

# Community Economies in Support of People's Livelihoods: A Case of a Dairy Cooperative of a Mountain Village in Bhutan

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The notion of community economies is key to redressing the contraction of ordinary people's livelihoods under the sway of global capitalism. This study describes how a dairy cooperative in Shingkar, a mountain village in Bhutan, has been advancing a community economy. It makes net profit while capitalizing on local residents' practices of exchanging labour and materials for their agricultural and religious activities. The institutions of mutual help, founded on non-market transactions circulating goods and services, have been applied to the cooperative that draws its membership from all households, and distributes its profit in ways that replenish commons in support of the members' livelihoods. The cooperative also showcases how a community economy is advanced with the support extended by an association of those raised in the locality and residing elsewhere. In this respect, the institutions of mutual help in Shingkar extend beyond the village boundaries.

**Keywords:** community economy, cooperative, Bhutan

## 1. Introduction

Free-market capitalism has gained currency since the 1980s to stipulate that prosperity can be best attained within an institutional framework that deregulates control of intra- and trans-border economic transactions. However, according to a report of the Organization for Economic Cooperation and Development (OECD), projecting the future of the world economy (cited in Mason, 2016: 27–8), the long-term prospects of global capitalism are bleak, in that its growth is prone to stagnate as the room for 'developing' countries to catch up with 'developed' ones has petered out. As Ernest F. Schum-

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acher noted in his classic *Small is Beautiful* (2010: 178), originally published in 1973, 'What needs to be questioned is the implicit assumption that the modern sector can be expanded to absorb virtually the entire population'.

Against this background, the following precept of Schumacher is even more relevant today, that is, it is imperative 'to make the development efforts more appropriate and therefore more effective, so that it will reach down to the heartland of ... villages' (Schumacher, 2010: 216). Urban-based, modern industrial development must proceed in tandem with the promotion of vibrant rural communities; the latter is indispensable to avoid inflicting internal imbalances on the economy.<sup>1</sup>

The predicament that ordinary people face in 'advanced' capitalist countries make the imperative to 'reach down to the heartland' of the society clear. Owing to the declining share of money flows to workers, 'the next generation will be poorer than this one; the old economic model is broken' (Mason, 2016: 5). Due to stagnant wages and cuts in welfare spending, ordinary people's living standards are restrained by an unprecedented level of downward pressure. Moreover, the present info-tech revolution, ushering in innovations at the interface of robotics and artificial intelligence, is expected to induce a further decline in labour demand.

Accordingly, 'the economic calculus which measures success in terms of output... without consideration of the number of jobs, is quite inappropriate' in view of a declining share of money flows to workers (Schumacher, 2010: 184). 'Production by the masses' should be given preference over 'mass production' (Schumacher, 2010: 79) in that the former can create 'a dynamic situation capable of generating growth' albeit smaller in the total output (Schumacher, 2010: 184). Moreover, this leads us back to 'the real needs' or 'the actual size' of human beings (Schumacher, 2010: 169). 'The economics of gigantism and automation' is incapable of redressing the ongoing contraction of working-class livelihoods and is thus 'a left-over' of the past (Schumacher, 2010: 79).

By paying attention to 'the actual size' of human beings, the potential of promoting 'community economies' comes to the fore; in reality, formal market exchange based on individuals' calculative behaviours is merely a subset of the broader range of transactions circulating goods and services in support of livelihoods (Gibson-Graham, 2006: 60–2). This is because humans are in relationships of profound interdependence with each other and non-human others (Gibson-Graham, 2019: 129). Greater material security hardly constitutes the sole goal of human beings who also value the quality of their relationships with each other and take pride in what they contribute to their own communities. Human happiness hinges on a mixture of material, physical, occupational, social and community well-being (Gibson-Graham et al., 2013: 21–2).

There are numerous instances of 'community economies' that seek to challenge and sidestep the

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<sup>1</sup> Otherwise, what may be termed a 'process of mutual poisoning' (Schumacher, 2010: 177) would bring about unemployment and mass migration. First, the movement of people to urban centres would accelerate due to their perceptions of urban-rural differentials in income-earning opportunities. At the same time, migrants' hope would not be fully realized given the lack of employment opportunities in cities to 'absorb the entire population'.

dominance of capitalism by 'building more ethically responsible ways of negotiating survival—that is, basic needs provision—and of generating and distributing the surplus that enables life to flourish' (Gibson-Graham, 2019: 128). Moreover, to draw on a study on a similar notion of 'generative economies' that widen economic power from the few to the many, ownership lies in the hands of those directly or closely involved, in lieu of the 'extractive' styles of ownership. The latter types are prevalent in free-market capitalism, whereby profits are accumulated among the few, including those detached from daily production (Kelly, 2012). 'Community economies' are founded on 'place-based concerns of people' who aim to nurture 'more considered ways of satisfying their needs and the needs of others without savaging the environment or disregarding future generations' (Gibson-Graham, 2019: 129).

With these provisos in mind, this study analyzes a case of a dairy cooperative in Shingkar, a mountain village in Bhutan. This is considered a showcase of a vibrant community economy that consists of all the households, while its profits are distributed in ways that replenish commons in support of the members' livelihoods. For this purpose, the notion of 'community economies' is explained in the following section, focusing on the broader range of transactions of goods and services that take place outside market relations founded on individuals' calculative behaviours. This study then describes how the notion has been operationalized by the cooperative in Shingkar, which draws on local mutual-help practices, whereby residents exchange labour and materials for agricultural and religious activities. In doing so, references are made to an association of those raised in the locality and residing elsewhere that has played crucial roles in terms of its track records in assisting in reinvigorating the institution of mutual help. In the concluding section, implications are drawn concerning how 'community economies' that 'reach down to the heartland' of the economy can usher in 'production by the masses' and thus redress the ongoing contraction of ordinary people's life prospects.

## 2. Analytical Approach: 'Community Economies'

The free-market ideology has been underpinned by mainstream economics, which is characterized by 'its timorous refusal to look into the real nature of things' (Schumacher, 2010: 50) or 'the actual size' of human beings. Mainstream economics diffuses 'the institutionalisation of individualism and non-responsibility' in that neither a consumer nor a producer is seen to be responsible for anything but themselves in a market-intensive society (Schumacher, 2010: 46). As a consequence, 'the image of the economy as a machine' is so prevalent that 'we are locked into imagining ourselves as individual cogs—economic actors *only* if we work to consume' (Gibson-Graham et al., 2013: 2–3).

The promotion of 'community economies' is a promising measure to rectify this narrowing vision; the notion is intended to widen the identity of the economy by shedding light on 'all of those practices excluded or marginalized by a strong theory of capitalism' (Gibson-Graham, 2006: 60). In this respect, it is useful to ascertain non-capitalist forms of transactions, labour and enterprises, in tune with 'the real nature of things', namely, that human beings are not merely utility-maximizing individuals. Their interactions are not a simple sum of individual choices but are also defined by their social relations,

while their actions are not only motivated by subjective calculation of gain and outcome, but also by non-calculative values, including public service, fraternity, pity, devotion, loyalty, courage and honour (Skidelsky, 2020: 8–9).

First, formal market exchange should be regarded as a subset of the wider range of transactions circulating goods and services in support of livelihoods (Gibson-Graham, 2006: 60–2). While mainstream economists restrict market transactions to the exchange of equivalents that are based on individuals' calculative behaviours, alternative market transactions in which rules of exchanges are socially negotiated and agreed on also exist. They include exchanges between and within worker cooperatives, ethical trades of products, and local currencies for fostering local independence. Moreover, the scope of economic transactions can be broadened to include 'nonmarket' transactions concerning goods and services that are produced and shared in the household, those given away as gifts, or those that are traded within and between communities according to customs of ritual exchanges. Individuals seek happiness not only for themselves but also for other people in pursuit of a meaningful life (Brown, 2017: 17).

Second, labour is remunerated or non-remunerated, depending on how it is performed in various contexts (Gibson-Graham, 2006: 62–5). Unpaid work is undertaken, for instance, as household tasks, including cooking, cleaning, shopping, bill payment and caring. It is also conducted for self-provisioning, including cloth making, gardening, gathering, hunting and fishing. Moreover, people work for payment in kind, for instance, when they provide labour on others' land, in return for a portion of the harvest, or on the proviso that they help each other in times of need. Paid work also takes a range of forms, including those distinguished from capitalist wage labour. Self-employed workers can decide their own wages. A cooperative pays a wage set by its members, which may be adjusted higher or lower than the prevailing market rate, in line with its essential trait of democratic member control (Cato, 2018: 110).

Third, various kinds of enterprises are configured, including those with alternative forms of ownership and production, which are distinct from their capitalist counterparts (Gibson-Graham, 2006: 65–8). The latter enterprises allow those detached from daily production to retain share ownership, while seeking to extract as much wealth as possible in the short term. On the other hand, alternative enterprises distribute profits not only among workers but also allocate them to social and community projects, and thus aim at nurturing conditions for workers and their communities to thrive for generations to come. They take the forms of cooperatives, employee-owned firms, credit unions and community land trusts, in which democratic governance structures are instituted to entrust decision making with those involved in day-to-day operations (Kelly, 2012).

'What if these diverse economic activities were to become a new basis for collective understanding and action?' (Gibson-Graham, 2019: 128). By seeking to multiply and amplify the diversity of local economic practices, it becomes plausible that community economies emerge as 'a space of reflection and action... made up of diverse, ethically negotiated practices that support the livelihoods of humans

and non-humans to build flourishing habitats' (Gibson-Graham, 2019: 127). They can thrive in such a way as to lessen dependence on mobile capital, which incessantly seeks new frontiers across national and regional borders, thereby weakening the grasp of free-market capitalism.

According to similar studies on degrowth,<sup>2</sup> aimed at promoting 'green, caring and communal' economies (Kallis et al., 2015: 4), community economies are about actions from below; it is at the grass-roots level that diverse economic practices as well as direct democracy, sharing and good relationships can thrive, while the decommodification of land and labour can best be advanced (Kallis, 2018: 119–24). It is integral to the principles of sharing and good relationships that local land and labour are not relegated to mere commodities with monetary values, so as to prevent market relations motivated by individual gain from destabilizing society and undermining its unity.

In operationalizing the principle of direct democracy, it is crucial to celebrate the sense of 'being-together', instead of embracing the oneness of the community in question (Gibson-Graham, 2006: 81–7). This is in tune with the mainstay of community economies, that is, 'resocializing the economy' or resignifying the economy as a site of negotiations over how ordinary people capitalize on the multiple possibilities concerning how they live together (Gibson-Graham, 2006: 87–8). Various forms of provisioning exist beyond a narrow view of the economy as being constituted by market relations, including non-market transactions of goods and services within communities (Himmelweit, 2018: 61).

More concretely, negotiations on how best to manage a community economy take place around the following key coordinates: what is necessary for personal and social survival, how social surplus is appropriated and distributed, whether and how social surplus is to be produced and consumed, and how a commons is produced and sustained (Gibson-Graham, 2006: 88–97). It is implausible to predetermine the amount of reward required for people to sustain themselves, which needs to be deliberated as part of their efforts to enact a community economy.

Unlike capitalism, which focuses on extracting surplus labour in excess of the level needed for a worker's sustenance, a community economy aims at appropriating and distributing social surplus in a manner that strengthens ties among its members. Social surplus may also be consumed for non-economic purposes to nurture commons that are integral to the wellbeing of those involved in a community economy. A community economy can thus serve to reverse global capitalism's insidious inroads into the commons, which often take the form of the destruction of physical environments and the privatization of resources.

### 3. Study Area: A Mountain Village in Bhutan

The notion of community economies is relevant to Bhutan which has gained international acclaim

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<sup>2</sup> Among scholars concerned with economic development, increasing concern about the existing growth-oriented economic order has brought attention to the term 'degrowth'. Proponents of degrowth argue that economic growth as measured by gross domestic product (GDP) has gone beyond the point of usefulness. Consequently, they call for the 'abolishment of economic growth as a social objective' (Kallis et al., 2015: 3).

with its vision of Gross National Happiness (GNH). In line with the holistic and collective nature of human wellbeing stated above, it seeks to balance economic growth with nonmaterial wellbeing such as environmental conservation and spiritual, emotional, and cultural contentment.<sup>3</sup> In measuring progress in attaining GNH, the Bhutanese government conducts surveys using the GNH index that encompasses the following nine domains: 'psychological wellbeing', 'health', 'education', 'cultural diversity and resilience', 'time use', 'good governance', 'community vitality', 'ecological diversity and resilience' and 'living standards'.

In this respect, the government *de facto* prioritizes the promotion of alternative and non-market modalities of economic transactions and labour provision, in line with the notion of community economies. This manifests itself in the inclusion of 'community vitality' in the GNH index. The domain consists of four indicators that measure social support, community relations, family relations and perceived safety (Ura et al., 2012: 160–4). The first concerns people's commitment to volunteering and donating their time and money, while the second weighs the sense of belonging and trust among neighbours. The domain therefore points to the governmental commitment to invigorating practices that are broader than individuals' calculation of gain and outcome.

'Community vitality' is rooted in Bhutanese societies. Informal institutions of mutual help are commonly seen in rural areas, such as those relating to on- and off-farm labour exchanges as well as local festivals and rituals, which can serve as the basis for nurturing rural entrepreneurship (Dendup, 2018: 3–4). As previously noted in relation to the notion of community economies, non-market modalities of transactions and labour provision, which are prevalent in rural Bhutan, potentially become the bedrock of enterprises with alternative forms of ownership and production. According to a report compiled by a group of specialists on GNH, 'community vitality' has both intrinsic values that enable residents to feel part of a vibrant community, and extrinsic values enhancing physical, social and economic wellbeing (Conway et al., 2017: 355–6).

The time is ripe for the government to advance community economies.<sup>4</sup> Conducted in 2015, the most recent GNH survey reveals declining trends in people's sense of belonging to their local communities as well as in their trust in neighbours (Centre for Bhutan Studies & GNH Research, 2016: 94–8). This is not peculiar to Bhutan but manifests itself worldwide in tandem with modernization and globalization. The ability of GNH to survive against powerful forces is being put to the test, which potentially 'provides important wisdom, lessons, reflections, directions and healing for a deeply

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<sup>3</sup> See the author's other articles on how the balance between economic growth and nonmaterial wellbeing is pursued in GNH (Masaki, 2021) and how it has undergone a gradual process of elaboration in view of Buddhist mores and development discourses (Masaki and Tshering, 2021).

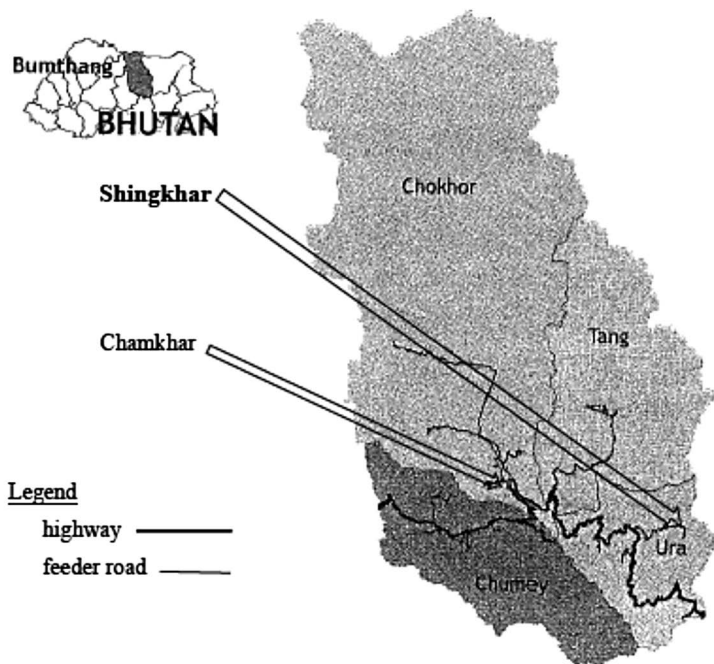
<sup>4</sup> Among the relevant policies of the Bhutanese government is the Cooperative Act, enacted in 2001 and amended in 2009. The development of the cooperative sector has consequently gathered pace in Bhutan, and there were 97 registered cooperatives as of May 2021, according to the website of the Department of Agricultural Marketing and Cooperatives. The sector can play an important role in nurturing community vitality; cooperatives uphold community and environmental values that ensure the long-term existence of organisations, and are endowed with a long-term, place-based membership as well as a democratic governance structure (Johanisova et al., 2015: 153–4).

divided and fractured world' (Verma, 2019: 26).

### Shingkhar village, founded on non-market transactions of goods and services

Shingkhar is a showcase of the potential to advance community economies within Bhutan. It lies in one of the valleys of Bumthang, a district in the central region. It is located at an altitude of 3,400 metres and falls within the buffer zone of Thrumshingla National Park, which has an area of 905 square kilometres and is home to some of the most endangered flora and fauna. As of January 2021, there were 39 households in the village, with a population of about 110.

Map 1. Bumthang



Source: Prepared by author based on the map in *Facts about Bhutan* (Wangchuk, 2008: 275)

The name of the village derives from a wood cabin ('*shing*' denotes wood, while '*khar*' denotes a house or a cabin), built by followers of Longchen Ramjampa (1308–63), commonly known as Longchenpa, who propounded Dzogchen or the great perfection teaching on the basic nature of the mind to liberate people from the glossier levels of delusions. Shingkhar is one of the Eight Lings ('*lings*' denotes holy places) founded by Longchenpa within Bhutan and is also known as Shingkhar Dechenling ('*dechenling*' denotes a blissful place).

The main occupations of the residents are farming and cattle rearing. Major crops include potatoes,

buckwheat, barley and wheat, in addition to vegetables such as carrots, radishes, turnips and cauliflowers, which are cultivated in their kitchen gardens. Potatoes are the main cash crop, which is annually brought to and sold at a border town adjoining India. Mushrooms are also collected in nearby woods and forests for in-house consumption, as well as for sales to outsiders. A dairy cooperative was formed in 2018, to which every household in Shingkharpas belongs.

Shingkharpas is known as Shingkharpas Dechenling Phendey Tshogpa (SDPT)—the Shingkharpas Welfare Association—which was established on 1 August 2006 with the initiative of some Shingkharpas residing in Thimphu, the capital city ('Shingkharpas' denotes those brought up in Shingkharpas and is also used to refer to those with relatives or forebears from Shingkharpas). SDPT has the following three major objectives: (1) to facilitate and promote the economic development of the community, (2) to assist in the promotion of social, cultural and economic traditions of the community, and (3) to provide monetary assistance and services that meet the health and social needs arising out of the adversity of the members and the community.

This move was driven in part by an incident that had brought to light the need for Shingkharpas, residing both within and outside the village, to maintain closer contact with one another. In 2001, a villager passed away in the National Referral Hospital in Thimphu, and his body remained unclaimed for a few nights. The members of SDPT set up a system whereby information concerning any Shingkharpas's admission to the hospital would be passed onto them. This was in line with objective (3) to provide monetary assistance and services that meet the health and social needs arising out of adversity of the members and the community. In those days, a telephone network had not been installed in Shingkharpas, just as in many other rural areas in Bhutan.

This incidence was a reminder that the village's institutions of mutual support, which villagers depend on in their daily lives, would have to be tailored to the needs and developments of the era. The sphere of their lives was not confined to the settlement, thanks to opportunities that arose in towns concerning medical treatment, employment and education, which necessitated Shingkharpas to support each other outside the settlement. The mutual-help institutions also needed to be rejuvenated, although in the village, residents continued to exchange labour during the busy farming season and provided materials and labour for religious festivals and rituals. However, with the ongoing progress of the country's development, which required residents to secure larger amounts of cash income to purchase daily necessities and to meet educational expenses, they had to oscillate between their collective obligations and their respective household requirements.

Against this background, the original members of SDPT facilitated and promoted the economic development of the community (objective (1)) and assisted in the promotion of social, cultural and economic traditions of the community (objective (2)). The need to reinvigorate collective activities for maintaining the temples ('*lhakhang*') and for organizing religious festivals, the mainstay that has historically bound Shingkharpas by trust and reciprocity, were of central concern to SDPT. Major festivals are held at Shingkharpas Dechenling Lhakhang, located where the wood ('*shing*') cabin ('*khar*') were



originally built, and at Drogri Rinchen Jungney (popularly called Garkhai) overlooking the settlement from the top of the hillock, where Longchenpa resided and meditated while staying in Shingkar.

Among SDPT's major achievements in this regard is the Longchen Thongdrel project that was launched in 2011. The project solicited donations from SDPT members and the public at large, to make *thondreal* or large *thangkha* (scroll painting). The *thongdrel*, depicting a seated Longchenpa surrounded by lineage masters and dharma protectors, was completed in 2013, and was unfurled every year during Tshechu held at Shingkar Lhakhang. Tshechu is the largest festival performed throughout the country, including Shingkar, as a tribute to Padmasambhava, the 8th-century Buddhist master. The village festival is also called Shingkar Rabney Chenpo (first performed as the consecration ceremony for the temple), which blends mask dances and rituals based on Padmasambhava and his teachings, with others related to Longchenpa, Pema Lingpa (a reincarnation of Longchenpa) and local deities.

SDPT has also assisted in reinvigorating festivals and rituals. The number of attendees at Shingkar Rabney, visiting from outside the village, has increased partly due to the thongdrol, which is believed to cleanse the viewer's sins. The increase in the number of attendees can also be attributed to SDPT's support in renovating several buildings adjacent to the main hall of Shingkar Lhakhang, as well as its courtyard and access roads.<sup>5</sup> During Shingkar Rabney, SDPT helps procure temporary tents as well as other equipment and decorations.

Moreover, SDPT assisted in starting Baza Guru Dungdrup (recitation of 100 million Baza Guru (Padmasambhava) mantras) in 2011, in which the annual recitation of prayers was undertaken by villagers. It has been held every year since 2011, when SDPT collected donations among its members and outsiders, to be used for villagers to organize the programme that is presided over by respected, learned monks (*lamas*) and is attended by devotees from outside the village. Baza Guru Dungdrup takes place in a number of locations within Bhutan, but the one held in Shingkar is a one-of-a-kind event in that it is one of the rare cases held at the settlement level yet.

The start of Baza Guru Dungdrup has played an important role in the advancement of collective activities. An idea came about among young Shingkarpas, residing both in and outside the village, to mount a fund-raising campaign with the help of SDPT. This led to the creation of a community fund that was sufficiently large to generate interests that could cover the annual expenditures of the festival. The fund is also used as loans for those in need of ready cash to pay for medical or educational expenses, to obtain machine tools, to purchase agricultural inputs and so on. The revolving fund was managed by Shingkar Baza Guru Dungdrup Tshogpa, a committee composed of men and women of different ages that organizes the ritual as well as the loan scheme.

In Shingkar, these festivals and rituals have served as the mainstay of social interactions and ties that are conducive to the promotion of 'community vitality', an integral component of the GNH index. Residents continue to work together in organizing religious functions throughout the year; some of

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<sup>5</sup> SDPT was instrumental in expanding the area of Shingkar Lhakhang. This involved a series of negotiations with landowners, some of whom contributed their kitchen gardens adjoining Lhakhang free of cost, at the request of SDPT.

them act as lay monks (*gomchen*), while others perform duties as masters of ceremonies, dance performers, singers, cooks and waitpersons, among others. With their sense of belonging to the community, they donate their time and in-kind contributions, such as their skills and foodstuffs, as well as making their respective houses available for the preparations.

Moreover, underpinning the 'community vitality' are 'non-market' transactions of goods and services at the times of festivals and rituals, when villagers exchange voluntary labour and offer unpaid contributions. These 'alternative' practices are conducive to the advancement of a community economy in Shingkar. They served as the bedrock of the start-up of the dairy cooperative in Shingkar, or the 'non-capitalist' enterprise with its place-based membership and democratic management structure.

#### **4. A Cooperative in Shingkar: A Community Economy in Operation**

The idea of the Shingkar Dairy Cooperative Association was long overdue among residents of Shingkar. The majority of the households rear cattle, which have served as a source of extra income from the sale of excess cheese and butter. It was considered that a dairy cooperative would open up larger local markets for their dairy products, and thus generate more reliable, regular and higher incomes. In addition to using them at home or as gifts and offerings, each dairy farmer used to sell dairy products at the request of visitors and their acquaintances on a sporadic basis.

The cooperative that started in August 2018 is being managed with the participation of Shingkarpas with the sense of 'being-together'. Drawing on this attribute required for a community economy, residents and some members of SDPT have been engaging in discussions concerning how social surplus is appropriated, distributed and consumed, with the long-term existence of commons in mind. They hope to nurture a shared basis of material, social and spiritual sustenance of the village community.

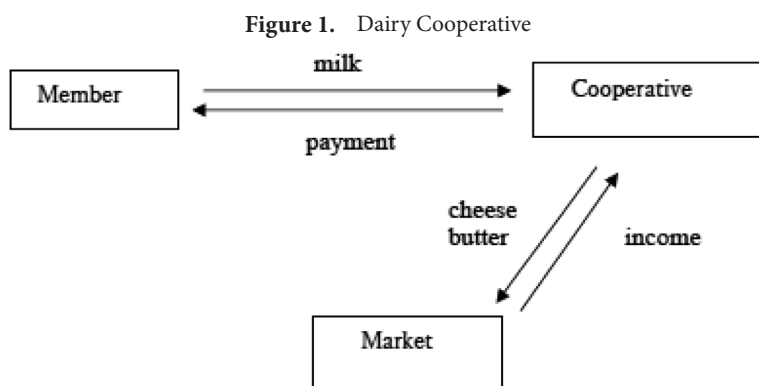
The idea of starting up a cooperative took shape when the Royal Government of Bhutan and the Japan International Cooperation Agency (JICA) approved a project entitled 'Promoting Sustainable Livelihoods in Shingkar through Income Generation and Collective Activities' in December 2017. A major objective of the project was to set up and operationalize a dairy cooperative in Shingkar with recourse to the following sets of activities: (1) consultative meetings to decide on an organizational setup, (2) the repair of the existing Milk Processing Unit (MPU) building, and (3) training on milk processing and cooperative management.

SDPT oversaw the project with its team of project coordinators and field managers. The project coordinators were drawn from Shingkarpas residing in Thimphu, while two Shinkarpas based in Bumthang served as the field managers. One of the field managers works for the Bhutan Chamber of Commerce and Industry (BCCI), and is based in Chamkhar, the central town of Bumthang. The other is a farmer living in a nearby village, and has experience working for a well-known dairy cooperative in his neighbourhood, Chokor Gonor Gonphel Chithuen Thogpa (located in Chokor). The two field

managers were the mainstay of the project and drew on their respective work experiences and knowledge to assist residents in operationalizing the cooperative.

### The Preparatory Phase

Shingkharpas discuss matters of concern to the entire community in a zomdu, a meeting attended by representatives of all the households. Under this project, zomdus were held several times in the first half of 2018, in which the participants discussed action plans concerning the repair of the MPU building,<sup>6</sup> the cooperative's organizational structure, and the training of youths to be appointed to engage in dairy production. It was agreed that the preparatory activities would be completed in time for the cooperative to start in summer when cattle produce larger quantities of milk, the optimal season for deriving maximum benefits from livestock farming.



*Source: Constructed by author*

Moreover, an article was finalized in a zomdu in early August, which stipulated the organizational setup of the cooperative. The membership was to be drawn from all the households, and the members would be entitled to monthly payments for their supply of excess milk at the rate of Nu. ('ngultrum', the currency of Bhutan) 35 per litre. The cooperative was to sell cottage cheese for Nu. 60 per ball (cheese is rolled into fist-sized balls), and butter for Nu. 350 per kilogramme. A total of three youths were selected, two of whom were to operate the factory in rotation with the monthly salary of Nu. 5,000.<sup>7</sup>

<sup>6</sup> The MPU building remained unused after its construction in 2011, and its foundation had started to crumble as the cattle had entered and trampled them. Therefore, the building had to be fenced off and needed a toilet and firewood storage. The last two facilities were installed with materials provided by local residents, while the project budget was used to purchase materials for repairing the MPU building and installing fences. The construction work was undertaken in June 2018, with each household sending out a worker who was requested to provide two days of unpaid labour. In monetary terms, the in-kind contributions from local residents amounted to 55 per cent of the total costs incurred for the repair of the MPU building.

<sup>7</sup> The three youths, selected to operate the factory, received training at the above-mentioned cooperative in Chokhor for 10 days in June. The field manager who had worked for the cooperative attended the sessions to help the trainees gain hands-on experiences and master skills in cheese and butter making. Finally, according to the decision made at the zomdus, two other youths were also appointed as co-chairs to maintain the financial accounts as well as the production and sales records, in collaboration with the three operators.

It is plausible to ascertain a fledging community economy, particularly in relation to the shift work systems and the cooperative's membership. The former was intended to ease the burden on the staff members who would also have to attend to their farming work and household chores. To avoid 'leaving anyone behind', membership was accorded to every household. Even single-person households and those with few or no cows would be entitled to receive any dividend that the cooperative may pay when it accumulates sufficient earnings.

The project coordinators and field managers were involved in these preparatory activities. They also laid the groundwork by arranging a bookkeeping format, devising the packaging of dairy products, and identifying sales locations. One of the project coordinators used his graphic skills to design a label for butter, while one of the field managers, a staff member of BCCI, arranged to procure Thai-made packaging plastics that had been displayed at a trade fair held in Chamkhar. He also made arrangements for Shingkar-made products to be sold at the weekly Sunday market and in a shop in Chamkhar. In addition, he created a ledger that would be user-friendly for factory operators and cooperative chairs.

### **The Start-up of the Cooperative**

The cooperative began operations on 12 August 2018. To ensure a smooth start-up, the field manager, with experience working for the noted cooperative in Chokhor, stayed in the village for around a month and gave advice in managing the factory to the staff members. The members contributed Nu. 500 each as seed money for the cooperative. On the first day, those who came to supply milk stayed at the factory and helped the operators to weigh milk brought in by the members, and also enjoyed gathering and joyfully chatting with their neighbours, a practice that continues to be seen at the factory in the morning.

The cooperative turned an immediate profit. In the first (half-)month, 31 member households supplied excess milk and each of them earned an average of Nu. 6,192, while the cooperative made a net profit of Nu. 21,919. The products were sold out, thus attesting to the narrative, widely shared by those involved in livestock rearing in Bhutan, that a well-functioning cooperative would readily find market outlets. Buoyed by the prompt payoff, the members agreed to raise the monthly salary of the operators to Nu. 5,500 and pay a daily allowance of Nu. 500 for those who attended the Sunday market in Chamkhar. This was in line with the principle of 'being-together', a cornerstone of a community economy founded on deliberations over how people manage their own enterprise together. The salary had been set lower amidst the uncertainty as to how the cooperative would unfold, while there had been no provision for a per diem for a business trip to Chamkhar.

The cooperative continued to produce net profits until the end of November 2018 when the daily milk supply dropped below 200 litres due to cold weather. In earlier months, the cooperative had collected more than 300 litres each day. Moreover, the number of households supplying milk was reduced to 26 in November, because the five others did not yield sufficient excess milk. Cattle produce less milk due to insufficient energy intake during winter when pastureland becomes dry, and grass is

scarce. Farmers make hay in summer but are not able to secure sufficient dry grass and thus have to let their cows graze on dry pastureland during winter.

The cooperative stopped operations for five and a half months (from 1 December 2018). The members were eager to take measures to improve the energy intake of their cattle in winter months for the cooperative to operate for longer duration. This was especially the case because, in the first three and a half months (from 12 August to 31 November 2018), each household earned an average of Nu. 22,678 for milk, a remarkable achievement considering that the annual average cash income was Nu. 79,618 in 2017 (as per the baseline survey undertaken at project inception).

### **Sustaining the Cooperative: Challenges and Responses**

The initiatives for improving the energy intake of cattle in winter were twofold: those taken by the Royal Government of Bhutan, and others that arose within Shingkhari. First, the Department of Livestock (DOL) of the Ministry of Agriculture and Forests distributed fodder turnips in October 2018, and subsequently provided grass seeds suited for upland cultivation in April 2019. These were realized due to the efforts made by the field manager based in Chamkhar to relay information on the progress made and the issues encountered by the cooperative, to the DOL's office in Bumthang.

Second, the members also started a joint procurement of cow feed with nutritional contents. They struck a deal with a dealer in Chamkhar to regularly deliver a bulk of feed at a discounted rate. Some members also renovated their cow sheds and made them more habitable for cattle during winter. For this purpose, they replaced their wooden cow sheds with those built using stones to block drafts.

These initiatives have borne fruit as follows: the cooperative remained operational until mid-December 2019 owing to the increased milk supply in the second year. The members' total milk supply recorded 6,199 litres in November 2019 (vis-à-vis 4,143.5 litres in November 2018). This can be attributed to the above initiatives, as well as to the number of households supplying milk that had increased to 33 in mid-May 2019 onwards. The net profit of the cooperative increased to Nu. 38,562.5 in November 2019 (vis-à-vis Nu. 23,472.5 in the same month a year earlier).

Another major issue facing the cooperative is the turnover of staff members. At the time of writing (July 2021), only one of the five original staff members remained, while a total of six had left their posts. The six included those who had been appointed from the beginning, as well as others during the course of the project. In all cases, personnel changes took place without delays or disputes. This was because many of the eligible youths remained interested in taking up a post. It was also due to the judicious decision by the cooperative to make it a rule to select a replacement by a draw, to avert possible complaints that would have arisen by a nomination system. All resignations were accepted through mutual consent in zomdus (meetings attended by representatives of all the households).

All six resigned by citing commitments at home related to caring for elders or infants, or agricultural and domestic tasks. However, this may not necessarily be the sole reason they handed in their resignation, given that some had reportedly been struggling with the duty to keep the books, while others

with the trouble of having to dealing with a few of the members who were inquisitive about the correctness of the cooperative's books. The latter issue relating to mutual trust is not peculiar to Shingkar but, according to existing studies, is commonly seen within Bhutan (e.g., Dendup and Aditto, 2020: 1201, Sherpa, 2010: 48).

Efforts were accordingly made to allay suspicion held by some of the members and to create conditions more conducive to the staff members' work. First, the members requested the DOL to provide equipment, including a milk tester and a weighing machine, both of which are powered by electricity. The former enables the operators to determine the content of milk more precisely than a milk test kit previously used by the cooperative, while the latter helps record the weight of milk more accurately, including the decimal point, unlike a manual scale. Both arrived at the factory in April 2019. In addition, the staff members started displaying signs at the factory in July 2020, showing the daily supply of milk by each member and the day-to-day production records.

### **Using Social Surplus for Community Undertakings**

The members of the cooperative in Shingkar regularly hold zomdus and engage in continual deliberations over how its social surplus is distributed and consumed in ways that replenish commons in support of the members' livelihoods. This is in line with the aforementioned cornerstone of a community economy, that is, the sense of 'being-together'. This attribute enables a community economy to mark a departure from the capitalist economy that is liable to focus on extracting surplus labour in excess of the level needed for workers' sustenance, and to allow even those detached from daily production to accumulate wealth.

The members' sense of 'being-together' manifested itself when they decided to forgo their pending request to raise the rate of milk and to give priority to the improvements in the operators' working conditions.<sup>8</sup> The members have thus far withheld (up to the time of writing) their request for the price hike, in the interest of the cooperative that hinges on the operators' dedications, noting the difficulty that the operators had experienced. This is despite the fact that the milk rate had been set lower than that at the cooperative in Chokor; the latter turns by far a larger profit while capitalizing on its larger size of membership and on its central location accessible to greater numbers of customers.

Another incident that attested to the members' sense of belonging was the donation made by the cooperative in September 2019. It contributed cheese and butter for Baza Guru Dungdrup, one of the major events in Shingkar initiated by Shingkarhars residing in and outside the village in 2011. The

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<sup>8</sup> As stated above, two of the three selected youths operated the factory in rotation. To ease the burden on the operators, in May 2019, the members agreed to replace the two-person full-time system with a three-person system. Moreover, their monthly salary was revised on a consecutive basis. In response to the increase in the revenue of the cooperative in the second year, it was increased to Nu. 6,000 in August 2019. In light of the improvement in work efficiency, the members then agreed to revert to the two-person system and consented that two of the three work full-time on a rotational basis from October 2019 onwards. Each of the operators thus started receiving the salary of one-and-a-half (albeit at the previous rate of Nu. 5,500), that is, Nu. 8,250 per month for their full-time work.

products were gifted as ritual offerings in the form of cheese balls, butter lamps and butter-made sculptures known as *tormas* (ritual cakes). The cooperative's total gross sales in September 2019 were Nu. 361,578, while the donation was worth Nu. 10,200 (65 balls of cheese and 18 kilogrammes of butter). A total of one-thirtieth of the sales went to maintain religious activities, the mainstay of the village's institutions of mutual help.

Moreover, the members' sense of 'being-together' prompted them to use the cooperative's surplus for a social purpose that benefits the wider community. In August 2020, when the national lockdown was imposed to deal with the spread of COVID-19, cheese and butter were offered to *de-suung* (peace-keeping volunteers) who were assigned to the locality to deliver daily necessities to Shingkhari and neighbouring villages. The cooperative had been forced to be closed amidst the COVID-19 pandemic, and the members had decided to contribute all the products on the shelves (616 balls of cheese and 77 kilogrammes of butter), instead of dividing them among themselves.

These initiatives were made possible because the cooperative continued to post and steadily increased its profits. Progress has steadily been made in the performance of the cooperative in that its annual net profit in the second year (Nu. 177,748, from August 2019 to July 2020) increased compared to that in the first year (Nu. 119,143 from August 2018 to July 2019).<sup>9</sup> Moreover, the milk payment that each household received in the second year (Nu. 47,229) was on average higher than that in the first year (Nu. 40,773).

COVID-19 has impacted the operations of the cooperative in Shingkhari. It was compelled to close down at the end of August 2020 when the national lockdown was enforced, thus causing commercial transactions to stall in Chamkhari, the major sales destination of its products. From then on, it remained closed and went straight into its winter break, depriving its members of their cash income from milk supply from September onwards in 2020. They had to make cheese and butter using manual equipment, mainly for home consumption, just as before.

At the same time, the cooperative in Shingkhari is founded on the long-term place-based membership and is literally 'owned' by its members who maintain and are bound by the institutions of mutual help. This attribute endows the cooperative with resilience to survive the disruption caused by the COVID-19 pandemic, as illustrated by the members' resolve to carry on its activities. The cooperative reopened in September 2021 after being closed for about one year.

Moreover, the average number of milking cows owned by each household, which increased from 4.9 (according to the baseline survey, undertaken in March 2019) to 9.1 (the end-line survey, February 2021) also attests to their resolve. To deal with the increase in the number of cows, 11 new cowsheds were built, while 15 existing ones have been renovated since the start-up of the cooperative (the end-line survey).

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<sup>9</sup> This is despite the second year's winter break that was the same length as that in the first year; due to the outbreak of COVID-19, the cooperative resumed its operations only at the beginning of June 2020, after the five-and-a-half-months break (starting from mid-December 2019).

### **Findings: The Unfolding of the Cooperative**

The dairy cooperative of Shingkhari exemplifies how a community economy is advanced with recourse to the place-based concerns shared among local residents, to promote non-market transactions of goods and services guided by communal rules and obligations. The cooperative does not revolve around market relations based on individuals' calculative behaviours but is founded on the village's informal institutions of mutual help. The way the cooperative has been managed, accordingly, tallies with 'the real needs' or 'the actual size' of human beings, to paraphrase Schumacher. Human beings' existence depends not only on individuals' material security, but also on the quality of social relationships.

Among those non-market transactions underpinning the cooperative's operations are 'unpaid' contributions made by some of the cooperative members, who help the operators produce cheese and butter after supplying milk in the morning. As previously mentioned, this practice has been observed in the factory since the first day. This can be attributed to the feeling of conviviality that the members enjoy having succeeded in gaining access to the collective means of dairy production. The cooperative has accorded its members with 'a convivial mode of production' that values 'distributive and participatory justice', to borrow a phrase from Ivan Illich (2009: 17), unlike the mainstream form of industrial production that is liable to result in a skewed distribution of economic power. What Illich terms a 'convivial society' has thus been nurtured, as attested to by joyful conversations that the members engage in while helping the operators make dairy products.

What is striking in the case of Shingkhari is that the community encompasses ties with those who are originally from the area and reside elsewhere, including SDPT members.<sup>10</sup> SDPT helped strengthen non-market transactions and labour exchanges in Shingkhari not only during the life of the project but also before it started. With its support to revitalize religious festivals and rituals, SDPT laid the foundation for the start-up of the cooperative in that its assistance provided the momentum for residents to volunteer and donate their time and in-kind contributions to collective activities in the village. This has paved the way for the cooperative's collective form of ownership; the decision-making power lies in its members who deliberate over how best to manage dairy production and sales with their sense of 'being together'.

The vision of community economies is not to be deterministically configured but is about recognizing emerging outlines of a positive economic ideal (Gibson-Graham, 2006: 98). It is about 'allowing empirical encounters and creative expressions of the new, the unthought, the unexpected' (Gibson-

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<sup>10</sup> Moreover, the field managers and project coordinators, all of whom are associated with SDPT, have also extended their voluntary services to the cooperative. They assisted in drawing up the organizational setup and the rules. They have been helping the members operationalize the cooperative and address major issues that emerged along the way. Special references need be made to the two field managers based in Bumthang. The one with experience working for the noted cooperative in Chokhor has imparted technical and managerial knowledge to the operators, while the other who works for BCCI gave inputs pertaining packaging, bookkeeping and marketing. The latter also participated in the cooperative's monthly meetings, where he helped the operators make monthly accounting reports and milk payments and assisted in addressing issues that arose at its infancy.



Graham, 2006: 60). The case of Shingkharpas testifies to this dictum, with its unique modality of nurturing its own community economy while capitalizing on the cross-border networks generated by Shingkharpas residing both within and outside the village. Ties among Shingkharpas extend beyond the village boundaries, which provides insights into how people in neighbourhoods can connect with their nearest and acquaintances to shape their community economies.

## 5. Conclusions

As the country seeks to recuperate from the downturn caused by COVID-19, the Bhutanese government has been exploring ways to rebuild the economy. One promising measure in this respect is the promotion of community economies, as exemplified by the project in Shingkharpas. It is beneficial to seek to distribute means of production among rural communities, where over 60 per cent of the population is based and there is potential to advance rural-based off-farm industries. Time is opportune for the country to advance entrepreneurship in rural areas, while building on the prevalence of informal institutions of mutual help as well as the urbanization that has opened up urban markets for farmers to sell their agricultural and other products (Dendup, 2018: 3–4).

At the time when future prospects are shrinking under the capitalist economy, it is promising to promote community economies that 'reach down to the heartland' of the economy and usher in 'production by the masses' in lieu of 'mass production'. As noted at the beginning of this article, the latter is incapable of redressing the ongoing contraction of working-class livelihoods. The potentiality lies at the economy's heartland, to nurture 'diverse, ethically negotiated practices that support the livelihoods of humans and non-humans to build flourishing habitats', to repeat the expression quoted earlier. The case of the dairy cooperative in Shingkharpas attests to the potentiality of this pathway to usher in a postgrowth society that brings together the pursuit of economic development and that of nonmaterial wellbeing in a harmonious arrangement.

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