact of future development of tourism in Bhutan. There is a need to monitor and review the impacts of current policies and to develop further guidelines to ensure that the industry grows in a sustainable manner. Numerous policy documents of the royal government, including Bhutan 2020<sup>5</sup> and The Middle Path- Bhutan's National Environmental Strategy<sup>6</sup> have recognized the need to promote ecotourism as a way to achieve sustainable tourism development in the country. There is considerable scope for ecotourism in Bhutan as it offers significant growth potential and is consistent with the other development objectives of the royal government while enhancing the cultural integrity of local people. The country's rich biological resources that includes over 165 species of animals and more than 770 species of birds offer vast opportunities for ecotourism. Also within Bhutan's borders there are over 60% of the endemic species of the eastern Himalayan region. Bhutan's rich floral wealth also includes more than 50 species of rhododendrons and over 300 species of medicinal plants that are used in traditional herbal medicine. Such a rich natural environment coupled with the royal government's conservation policy are what make Bhutan a prime destination for ecotourism. Ecotourism is considered the fastest growing market in the tourism industry today and with Bhutan's enviable resources, it should explore ways of developing this market.

Bhutan must, however, be careful and aware that not all forms of ecotourism are well designed. As in other sectors of tourism, lack of planning and foresight even in well-meaning ecotourism projects can cause serious negative impacts. It may lead to the exploitation, and destruction of ecologically fragile areas where tourists might not have been allowed if not for ecotourism. Proper management is needed to reduce the adverse impacts on environment and culture from other forms of tourism.

Developing this niche market will require a national strategy to balance nature-oriented tourism, foreign exchange earnings, and protection of the natural resources such as protected areas. Therefore, it is imperative that the government and the industry define ecotourism in the Bhutanese context, addressing both tourism policy and the potential for specific nature-related tourism products. Such an exercise will help determine the nature of ecotourism development in Bhutan. Ecotourism must be compatible with

effective conservation and operate within the area's natural capacity, for the regeneration and future productivity of natural resources. Ecotourism must minimise ecological footprints and give proper consideration to local cultures and local people in the areas they visit, and ensure that these people have an equitable share in the economic benefits of tourism. Ecotourism must be undertaken in Bhutan very carefully so that it is a positive force for conservation and environmental protection that also provides a unique opportunity for raising awareness and enhancing support for conservation. Therefore, if Bhutan is to explore its ecotourism potential, the following investments will have to be implemented<sup>7</sup>.

### **Marketing and Marketing Survey**

The first stage in developing the nation's ecotourism industry will be to conduct basic market research to determine the types of infrastructure, information, trips, and accommodations that will attract potential tourists. With proper and active marketing of the uniqueness of Bhutan as a tourist destination, it is likely that tourists might be willing to pay more than the current minimum tariff to experience Bhutan's biodiversity and culture. However, it must be recognized that the promotion of opportunities must go hand in hand with the development of more information about biodiversity, training of guides, and development of infrastructure. The royal government and the tourism industry must undertake a marketing survey to better understand the potential for this type of tourism in Bhutan and to identify specific areas where Bhutan has a comparative advantage.

### **Training and Capacity Building**

A weakness in Bhutan's present tourism is the lack of well-trained and knowledgeable guides, especially for specialist tours like bird watching, photography and flora tourism. A formal system of training and accreditation will help the country provide the high standards expected by specialist tourists. Ecotourism requires trained guides who have knowledge of specific parks and other sites and who are able to identify the biodiversity of the region. The Biodiversity Action Plan of Bhutan points out that many local residents in Bhutan's parks have considerable expertise of the local biodiversity and that the prospects of using them as guides should be explored in order to increase employment opportunities for them.

The Biodiversity Action Plan also proposes that Bhutan encourage natural history tours with organisations that can supply their own guides with some knowledge of the region and pair those visiting guides with local people who could enhance their own knowledge. In the long-term strategies will have to be developed to build up this important human resource that is a vital component of ecotourism.

### **Information**

Although much has been written about Bhutan's rich biodiversity and pristine environment, there is a genuine lack of interpretive materials that can be used by interested visitors to Bhutan and school children, particularly field guides and biodiversity tour guides. For ecotourism to be a success the royal government and the tourism industry needs to invest in the development of basic scientific information on the country's biodiversity.

### **Infrastructure**

Promoting ecotourism in Bhutan will require the development of appropriate infrastructure. Although this type of tourism traditionally requires fewer infrastructures than other forms of tourism, many countries have built elaborate facilities within protected areas in the name of ecotourism. Such developments have given ecotourism a bad name with protestors calling it "eco-terrorism" instead. The development of ecotourism in Bhutan should be limited to development of trails and access routes, and basic interpretative facilities like visitor centers. It is recommended that the development of infrastructure for ecotourism in protected areas undergo an Environmental Impact Assessment to ensure the suitability of the project and to prevent costly environmental degradation.

### **The Role of the Government**

The role of the government is important to ensure that the low-impact scale of ecotourism is not exceeded and that proper planning is undertaken before ecotourism initiatives are implemented. Strong government controls are also necessary to ensure that tourism practices by the private sector are environmentally and culturally sustainable. In most countries, ecotourism has either failed or not lived up to expectations as it has been promoted without an overall strategy, effective protected areas management plans, and without consultation or inclusion of local communities. Therefore, the government must adopt a national ecotourism strategy to improve the environmental and cultural success of ecotourism. Such a strategy should aim to co-ordinate government and private efforts to achieve positive economic, environmental, social, and cultural impacts of tourism.

Excessive or unmanaged visitation adversely affects ecotourism sites, both ecologically and culturally. Also the ecological and cultural value of the sites diminishes if visitation is not managed properly. Limitations on visitors must be imposed in order to maintain the ecological and cultural integrity of a ecotourism site. The Biodiversity Action Plan for Bhutan advocates that the most desirable approach to control visitor number is to maintain the existing fee charged by the royal government, while setting limits to the total number of tourists visiting the country and allocating tradable rights to the existing tour operators. The document argues that operators would thus have to pay the government the current \$70 per visitor per day fee, but then would be free to charge what the market would bear. Using this approach, the government would also seek to direct visitors to other parts of the country or to other seasons of the year through either regional quotas or limits in hotel construction in the more busy regions of the country.

### **Current Status of Ecotourism in Bhutan**

Several workshops on ecotourism have been conducted by the Royal Society for the Protection of Nature (RSPN), the World Wildlife Fund, and the Nature Conservation Division (NCD) of the Ministry of Agriculture. An Ecotourism Management Plan for the Jigme Dorji National Park was drafted in 1998. Also the Integrated Community Development Programmes (ICDP) that are being implemented in several areas have made attempts to get local communities more involved in managing tourism within their own communities. Such community-based tourism is being encouraged in Laya and Soe within the Jigme Dorji National Park.

The RSPN has drafted an Ecotourism Management Plan for Phobjikha valley which has been declared a conservation area for the endangered Black-Necked Cranes. The ecotourism management plan for Phobjikha aims to integrate the conservation of the winter habitat of the Cranes and development of the Phobjikha valley by providing the local community with ecologically sustainable income opportunities to boost the local economy. The programme aims to promote the development of alternative energy, eco-tourism, conservation and education programs, Black-Necked Crane research, and monitoring and development of infrastructure for ecotourism. As such the Phobjikha programme is the first real attempt at developing ecotourism in Bhutan.

The prime objective of the RSPN is the conservation of the winter habitat of the Black-Necked Cranes. The society hopes to achieve this by promoting ecotourism in the area. The society works closely with the International Crane Foundation (ICF), based in Wisconsin, USA, which organises tours for its members to Phobjikha every winter. The International Crane Foundation pays US\$100 per person over and above the regular tourist tariff to the RSPN to support its work. The RSPN gives 50% of such earnings to the Phobjikha Area Development Committee, a local community organisation. The Bhutanese tour operator also pays RSPN 10% of its earnings from any group that comes through the ICF. The RSPN uses the money to maintain the basic infrastructure in the area. So far, the RSPN has built a photography hide from which to observe the cranes and also developed footpaths to improve access in the area. It is also building a



visitor's centre and is educating tourists and other visitors on the need for conservation in the Phobjikha valley.

Although critics are of the opinion that promotion of ecotourism in Phobjikha attracts more tourists and thereby cause more disturbances to the cranes, the RSPN program with some refinement can be a good model for ecotourism in other areas as it: a) offers a source of financing for development or maintenance of an important natural site; b) promotes local economic development; and c) provides needed foreign exchange and national benefits. This is the first such project in Bhutan that endeavours to promote partnership between an international organisation, a local tour operator, an NGO and the local community.

More active commitment and involvement of the tourism industry and the participation of local communities in tourism activities, including the sharing of financial benefits, are important ingredients for the future success of ecotourism in Bhutan. The government must continue to play the lead role in policy and programme co-ordination, which are developed in partnership with the tourism industry and local communities. One of the most quoted benefits of ecotourism is that its success rates are much higher if it is conducted as a partnership between the government, the tourism industry and local communities. Bhutan has immense potential as an ecotourism destination and it must explore ways in which this form of tourism can be implemented effectively in partnership with the private sector and local communities.

## **Conclusion**

Bhutan is in a very fortunate position in terms of tourism. While tourism resources are being destroyed elsewhere, Bhutan's assets in the form of its natural environment and culture are well preserved. The international community has lauded the country's policy of giving the highest priority to environmental and cultural preservation. This has further increased the profile of Bhutan as a prime tourist destination. The tourism industry has created a wide range of opportunities for Bhutanese who have begun to grasp economic opportunities offered by the industry. Tourism has also been a self-financing mechanism for promoting the country's environment and facilitating an awareness and understanding of the uniqueness of this country. Tourism has resulted in some adverse impacts but the government has recognised the need to address them.

Tourism has also promoted Bhutanese culture by creating employment opportunities for traditional musicians and dancers and encouraged the resurgence of local festivals in different parts of the country. Although the government still maintains control over the industry, it has become much more diverse and complex since it was privatized in 1991. The private sector is being more involved in not only monitoring itself but also in developing future tourism policies. Tourism bodies like the Tourism Development Committee and the Association of Bhutanese Tour Operators have been established to foster partnership between relevant sectors involved in the industry and within the industry itself. Both the organisations are still in their formative stages but have crucial roles to play in determining the future sustainability of tourism in Bhutan.

Ecotourism offers a way of achieving the benefits of tourism in a way that is consistent with the country's development philosophy. Adventure sports: rafting and kayaking is another form of tourism that is being promoted in Bhutan. Bhutan has a comparative advantage in this area as it is endowed with free-flowing and challenging rivers. Opening up rivers around the country for white-water rafting and kayaking will bring tourism to parts of the country that are otherwise not visited and help distribute tourism benefits to these areas as well. Other innovative schemes<sup>8</sup> such as providing meditation centres in national parks, replicating traditional and religious festivals so that the real ones are not corrupted, and sponsoring exhibitions

of traditional ethnic minority cultures with the aim of returning a fair share of tourism revenues to these communities, offer avenues for sustainable tourism.

A Tourism Master Plan is under preparation and once completed will provide a guide to the future development of the industry. However, there should be extensive consultation between various stakeholders before the document is formally approved and implemented.

So far the government's policy of "high value-low volume" tourism has been successful in regulating the growth of the industry and maintaining the number of visitors at an acceptable level. To ensure that our valuable tourism resources are developed in a cautious manner the government must continue to regulate tourism through its pricing policy. It is also time for the government to think of a well-defined and effective policy on sustainable tourism, especially ecotourism. Only the government can provide the strategic planning base for tourism and ensure that valuable and fragile habitats are identified, that baseline monitoring is carried out, and that the overall needs and implications of tourism are assessed. For major developments, environmental impact assessments should be carried out.

The tourism industry also has a fundamental role in maintaining the sustainability of tourism in Bhutan. Individual firms can take the lead role by showing how self-regulation can work in practice, by taking voluntary action to reduce pollution, by initiating and abiding by the Codes of Best Practices, and by educating clients. The tourism industry association must continue to develop and adopt such codes of conduct and good practice, and provide members with the information to implement them. The industry association must also develop mechanisms for effective self-regulation and introduce sound environmental practices.

Lastly, local involvement and input are essential for the long-term economic and environmental sustainability of tourism in Bhutan. If local communities are involved and have a stake in tourism activities, it will be in their interests to ensure that tourism is sustainable. Furthermore, partnership between the government, the private sector, and the local people can open up a wide range of opportunities that make good economic sense and benefit all the partners. Tourism will be sustainable only if

tourism planners and operators give due consideration to the carrying capacity of our natural resources, recognise that people and communities, customs and lifestyles contribute to the tourism experience and, therefore, accept that these people should also get some of the benefits from tourism.

### Notes

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<sup>1</sup>Edward, Inskipp “Sustainable Tourism development in the Maldives and Bhutan,” UNEP industry and Environment, vol 15, no.3-4, July-December 1992. P.34.

<sup>2</sup> These prices include services for land transport, accommodation, food, sightseeing, guides and cultural programs.

<sup>3</sup> National Environment Commission, Royal Government of Bhutan: *The Middle Path-National Environmental Strategy for Bhutan*. 1998. “Tourism and Its Effects on the Culture and the Environment” p. 52

<sup>4</sup> Sustainable tourism in the context of this paper means that tourism continues to generate revenue, especially foreign exchange; publicize the country’s unique culture and traditions to the outside world; and play an active role in the country’s socio-economic development in a manner that is consistent with the royal government’s policies aimed at sustainable development. Sustainable tourism therefore means that the growth of the industry will place emphasis on the preservation of the country’s culture, environment and traditional lifestyle.

<sup>5</sup> Planning Commission Secretariat, Royal Government of Bhutan: *Bhutan 2020: A Vision for Peace, Prosperity, Happiness*. 1999. P.36

<sup>6</sup> National Environment Commission, Royal Government of Bhutan: *The Middle Path-National Environmental Strategy for Bhutan*. 1998. “Tourism and Its Effects on the Culture and the Environment” p. 53

<sup>7</sup> Ministry of Agriculture, Royal Government of Bhutan: *Biodiversity Action Plan for Bhutan*. 1998. pp.134-136.

<sup>8</sup> National Environment Commission, Royal Government of Bhutan: *The Middle Path-National Environmental Strategy for Bhutan*. 1998. “Tourism and Its Effects on the Culture and the Environment” p. 53

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