

THE EXPERIENCE OF GROSS NATIONAL HAPPINESS AS DEVELOPMENT FRAMEWORK

Karma Ura

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Karma Ura is the President of the Centre for Bhutan Studies and GNH Research.

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ABSTRACT

This paper explores GNH as a framework for socio-economic development in Bhutan by elucidating GNH principles that affect the way Bhutanese society and state interact. It dwells more on how Bhutan is actually, in practice, doing - by assessing policy intentions versus policy outcomes and declarations. It concludes that Bhutan's experiment with GNH remains dynamic and evolving, and suggests that this whole policy process may also be of interest to those in the international community who have been intrigued by the original idea of GNH. It concludes that an outlook on whether GNH offers any realistic alternative towards higher wellbeing and lesser unsustainability in Bhutan.

ABBREVIATIONS

ADB	–	Asian Development Bank
BICMA	–	Bhutan Information Communication and Media Authority
CBS	–	Centre for Bhutan Studies
CSO	–	civil society organization
EU	–	European Union
GDP	–	gross domestic product
GHQ	–	general health questionnaire
GNH	–	gross national happiness
GNHC	–	Gross National Happiness Commission
GNHR	–	Gross National Happiness Research
NRHDP	–	National Human Resource Development Policy
OECD	–	Organisation for Economic Co-operation and Development
RNR	–	Renewable Natural Resource
SWB	–	subjective well-being
TCB	–	Tourism Council of Bhutan
UNCTAD	–	United Nations Conference on Trade and Development
US	–	United States

CURRENCY EQUIVALENTS

(as of 30 September 2015)

Currency unit	–	ngultrum (Nu)
Nu1.00	=	\$ 0.015
\$1.00	=	Nu. 65

1. INTRODUCTION

1. During the mid-1970s, Bhutan's King Jigme Singye Wangchuck, still a teenage monarch, first introduced gross national happiness (GNH), and said that gross domestic product (GDP) is less important than GNH because GDP alone could not deliver happiness and well-being. The last 40 years have shown that many societies are interested not only in GDP but also something beyond. "GDP is a gravely dated pursuit" (Oswald, 2010). The GDP-based system preceded any knowledge of climate change or the finite limits of the earth's resources. GDP is an accounts system that measures external conditions of human existence, as far as they can be measured, through prices. One of the reasons why money measures of economic performance have come to play such an important role is that monetary valuation of goods and services makes it easy to add up quantities of very different nature (Stiglitz, Sen, and Fittoussi 2009). However, things are more complicated. Prices may not exist for some goods and services. And even if prices exist, they may deviate from a society's underlying valuation. "GDP information influences all agents in the economy: consumers, savers, investors, banks, stock and option markets, private companies, the government, central banks and international organizations. Because of the misleading nature of GDP information, economic agents take wrong decisions from the perspective of social welfare" (Bergh Van den 2010).² Bergh has pointed out that GDP does not clearly differentiate between costs and benefits, and stocks and flows and therefore violates the two fundamental principles of good bookkeeping.

2. The limitations of GDP as a measure of progress are that it (i) does not make any distinction between GDP made from good development and GDP made from bad development; (ii) does not adequately value natural, human, and social capital in its measurement; (iii) does not value free time and leisure; (iv) does not value unpaid work; and (v) does not explicitly provide for equity. GNH attempts to correct those shortcomings, with proxy measures for social welfare. In the same vein, the present king, Jigme Khesar Namgyel Wangchuck has also said that "GNH measures the quality of a country in more holistic way and believes that the beneficial development of human society takes place when material and spiritual development occurs side by side to complement and reinforce each other." The Constitution of Bhutan, under its Article 9 emphasizes that "The State shall strive to promote those conditions that will enable the pursuit of GNH." GDP does not find a specific mention in the constitution like GNH, although words such as economic self-reliance, open and progressive economy, and fair market competition are mentioned. Yet, even in Bhutan, the government has increasingly begun to use GDP-related indicators—misleading as Bergh pointed above from the point of view of social welfare, while also dualistically striving toward GNH. Harmonizing and balancing between GNH and GDP requires increasing skills in governance.

3. This paper explores GNH as a framework for socioeconomic development in Bhutan by explaining GNH principles that affect the way the Bhutanese society and state interact. This paper shows how Bhutan is doing by assessing policy intentions versus policy outcomes and declarations.

4. An ideal society according to GNH vision is first presented. Yet the discussion of the conceptual structure of GNH is not just an expression of idealism. This section includes self-reported causes of happiness found in the national GNH surveys, and the findings inform the conceptual structure of GNH. It is followed by a discussion of the three distinctive key prevalent concepts of happiness: subjective well-being (SWB), Buddhist happiness, and GNH. How a GNH vision of a happy society is structured around the nine domains of GNH is then explained.

5. A short account of the rationale for GNH indicators is given before the hierarchy of indicators is presented. The methodology behind the construction of GNH indicators based on datasets collected from repeated nationwide surveys is explained.

¹ This is a quote from the transcript of the Economist Debate available at <http://www.economist.com/debate/debates/overview/171>. See also his article Oswald A. Emotional Prosperity and the Stiglitz Commission. ZA DP No. 5390. Dec 2010.

² Jeroon C. J. M. Van Den Bergh. 2010. The GDP Paradox. *Journal of Economic Psychology*. 30(2009): pp. 117–135.

6. Distinctive findings of GNH surveys and their implications for development policies are discussed next. Not surprisingly, the broad conclusions of the analysis of data show equality, family integrity, health, gender equity, and satisfying jobs, among others, as key perceived causes of happiness. But there are many usually less emphasized parts that play critical roles in happiness such as emotional robustness, meditation, age, supportive relationship, and community vitality. The GNH survey confirms the importance of these intangible and relational factors that governance should address.

7. Policy implementation through a GNH-oriented multidimensional framework determines its impact. In Section 5, a multidimensional framework for governance and the actors and institutions in orienting themselves to GNH is assessed. Institutions include the cabinet, central ministries, and central autonomous agencies. The roles of administrative and legislative personnel at the districts and the counties (*gewog*), and how they are accountable to multiple authorities for program implementation, is presented. Recent political dynamics of contested implementation among state and non-official actors is discussed to assess GNH frameworks' emerging impacts. Non-official actors such as development partners, civil society organizations (CSOs) and business corporations, with their distinctive interest and preferences, add further complexity to implementation of GNH framework for development.

8. Section 6 presents the GNH decision-making and monitoring tools that are used in five-year plans and policymaking and their limitations. The section discusses also political and economic pressures, which can potentially override or subvert GNH.

9. Section 7 provides concrete examples of how policies in tourism, the media, and wildlife have sought to reflect GNH, and also highlights points of tension and contention. The dynamics of outcomes, testing GNH on the ground are shown through summaries of case studies (Ritu and Ura 2015), including a Ph. D thesis (Shroeder 2012).

10. Section 8 describes how the concept and analyses of GNH are shared with the citizenry, for example via dissemination activities of the Centre for Bhutan Studies, and through a revised and more holistic educational curriculum. To broaden and deepen GNH in the minds and hearts of the Bhutanese, outreach through the media, schools, and universities in the country and outside are briefly discussed. Progress so far in the national and international spheres is briefly assessed.

11. Section 9 concludes that Bhutan's experiment with GNH remains dynamic and evolving, and suggests that this whole policy process may also be of interest to those in the international community who have been intrigued by the original idea of GNH. This concluding section provides an outlook on whether GNH offers any realistic alternative toward higher well-being and lesser unsustainability in Bhutan.

2. VISION OF INDIVIDUAL, SOCIETY, AND GOVERNING SYSTEM

12. GNH envisions a person to be bonded deeply to a safe and supportive community in which trustworthiness of the people are high, and fear of victimization by other human beings is ideally nonexistent. A community envisioned in GNH is set deeply in nurturing ecology, just as an individual is deeply bonded to a community.

13. A person's psychological attributes begin with freeing her basic good nature, of kindness, generosity, forgiveness, contentment, and compassion, from repression by blinding negative emotions like anger, jealousy, and selfishness. This inner view of persons is the subject of psychological domain of GNH.

14. The domains of good governance, living standards, health, and education in GNH articulate the familiar developmental perspectives. In the health domain, GNH envisions a person to have over 26

healthy days a month, have high self-reported health, and must not suffer from serious deprivations from disabilities. The education indicators are broadened to cultivate values against self-destructive and other-destructive actions in mind, body, and speech. Certain alternative knowledge that is transmitted outside formal institutions is included in the education indicators. Knowledge transmission takes place everywhere and that is recognized.

15. These familiar domains are complemented by domains of environmental diversity, community vitality, cultural diversity, and time use. By including time as an independent element in GNH, a person envisioned in GNH society should have no time poverty, and should experience the joy of slowness (Kundera 1996). Every day, a person should enjoy the right to have ample time to socialize, to have active leisure, and to have wholesome sleep.

16. To realize this vision of society and individual attainments, the vision of the government is one that was stated long ago in 1729 legal code of Bhutan (Je Tenzin Chogyal, reign 1755–1759): “The purpose of the government is to provide happiness to its people. If it cannot provide happiness, there is no reason for the government to exist.” GNH as a state objective aims to provide enabling conditions for happiness, as it cannot directly provide happiness. Alongside the objectives and values of GNH that shape agencies, the actors and the institutions both within the state and society manifest GNH in practice. Achieving coherence in practice in both the state and society is a challenge because of diverse interests and motivations.

3. CONCEPTUAL STRUCTURE OF SUBJECTIVE WELL-BEING, BUDDHIST HAPPINESS, AND GNH

17. There are three broad contemporary concepts of happiness that are relevant to the discussion in this paper. Happiness, defined as subjective well-being (SWB), is argued to be the sole relevant moral consideration (Layard 2005). Buddhists see happiness as universal goal of all sentient beings and therefore the basis of ethics. It is relevant to introduce the Buddhist concept of happiness since Buddhism influences Bhutan and much of the Himalayas. GNH, which is a melding of both objective and subjective elements, is a third type of concept.

3.1 Subjective Well-Being

18. SWB is measured either as short-term emotional experience or a long-term judgment of life as a whole. It is usually measured by rating one’s “happiness” on a scale of 0 to 10.³ As a short-term emotional experience, questions consist of variations of how happy one was yesterday or now. Psychologists call them questions about affect related to positive current emotional state, as they seek to gather information on people’s current emotional life.⁴ Affect measures are useful to determine mood changes on a short-term basis. Thailand measures it more frequently than other countries.⁵ For the long-term evaluative experience of life, a similar question is asked but the scope is the whole life. Both are purely mental concepts of well-being. But they have their correlates that are both mental and nonmental factors, and establishing their correlations (and by these, beginning to uncover ways to increase happiness) is the more important part of the inquiry on subjective happiness. Nonmental refer to things completely outside the mind of the subject. Current emotion or feeling is experienced directly and reported directly. Judgments about life satisfaction now or happiness in life (remembered happiness) as a whole require huge biographical reflection both on the past and into the future of our life courses. Often, these two measures are not consistent. However, all

³ Variations are ‘Overall, how happy were you yesterday?’ (UK Office for National Statistics); ‘Taking all things together, how happy would you say you are?’ (on a scale of 0 to 10) (European Social Survey), ‘Taking all things together, would you say you are: Very happy, Quite happy, Not very happy, or Not at all happy?’ (World Values Survey).

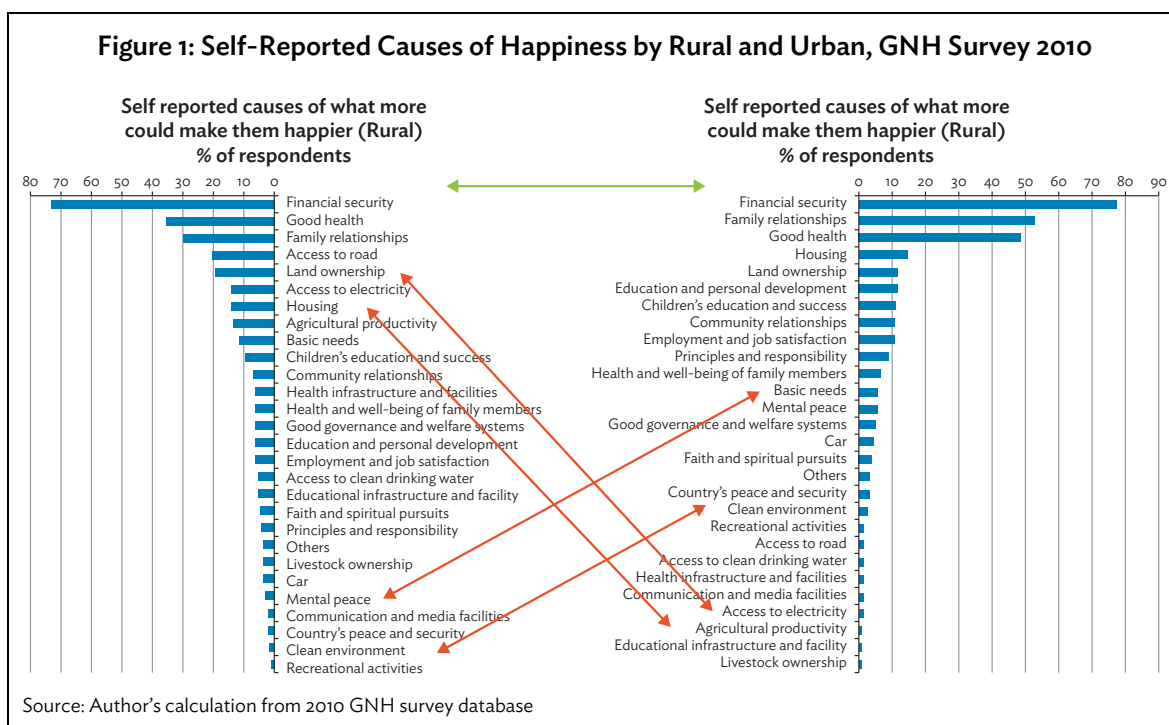
⁴ Footnote 4. The UK Office for National Statistics tracks current emotion or affects.

⁵ See ABAC Poll of Assumption University of Thailand. www.abacpoll.au.edu/

judgments are summations or flavors of life in totality and are not mathematical aggregations of daily, weekly, and monthly evaluations. Such judgments form the basis of evaluation whenever surveys carry out a biographic evaluation of life as a whole.

19. A survey of 150 countries done by the World Gallup Poll showed that 6.6% of the world population scored above 9, which means they consider themselves enjoying an “ecstatic” state of life. A score of “0” should be regarded as life hardly worth living and 1.7% of the global population scored this number. If scoring below 2 were considered unacceptable suffering, 8.9% of the global population were experiencing this suffering. This is much below 21% of the global population who lives below the \$1.25 a day poverty line (ILO 2010: Table A12 cited in Therborn 2011, 190). The proportion of global population living under \$1.25 a day would roughly match the abjectly unhappy if we define the abjectly unhappy as those scoring below 3.

20. From the point of environmental sustainability, the correlation between high ecological—including carbon—footprint and high subjective well-being found in the developed countries of the Organisation for Economic Co-operation and Development (OECD) is a point of concern. In the future, the path to high subjective well-being cannot be sustained while exerting such heavy ecological footprint.



21. The GNH survey also inquired into the various self-reported causes of happiness in an open-ended question. Classification of such self-reports in both urban and rural areas show that financial security, good health, family relationships, access to motor road, housing, and land ownership are the top five factors in Bhutan. On the other hand, such self-reported causes demonstrate that what individuals have already is taken for granted and not reported. These self-reported causes seem rather current—demand that citizens wish the government to know. For example, a good natural environment, which affects our well-being, is hardly counted in the self-reports as its widespread existence is taken for granted. Educational (school) infrastructure, which is also well spread, is also not high on the list of those that lead to SWB.

22. The 2010 GNH surveyed 7,146 people and asked them to rate their SWB on a scale of 0–10. The national average was 6.06⁶ for 2010 suggesting a very good level of happiness in Bhutan in spite of its being a least developed country with a low per capita income.

23. The percentage distribution of the Bhutan population on scale 0 to 10 is important, not just the national average. When we group the people into three classes according to the level of their scores, 3.87% of the population scored between 0 and 3—a far smaller percentage than global distributions. We might consider this group to be clearly desperate people. The bulk of the population—78.79%—scored between 4 and 7, and 17.3% scored from 8 to 10.

24. The 2010 GNH surveys gathered information on variables that can be causally related to SWB. Variables that are positively and significantly related (at 1%, 5% or 10% level of significance) to SWB⁷ are: (i) household income (log), (ii) land owned (in acres), (iii) positive emotions (sub index), (iv) self-reported health, (v) marital status, (vi) meditation, (vii) education level, (viii) frequency of socializing with relatives, and (ix) trust in Bhutanese people in general. Variables that are negatively and significantly related (at 1%, 5% or 10% significance level to SWB are: (i) number of hours worked, (ii) psychological distress index (mental health), (iii) negative emotion index, and (iv) insufficient household equipment.

3.2 Buddhist Happiness

25. A second strand views happiness as an inner experience attained especially through meditation. Such happiness is an ethical practice for the person meditating and also obtained by generating a motivation of compassion and kindness toward others. It is certainly not metaphysical. This view is a secular aspect of Buddhist ethics and psychology.

26. The 2010 GNH survey asked questions about both current and long-term emotions. Current emotions and remembered emotions will diverge because memory cannot fully map to original experience. To be more specific, memory is a reconstruction of the past to fit the current views. Neuroscientists propose that the brain's function is not to recall the past perfectly but to imagine the future, and that only 63% accuracy of memory remains 1 year after the original event.⁸ Past emotions are also subjected to revision in the light of beliefs and self-concepts. Several studies show divergences between actual experiences from remembrance or judgment of emotions (Fredrikson and Kahneman 1993) and (Thomas and Deiner 1990). We remember the peak and final moments of an experience better than we remember all of it. We remember more the intensity of emotions rather than their absolute frequency (Deiner and Oishi 2005). So our memories have regular patterns of distortion.

27. All of these suggest that bad memories need not detain us in low emotions, as we fortunately forget painful emotions. But there is a difference between forgetting painful emotions or feelings and being infused always with positive emotions such as kindness and compassion. For happiness, ultimately we can and must cultivate positive emotion by changing the pattern of our thoughts, as thoughts lead to emotions. This is one of the main insights stressed in Buddhist approaches to happiness, and also enforced through various types of meditations and trainings.

28. How happy people feel now is considered as positive affects or emotions. “Feeling happy now,” “positive emotions,” “positive affects,” “pleasures” are interchangeable words to some extent. Such feelings

⁶ Standard deviation = 1.6.

⁷ Based on 6,436 observations, after dropping missing values, from 2010 GNH survey, regression analysis using SWB scores as a dependent variable and other plausible variables as independent variables is another method of confirming statistically causes and correlates of SWB. Multivariate regression analysis is useful for finding isolated effect of the factors on SWB.

⁸ See New Scientist (Sharot T, 2012, January 1)

can change in the course of a day or week, and are therefore subject to cycles of fluctuations (Csikszentmihalyi and Hunter 2003).

29. But these fluctuations depend also on the kind of self we harbor and here the Buddhist notion of happiness makes a mark. Self-centered people rather than selfless people are more like to experience short-term fluctuations between satisfaction and dissatisfaction (Dumbrun, et al. 2012). A deeply self-centered person is in double confusion. First, because of the confusion about a clear and separated self, and secondly about a clear separate self and separated others—and thus the boundaries between oneself and others also become hard and rigid. Second, the person mistakenly confuses personal pleasures with happiness. Happiness in a Buddhist sense is somewhat independent of pleasures. Pleasures are circumstantial but happiness is an inner strength and “an inner resource to deal better with those circumstances”. Even unhappiness is not suffering; unhappiness is “the way in which we experience suffering” (Ricard 2012).

30. Buddhism does not distinguish between emotion and thought; they are simultaneous and conjoined. There are no separate brain sites for emotion and thought; every site for emotion is also a site for thought (Ricard 2012) and (Davidson and Irwin 1999). So the basic Buddhist message is that unhappiness can be overcome because its cause can be diagnosed and dealt with. Buddhism dichotomizes emotions sharply into destructive and non-destructive ones to others and oneself, while Western psychology simply divides them into negative and positive (Watsan, Clark, and Tellegen 1988). Another difference between Buddhism and Western psychology is that in Buddhism destructive emotional states can be changed through various practices so that all individuals can develop traits or dispositions toward happiness, not only those with psychological disorders (Ekman et al., and Wallace 2005). In Western psychology, psychoanalysis and cognitive behavior therapy alleviate psychopathologies. There are no broad-based practices to shape emotions and traits toward happiness. The third, and major, difference between Buddhism and Western psychology is that Buddhism is directed toward overcoming craving, “the desire to acquire objects and situations” (Ekman, et al. 2005). This is rather important in the light of escalating addictive behaviors and general overconsumption (Schor 1999) that is running down the environment.

31. The most usual destructive emotions according to Buddhist psychology are the class of five poisons: desire or craving; anger or hatred; pride and ego; envy or jealousy; and ignorance or delusion. These five poisons can be distilled even further into three biggest toxins: desire, hatred, and delusion. These are the true tormentors of human beings. They are states of confusion, and obscure the true and fundamental nature of our consciousness. People have to free themselves from them, and cultivate their opposites: positive emotions. The anti-venom for hatred is loving kindness. It is stressed in Buddhism that two opposite mental processes cannot take place in one instant of consciousness (Ricard, 2012). Therefore, if loving kindness is felt, hatred is not. And so cultivating loving kindness more naturally extinguishes hatred. But the single stroke antidote to both desire and delusion exists also in the Buddhist analysis of the self to reveal its false existence to be an obstruction to happiness. Those who suffer from intense negative emotions are imprisoned by them.

3.3 Well-Being and Happiness in GNH

32. The third conceptual strand is GNH-defined happiness, a much broader concept of well-being. In the conceptualization of happiness in GNH, a number of objective and subjective conditions are included. Although the list of objective goods differs in the GNH, the thinking behind the states and means specified in GNH is like the objectivist list of central human capabilities given by Martha Nussbaum (2000). GNH is also similar in its broad specification of the areas of concern for well-being (called domains of GNH) that were specified in the Stiglitz Sen Fitoussi report (also known as the Sarkozy Commission) though the specific details differ. But the list of things in the GNH is not the same as those espoused by Nussbaum or Sarkozy Commission. Nor does it include, for example, all of the 24 items of the so-called “good life”—

things that either people own or people desire to own—cars, homes, TVs, travel, swimming pools—surveyed in the US (Easterlin 2005).

33. Each of these three approaches—subjective well-being, Buddhist happiness, GNH—to well-being have different emphases, but they are all different paths of the same journey. They are not the same journey to different destinations. There are substantial overlaps between all of these approaches.⁹

4. METHODOLOGY OF MEASURING GNH AND ITS INDICATORS

34. The GNH index was devised in 2006 to measure key conditions of well-being that comprises physical and mental health, community vitality, work-life balance, living standards, civic engagement, and ecological integrity. It measures both subjective and objective conditions through periodic national surveys. Subjective elements of GNH are largely based on self-reports of numerous aspects of the survey respondent's life.

35. The 2010 GNH survey covered 7,146 respondents giving a representative sample nationally and for each of Bhutan's 20 districts. Twenty-four out of a total of 33 indicators used in constructing the GNH index are qualitative; the remaining 9 are quantitative. The list of conditions or factors needed for enjoying GNH is rather extensive, as the number of indicators conveys, because GNH is a maximal concept, unlike that of poverty, which measures minimum or essential conditions of survival. Setting indicator weights is a crucial component of the measurement design as it affects the index value and the resulting ranking. Equal weights are used especially when each indicator or dimension is judged to be normatively roughly equal in importance. Within domains, subjective indicators have lighter weights and quantitative ones have heavier weights. Minor changes in the weights do not alter the GNH index confirming their robustness. Statistical tools used to confirm the normative weights included principal component analysis, factor analysis, and regression coefficients. However the weights on indicators are normative; in fact, weights developed using statistical tools also require judgments in order to design the particular application—they are not value free either.

36. The nine domains of GNH are equally weighted to reflect equal importance of each domain for happiness. The nine domains of GNH are psychological well-being, time-use balance, cultural diversity, ecological resilience, community vitality, good governance, education, health, and living standard. Economy, under living standards, is given modest weight in the overall framework for GNH, as the uses of income and assets are indirectly reflected in other domains. The nine domains broadly reflect the purposes of governance and values of the society. The 33 indicators are on their own useful for practical purposes of different agencies. The appendix lists and explains the 33 indicators.

37. Relationships of belonging and support within and between households ought to be deep. The GNH index evaluates the level of giving and receiving various gifts—of social time, labor, and goods. It assesses the cultural continuity of key elements of a community like its dialects, artisan skills, and village celebrations of ritual dramas and masked dances.

38. The GNH index has as yet no physical measures of ecological wealth such as biodiversity and local natural resources. The index also does not have chemical measures of pollution and waste—so these are tracked imperfectly using perceptions. Still, this placeholder is vitally important for the happiness of an inhabitant accrues not only from the economic benefits of the environment. Nature's aesthetic stimuli also matters for happiness. These can be blighted by modernization and urbanization. On the other hand, living in nature comes at a price to small farmers. They presently lose a substantial proportion of crop outputs

⁹ The fourth view on well-being is something called preferentialism. It means that an individual's well-being should take into account of his or her well-being subject to his or her preferences being completely well informed and rational (Adler and Posner 2008).

and livestock every year to wild life ranging from tigers to porcupines. This heavy price that Bhutanese farmers pay for conservation, that affects their livelihood and happiness, is tracked in the GNH index. It is a difficult policy issue. Killing wild animals outside a farm boundary is prohibited by law, with the implication that a wild animal may be killed only if it is at that moment harming the farm and within the farm boundary. Hunting is totally prohibited. Farmers do not own guns. Moreover, Buddhism sanctions killing, and for this reason even poultry and piggery are not widespread.

39. For each respondent, life satisfactions in five life domains, mental health, and stress levels are evaluated. Ten self-reported emotions are surveyed in the GNH index to assess the pattern of emotional life and their relations with other elements of GNH. Because of the association between spiritual activities and positive emotions that are found correlated among the Bhutanese population, mental devices that decrease the wandering of the mind, such as meditation and meditative prayers are measured in the GNH index.

40. The GNH living standard indicators cover income, land, and quality of housing, for these provide the setting for the birth and growth of a family. A household's appliances and other technological equipment are reflected also in living standard indicators.

41. The GNH index is designed to be relevant for policy making. If a certain indicator shows deterioration in a domain, it should prompt public discussion and policy corrections. The GNH index can be decomposed for relevant groups and this disaggregation property makes it useful. It can be broken down at many nationally representative subgroup levels. Subcomponents of GNH indicators are reported for each of the 20 districts, by gender, by rural-urban area, and by age and certain occupational categories.

42. The GNH index is calculated using Alkire-Foster methodology (2007, 2011). The GNH index uses two cutoff or threshold levels. The first "sufficiency" threshold is set at the level of each variable. A threshold of a variable is set based on international norms, national standards, and consensus to arrive at a judgment of what is a suitable sufficiency for happiness. Table 1 gives an example of threshold at the level of variables for health related indicators. "Very good" in a 4-point Likert scale is the threshold for self-reported health.

Sufficiency Thresholds for Health Domain Indicators

GNH Health	Response Range	Sufficiency Threshold	% of People (=respondents above 15 years of age) Meeting Sufficiency
Self reported health status	1 (very poor) – 5 (excellent)	Good or excellent	73.8
Healthy days	0 (worst) – 30 (best)	26 days and above	76.5
Disability		No disability or it does not limit their ability to perform daily activities	89.5
Mental health (GHQ)	0-15 (severe distress) 21-36 (normal mental well-being)	Normal mental well-being	86.2

GHQ = general health questionnaire.

Source: Author's calculation from 2010 GNH survey database

43. Fixing a threshold of sufficiency level, which meets sufficiency with respect to general reference group or some intake limit, is logical. It is reasonable to do so as exceeding sufficiency threshold does not add to happiness.

44. Those who do not meet the sufficiency threshold are regarded as insufficient in that variable. There are 124 variables when the 33 indicators are unpacked, so the chances of everyone fulfilling sufficiency threshold in each of this wide variety of conditions are low. It is also not necessary for happiness. Given that reaching the threshold is important to be happy, the GNH index increases when the percentage of people to reaching up to the sufficiency threshold in any variable increases.

45. The second cutoff or threshold level is set at the level of nine domains. Since variables are clubbed into domains, the second threshold can be interpreted as the number of domains needed for a person to be happy. At the domain level, the second threshold requires the person to achieve sufficiency in six domains out of nine to be considered happy. Viewed at the level of variables, the second threshold works across the variables. If the variables were equally weighted, the respondent would need to achieve sufficiency in more than 83 variables out of 124 to be happy.¹⁰ Those variables can be the respondent's choice of conditions. Not all 124 variables need to be present to be happy. They do not have universal requirements at every point in life. The required combination of variables may vary depending on personal circumstances at a point in time.

46. The analysis of GNH does not simply dichotomize people as either happy or unhappy; instead there is a happiness gradient. The population has been divided into four levels of happiness: unhappy (10.4%), narrowly happy (47.8%), extensively happy (32.6) and deeply happy (8.3%). If a person has achieved less than half of 9 domains he or she can be classified as unhappy. If a person has achieved 50%–65% of the 9 domains, he or she can be classified as narrowly happy. If a person has achieved 66%–76% of the 9 domains he or she can be classified as extensively happy. Finally, if a person has achieved more than 77% of the 9 domains, he or she can be classified as deeply happy. By definition, happy people have a balanced life. It may be noted that the meaning of balanced life has thus been defined technically, while leaving room for personal tastes and circumstances.¹¹

5. MULTIDIMENSIONAL FRAMEWORK—STATE AND NON-OFFICIAL INSTITUTIONS AND ACTORS

47. The idea of GNH, and its concrete measurement, would be of little wider interest if they remained conceptual and statistical proposals, but were not integrated into policy. This section documents how, in fact, these have become policy tools. This section further introduces the institutional actors and policy levers in Bhutan covering government, private sector, civil society organisations, and donors. Section 6 sketches how the GNH Index is linked to a policy-screening tool, and describes how that tool operates.

48. The Gross National Happiness Commission (GNHC), known as the Planning Commission until 2008, is the coordinating agency that implements Bhutan's five-year development plan. Its main function is to combine external and internal resources and arrive at a five-year plan composed of sectoral plans proposed by ministries and autonomous agencies. The renaming itself in 2008 was intended to imbue planning and policy-making with GNH principles. GNHC does not specialize in GNH research but it attempts to converge the five-year plans and GNH by incorporating targets of GNH indicators. Theoretically, the five-year plans are supposed to ensure balanced development—i.e., a balance between the nine domains of GNH. The responsibility of the development of concepts and managerial tools of GNH that are applied by all agencies is vested in the main government research center, the Centre for Bhutan Studies (CBS) and the GNH Research (GNHR). Thus CBS works closely with the GNHC and other central agencies. As an autonomous research center, CBS conducts all GNH-related empirical research

¹⁰ More precisely, a person needs to achieve sufficiency in any set of variables whose weighted sum is at least two-thirds of the total.

¹¹ For a detailed analysis of the GNH index, see www.grossnationalhappiness.com.

and surveys, and disseminates its finding through publications and conferences. CBS updates the government agencies and the public on its research findings.

49. GNHC is a board, chaired by the prime minister and supported by the GNHC secretariat. Its membership consists of all 11 secretaries to the government and a few other ex-officio members. The 10th Five-Year Plan (2008–2013)¹² document was the first such plan to explicitly frame the five-year plan using GNH index as the instrument for measuring development. The plan document consists of three kinds of programs that can be differentiated and decomposed financially at two levels: (i) central level consisting of 10 ministries along with other central autonomous agencies, and (ii) local governments. Autonomous agencies consists of agencies such as the Royal Civil Service Commission, Royal Monetary Authority, CBS and GNHR, GNHC, National Environmental Commission, National Commission for Woman and Children, Tourism Council of Bhutan, and Bhutan Information, Communication and Media Authority. Local governments consist of the 20 districts, which are further divided into 205 gewogs or counties. Gewogs and districts vary a great deal in size. The district and gewog plans, which constitute 40% of the total budget, reflect increasing degrees of decentralization. The five-year plan budget however excludes investment in hydropower that may rival the whole plan budget in size. For example, in the current 11th Five-Year Plan,¹³ the plan size is Nu213 billion while the investment during the plan period in six hydropower projects is estimated to be Nu182 billion. The financial and physical projections of the five-year plan are worked out on a three-year rolling plan modality. The budget for a fiscal year is allocated, while the budget estimates and physical plans are projected for 2 years ahead at a time. Computerized quarterly progress reports¹⁴ on physical progress and financial expenditure of the plan have to be made every quarter for budget to be released from the budget department.

50. For the functionaries of local government, i.e., districts and gewogs, a simple GNH checklist has been introduced, as part of planning manual, to enable the communities to assess their programs and projects. The GNH checklist is a device to guide the village agents toward the integrated development envisioned in GNH. The Local Government Act 2009 lays down that the entities of local governments at the district and the gewog levels are to promote the conditions for GNH similar to the way that the constitution prescribes in Article 9 for the state as a whole.

51. Each of the 20 districts has a district administration. The district government board known as Dzongkhag Tshogdu is its regulatory and legislative body. The members of the Dzongkhag Tshogdu are the elected heads of a gewog (each of whom is known as a *gup*) and deputy heads of the gewogs in addition to elected members of towns in a district. The district's chief executives known as Dzongdag and district's sectoral officials are nonvoting, observer members. The district administration carries out the decisions of the Dzongkhag Tshogdu. At the same time, as civil servants, the sectoral officials of a district are accountable to their central ministries and departments for promotions, transfers, and their technical responsibilities. This dual accountability is a source of conflicting dynamics (Shroeder 2014).

52. Gewogs, which compose a district, are the lowest layer of local government administration, comprising of about 3,000 households on average. The managing body is the Gewog Tshogdu. Its head is an elected *gup* as the chairperson and six to nine other elected members. Civil servants placed in gewog offices are nonvoting observers. The Gewog Tshogdu does not have regulatory powers, unlike the Dzongkhag Tshogdu. Like the civil servants in the district administration, the officials at the gewog level also interface with both the local communities and hierarchy of civil servants at the district administration and central ministries. Their multiple accountabilities are also multiple sources of pressure (Shroeder 2014)

¹² Gross National Happiness Commission. *Tenth Five-Year Plan, 2008–2013*. Thimphu: Government of Bhutan. http://www.gnhc.gov.bt/wp-content/uploads/2011/10thplan/TenthPlan_Vol1_Web.pdf

¹³ Gross National Happiness Commission. *Eleventh Five-Year Plan, 2013–2018*. Thimphu: Government of Bhutan. <http://www.gnhc.gov.bt/wp-content/uploads/2011/04/Eleventh-Five-Year-Plan.pdf>

¹⁴ The electronic system used in Bhutan, initiated by Ministry of Finance, is known as Planning and Monitoring System (PlaMs)

that could make them deviate from GNH. Shroeder has also noted the lack of analytic and administrative tools in districts and gewogs to guide them toward GNH outcomes.

53. The field of governance and development discourse are subject to not only government institutions and officials but to other internal and external bodies and citizens. The government may claim primacy in agency but actual outcomes are not entirely up to the government. The government, together with other non-official bodies, influences the implementation and outcomes of GNH. Among the foremost non-official actors are the rural farmers and the private sector or business. The private sector is a prominent force in shaping the country's direction. Business people are engaged in retailing, manufacturing, agro-industries, mining, hydroelectric construction, distribution and transport, tourism, banking, and insurance. Their activities do not fall under GNH to the same extent as official agencies.

54. Almost half of the gross domestic product (GDP) is produced by the private sector, including farmers. The public sector GDP is confined mainly to the 20 or so corporations owned partly or wholly by Druk Holdings Investments. Market capitalism under the private sector, as well as most of the public sector enterprises, operate under the need for growth, financial viability, and revenue maximization. Financial indicators like the rate of return on assets, rate of profit, rate of return on equity are used, as in other nations, in all businesses. Investments in large-scale investments typically exemplified by hydropower and cement plants, banks, and hotels are decided on the basis of normal cost-benefit analysis.

55. Such decisions are a bit removed from the GNH mode of decision making. One bottom line therefore remains cash considerations. This is true also of the operation of the agencies such as Ministry of Economic Affairs charged with economic liberalization in terms of free trade and foreign direct investment. They advocate, by virtue of their role, practices that are not ultimately assessed from the point of view of GNH but from mainstream economics. It is important to note this internal diversity that allow two very different thought structures to come into play.

56. This is not to say that there is no notion of corporate social responsibility norms in Bhutan. There is. But corporate social responsibility has had no widespread contribution to sustainability anywhere in the world, let alone collective happiness. The private sector is probably not guided enough toward GNH. With the new urge to make Bhutan friendly for business and foreign direct investment, hopefully more compromises on GNH-inspired balanced development may be struck. On the other hand, past and present governments have declared very frequently their aim to make the private sector the engine of growth (GDP expansion)—an aim that appears to presume that GNH supports and does not conflict with growth.

57. This is precisely the most debateable issue. Whether both aims can be achieved while holding true to GNH will be a next major challenge that should not be underestimated. One reason why the government is compelled by the growth aspiration is that it seeks to generate jobs for the youth. However cross tabulations show that growth and employment generation are not highly correlated in Bhutan's case due to peculiarities of its economic growth stemming from foreign labor and construction in the hydropower sector.

58. The emergence of the civil society organizations (CSOs) in significant numbers is another non-official factor that influences GNH. Each CSO, like each business, has its own priority, which can potentially diverge from GNH principles. Thus, how GNH can contribute to enhancing a new model of business and CSOs and how businesses and CSOs can reinforce GNH will be a critical new practice. The CSO Act nominally requires businesses to recognize GNH. At the moment businesses and CSOs are not required to follow project screening using the GNH lens.

59. Another formative influence are development partners. Almost half of the budget of the government, constituting capital expenditure, is received from grants and soft borrowings from

international development partners consisting of bilateral and multilateral institutions, and international nongovernment organizations. Thus the government is partly financially dependent on these institutions to implement its five-year plan. By far the most important source of grant funding for development activities is the government of India. The government of India's contribution averaged 64% of the total aid flows over the period 2002 to 2012 (Ministry of Finance Budget Report 2014).

60. Multilateral or bilateral development partners generally lend support to Bhutan with regard to its GNH and the government priorities. Yet each development partner also has its own mandated interests under which aid is approved and an agency's interests are accommodated to some degree by Bhutan. With a few exceptions, Bhutan follows a national modality of execution of projects, which means that the Bhutan government is responsible for implementing projects entirely. Yet project designs have to accommodate development partner perspectives, to a degree that will differ from each development partner and may have different levels of coherence with GNH.

61. Bhutan's development has successfully entered into its sixtieth year partly due to the concept of GNH. The total outcome of GNH depends on a wide range of actors, some of which are not within the sphere of official directives. What the government has within its scope is the five-year plans, though its implementation can succeed only with cooperation of a wide range of external actors.

62. The task of infusing GNH into ministries and their programs has been assigned to GNHC, as a coordinating apex body next only to the cabinet. GNHC coordinates five-year and annual planning, and supports public policy according to the policy making protocol.¹⁵ With respect to GNH, GNHC is charged with ensuring that "GNH principles are mainstreamed into policies, planning and implementation along with gender, environment, climate disaster, and poverty."¹⁶ It has become a norm in Bhutan for almost every organization to sign to a time-bound performance agreement with the government of the day. The responsibility to mainstream GNH into policies of the government is a part of the agreement between GNHC and the government.

63. As the next section describes in detail, the government of Bhutan now includes GNH indicators in its five-year national planning. It uses GNH policy screening tools for policy clearance. The current Eleventh Five-Year Plan used some 16 key baseline indicators,¹⁷ primarily to track changes in ecology, culture, socioeconomy and good governance. Most of them were estimated from the GNH survey. The targets for achievement by the end of the plan in June 2018 are shown in the plan document along with the baseline. The plan document states that 2010 GNH Index composite score of 0.743, will be sustained at the end of the plan."¹⁸

6. DECISION-GUIDING TOOL: GNH POLICY SCREENING TOOLS

64. The main objective of the GNH screening tool is to systematically assess impacts of any policy and project on GNH. Two kinds of tools were developed by CBS and GNHR: a general GNH policy screening tool for appraising draft policies and sixteen GNH project screening tools for selection of projects. The aim through this endeavour is to select GNH enhancing policies and projects and reject those that adversely affect key determinants of GNH. Currently, only the general GNH policy screening tool is being implemented and tested across ministries. The 26 criteria of GNH policy screening is shown in Figure 2.

¹⁵ <http://www.gnhc.gov.bt/wp-content/uploads/2011/05/RGOB-Policy-Protocol-2014.pdf>. Accessed on 26.1.2015

¹⁶ <http://www.thebhutanese.bt/performance-agreement-of-six-autonomous-agencies-to-be-reviewed/>. Accessed on 26.1.2015

¹⁷ GNHC. 2013. Eleventh Five Year Plan (2013-2018) - Main Document Volume I. Thimphu: Government of Bhutan.

¹⁸ GNHC. 2013. Eleventh Five Year Plan (2013-2018) - Main Document Volume I. Thimphu: Government of Bhutan.

Figure 2: Criteria for GNH Policy Screening Tools

- | | |
|--|-----------------------------|
| 1. Equity | 14. Water Pollution |
| 2. Economic Security | 15. Air pollution |
| 3. Material well-being | 16. Land degradation |
| 4. Engagement in productive activities | 17. Conservation of plant |
| 5. Decision-making opportunity | 18. Conservation of animals |
| 6. Corruption | 19. Social support |
| 7. Judiciary efficiency | 20. Family |
| 8. Judiciary access | 21. Nature |
| 9. Rights | 22. Recreation |
| 10. Gender Equality | 23. Culture |
| 11. Information | 24. Values |
| 12. Learning | 25. Spiritual pursuits |
| 13. Health | 26. Stress |

Source:

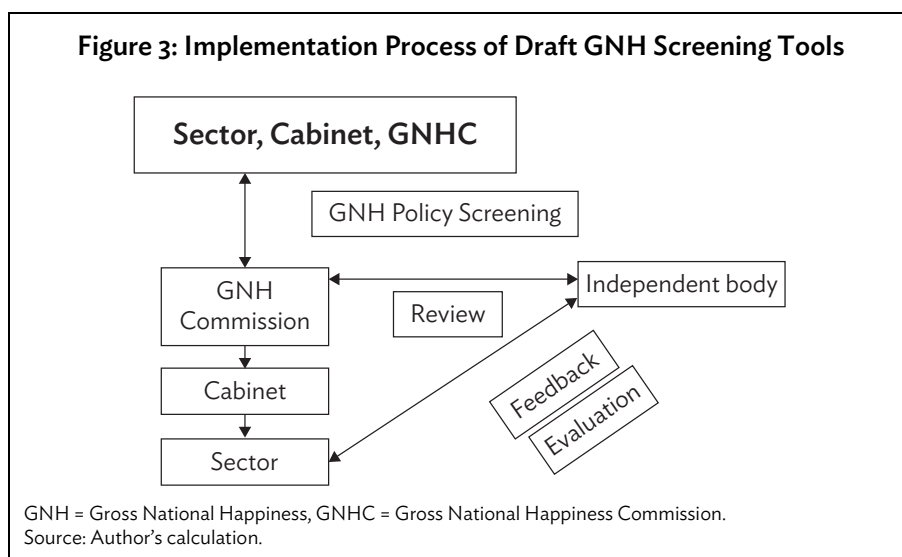
65. Each of the screening 26 criteria is to be weighed on a 4-point scale ranging from 1 to 4. This 4-point scale is ranked from the most negative to the most positive score. One denotes a negative score, two uncertain (lack of knowledge of the effect of the policy), three is a neutral score and 4 denotes a positive score. The final outcome depends of the accumulation of positive scores.

66. A draft policy is subjected to the GNH policy screening tool by the proponent agency, mostly ministries, and the GNHC secretariat as two separate exercises. The results are compared. Five essential steps are involved: (i) Before screening a policy, a bilateral session is held between the proponent sector and the GNHC secretariat on the relevance of certain GNH indicators against the policy in question; (ii) Those participating in the screening exercise do the screening individually; (iii) Those markings are discussed and compiled during the screening meeting; (iv) Various stakeholders participate in the screening exercise, with a minimum of 15 participants; (v) The gender focal person of the proponent sector, environment representatives, and other external key stakeholders are involved in the screening exercise.

67. The general aim of GNH policy screening is to provide a systematic appraisal of the potential effects of proposed GNH projects on the population, based on expected impacts on key determinants of GNH. It is also to ensure that all relevant dimensions are considered in the project formulation process to support a holistic approach to programs. In this respect, the criterion of GNH policy screening acts as a checklist to acknowledge areas where potential effects are not known or are usually not considered. As some of the criterion or checklist are of various types and beyond economic issues, the GNH policy screening tool becomes a vehicle for participants from different backgrounds to work toward a consensus about project impacts. Thus a heterogeneous group comprising of qualified experts and professionals from different occupational background are expected to assess the policy under question. Vetting of draft policies take place according to the following process (Figure 3).

68. The cabinet is the final approving authority for new policies after it passes screening. Several policies are withheld after being screened. Since the introduction of GNH policy screening, 12 policies have been approved for use by the cabinet in 2009 (11th Five-Year Plan, 2013).¹⁹

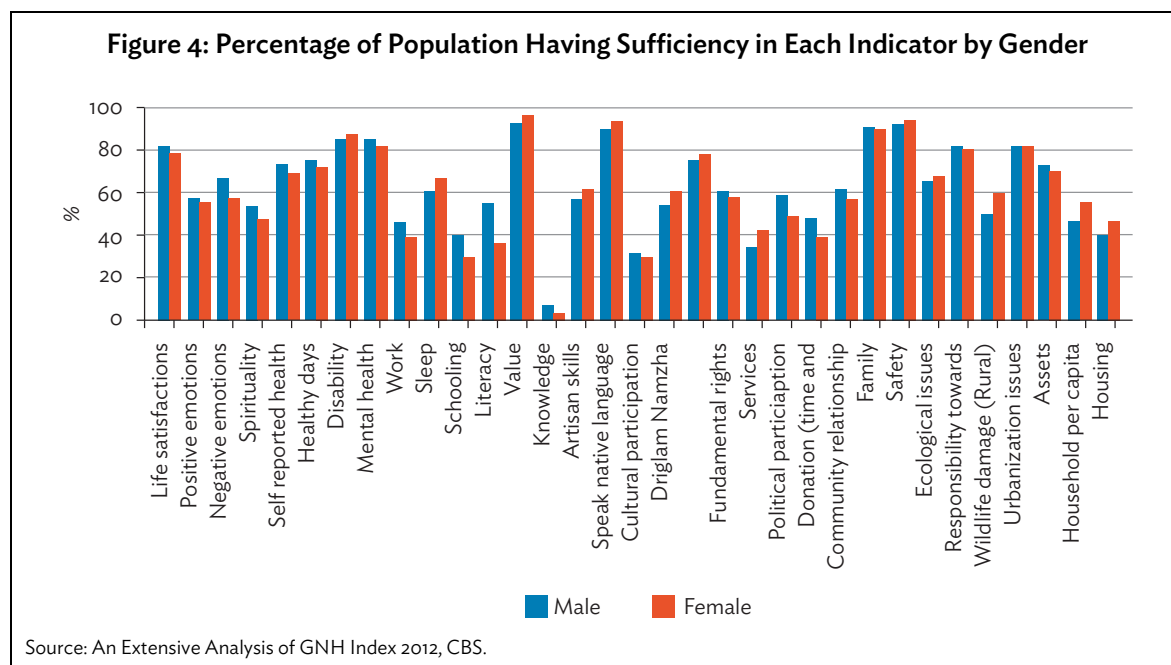
¹⁹ National Human Resource Development Policy (NRHDP) 2010; National Youth Policy 2010, Tertiary Education Policy 2010; National Health Policy 2011; National Land Policy 2011; National Forest Policy 2011; National Irrigation Policy 2011; Alternate Renewable Energy Policy 2012; Renewable Natural Resource (RNR) Research Policy 2012; Subsidized Timber and Other Forest Produce Allotment Policy 2012, Cottage, Small and Medium Industry Policy 2012; and Food and Nutrition Security Policy 2012.



7. GNH SOCIOECONOMIC IMPACT: POLICY OUTCOMES

7.1 Findings and Implications of GNH Surveys

69. The discrepancies in achievement of various conditions in life by gender are reported in Figure 4. It shows that in many conditions, women fall behind men.



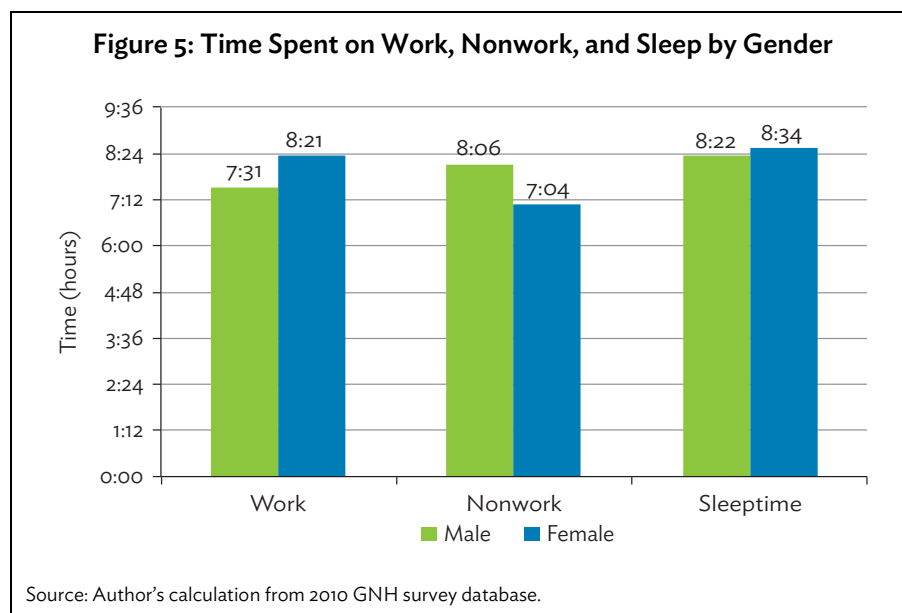
70. Only a few major findings with policy implications is discussed here.

71. **Gender analysis of 2010 GNH survey findings.** Enrollment of girls is greater than boys' enrollment in primary schools. One reason for this may be enrolment of boys in monasteries. At the tertiary level, however, girls' enrolment drops below that of boys. In the formal sector employment, women form 33% of the total employed. This percentage holds whether it is in public corporations or the civil service. In legal ownership of the main asset, land, in official registration show that women hold 45.98% of land titles.

72. The inclusion of time use, psychological well-being, cultural diversity and resilience in GNH gives new possibilities for gender analysis in addition of gender analysis along usual dimensions of education, health, employment, and income.

73. By gender men are happier than women. Women catch up with men in terms of SWB scores much later in their life, when their SWB curves intersect. The domain of psychological well-being, composed of three indicators including life satisfaction, emotional balance (positive and negative emotions), and spirituality, illustrates some gender differences. In urban areas, SWB score averaged 6.21 for women compared to 6.48 for men. In rural areas, the SWB score was 5.81 for women and 6.10 for men. Given a population distribution of 30% in urban areas and 70% in rural areas, a vast number of rural women score lower level in SWB. Severe mental stress is suffered most by those who are separated or widowed, among categories that include those who have never been married, are married, divorced, separated or widowed. Overall, 11.8% of the population experience severe mental distress, but 17.4% of widowed experienced it (Ritu and Ura 2015). The widowed, whether male or female, are the worst off.

74. GNH data enables estimation of detailed time use by gender. At a highly aggregated level, hours of work, nonwork, and sleep time by gender are reported in Figure 5. Regardless of location (i.e., urban or rural), women work longer than men, averaging 8 hours 21 minutes in a day whereas, men on average only work for 7 hours 31 minutes. In terms of nonwork or leisure time, men enjoy approximately 8 hours of leisure, when compared to women who enjoy approximately 7 hours. The overall allocation of work time is longer for women, where work encompasses household, income generation, and community work. Nevertheless, women enjoy longer sleep compared to men. They do so by not frittering away time on leisure activities and thus not staying awake longer.

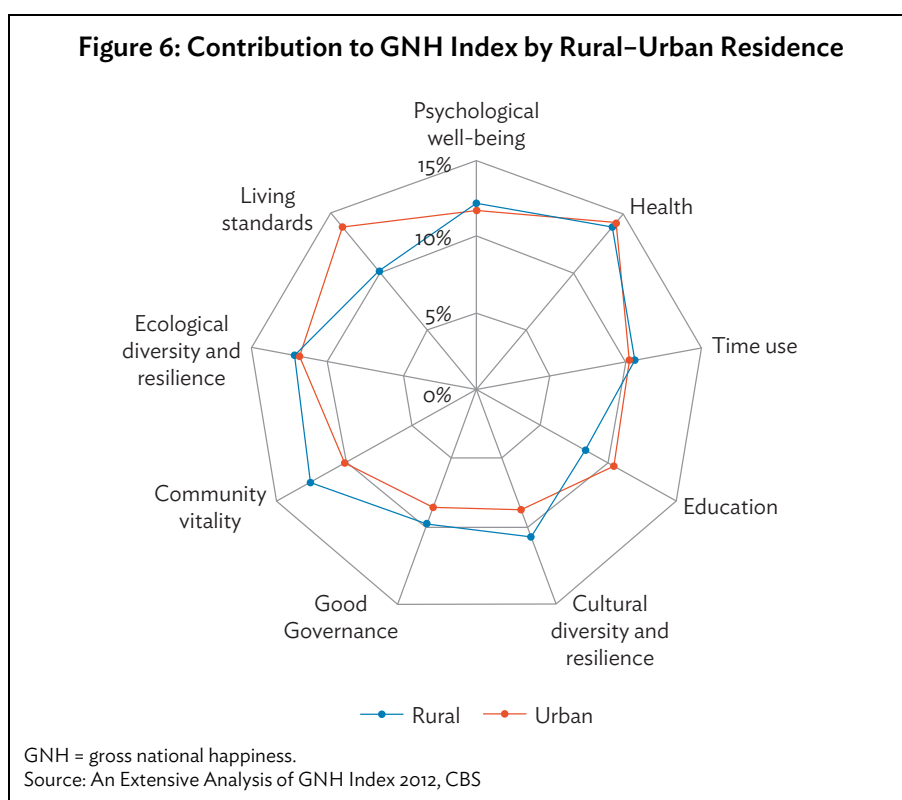


75. **Urban and rural dichotomy.** Both SWB score and GNH Index reveal that rural people are less happy than urban people.

76. The contribution of domains to happiness also differs by region. Figure 6 presents the spider diagram associated with these contributions by region. In rural areas, community vitality, cultural diversity, and good governance contribute more to happiness.

77. In contrast, living standards, education, and health contribute more to happiness in urban areas. Urban people experience insufficiency in terms of criteria for governance, time use and culture, while in rural areas insufficiency is worst in education and living standards. Figure 6 shows the trade-offs the people make between urban and rural residence.

78. Low levels correspond to districts with a GNH Index value between 0.655 and 0.706, and comprise Trongsa, Lhuntse, Tashiyangtse, and SamdrupJongkhar. In contrast, Samtse, Chhukha, Wangdue Phodrang, Bumthang, Zhemgang, Mongar, Tashigang, and Pemagatshel, are districts belonging to the medium category of happiness. Their GNH values range between 0.707 and 0.756. Finally, districts from the west—Haa, Paro, Thimphu, Punakha, Gasa—and from the south—Dagana, Tsirang, Sarpang—are classified in the high category of happiness and show values of GNH between 0.757 and 0.807. Overall, western and a few southern districts score highest in GNH Index.



7.2 Media

79. Shroeder (2012) has provided a systematic assessment of the impact of GNH policies on four distinct fields. He has analyzed policy implementations and outcomes in four critical areas: media, tourism, farm-roads constructions, and human–wildlife conflict. These four areas show critical assessment of GNH in practice. In addition, analysis of the policy outcomes in Thimphu town planning carried out by Manka Bajaj (Bajaj 2014) is another informative inquiry into GNH policy outcomes versus policy intentions. Tourism, media, and human wildlife conflict are discussed here, as they are pervasive influences on the future of GNH state and society, and demonstrate to certain extent the reality of outcomes versus policy intents and declarations. The account is drawn largely from Shroeder’s Ph D. thesis (2012).

80. Bhutan Broadcasting Service diversified into televised public broadcasting service in 1999, providing news and programs. The private sector broadcasters distribute foreign cable television channels in partnership with counterparts in India. At one time there were more than 87 foreign channels; that has now been trimmed to about 40 foreign channels. In 2006, the Bhutan Information, Communications and Media Act (updated in 2012) came into being with a mandate to promote free, privatized, and competitive media industry through open licensing that is conducive and responsive to GNH by furthering the culture, democracy, and good governance of Bhutan. Media consist of TV stations, newspapers, radio stations, movie production companies, and cable providers. The act states that the media’s role is to provide free and fair use of the information and communications, and to enhance GNH (BICMA 2012). Bhutan Broadcasting Service also has a prescribed role in promoting GNH according to its functions.

81. A peculiar happening in Bhutan in the last decade has been proliferation of newspapers in English—up to 12 at one time. Given low readership, this explosion was caused probably due to a policy of equal official advertisement (mostly of tenders for competitive bidding of procurements and constructions) placements that assured a minimum level of revenue to every newspaper. To some degree the proliferation was associated with heightened party politics as democratic and competitive politics began in 2007. The Election Commission of Bhutan allocates a fixed budget for electoral campaigns of each candidate and each party, and this is a boon for newspapers every electoral cycle. Collectively, the newspapers became financially unsustainable without advertising revenue from the government. They became professionally unsustainable as untrained journalists ran them. As the newspapers depended on advertising revenue from the government, there was possibly a conflict in the role of media as an unbiased observer of the government (Shroeder 2012). Lowering or increasing advertising budgets in various government agencies could potentially affect the stance of the newspapers to the government.

82. Bhutan Information Communication and Media Authority (BICMA) was instituted with its chief executive officer recruited by open competitive process. Yet, several instances of disagreements between the government and the media have arisen on the interpretation of certain provisions of its act. There were controversies on the interpretations of act’s provisions as well as controversies on whether certain news contents were consistent with GNH values. Shroeder (2012) notes that “overall, difference of how regulation at a news contents had been applied illustrate that various media stakeholders continue to agree on the underlying values of good governance—promoting transparency, accountability, inclusion and participation—but disagree over how this values are expressed.”

83. One of the key issues in the media has been promotion of local content to be sensitive to local culture and GNH values. This is enforced through the Rules on Content (2010). It shares many common provisions with other countries. In deference to culture, it requires media programming to be in either English or Dzongkha, the national language, and media productions to show the national dress. A newspaper is required to publish both English and Dzongkha editions, the latter to preserve national language. But the sale potential for Dzongkha edition is drastically lower and Dzongkha editions, or page insertions, are often printed as tokens by newspapers. Dzongkha is in the shadow of English.

84. However, no rules on content can apply to international television channels that are avidly watched by a substantial audience in Bhutan. No censorship applies to international channels. By 2012, television was owned by all the 64% of the households in the country (National Statistics Bureau 2012). It spreads in step with rural electrification programs and the whole country is close to being electrified, according to national goal of electricity for all. The rules on content regulation is helpless with regard to foreign programs that may contain all those elements not allowed in national media productions. Those depictions deemed antithetical to GNH are nevertheless pervasive. For example, the Film Review Board of Bhutan may censor objectionable scenes in local film production on the grounds of GNH but worse entertainments may be broadcast through international cable channels in Bhutan. The cultural sphere is thus very porous and open.

85. The journalists and media people, wary of a government agenda, generally oppose the notion that the media has to be GNH media, promoting GNH values. For one thing, what it is to be sensitive to GNH every time a news or program is produced is unclear, and challenged implicitly. So the views among regulators, journalists, and viewers are not necessarily the same in implementing media policy with regard to GNH. They may have divergent views on different issues. Shroeder has noted in the implementation of GNH media policy that “GNH tools have had little influence.” It notes further that “GNH governance structures and instruments are largely absent in shaping these interactions, yet a common set of values linked to GNH seems to underlie and shape the priorities and practices of all stakeholders” (Shroeder 2012). The main policy outcomes is that media is independent and free from government censorship. The GNH survey also confirmed that 73% of the population thought that media was quite free or completely free. Conflicts in the process of media policy are about interpretations rather than control of the freedom of speech. Bureaucracy remains difficult to penetrate in terms of access to information. But a free media environment in which rules on content cannot be applied to foreign TV channels does not necessarily support Bhutan culture, though it expands consumer choice. The challenge, it is thought, can be met by qualitative and quantitative improvements of the local programming. A successful example is cinema. Bhutan movies have displaced all foreign movies in the cinema halls. It must be qualified however that cinema halls exist only in some major cities.

7.3 Tourism

86. The first 20 foreigners arrived as tourists travelling overland through India in 1974. By the end of 2013 the number of international tourists had reached 55,000. The main instrument or tool of the tourism policy during the reign of the fourth king (1972–2006) was the high tariff and guided tourism. But this also changed as exception to tariff is made to regional tourists, whose arrival has already doubled that of tariff-paying tourists. The increasing number of both tariff-paying and regional nontariff paying tourists makes tourism a major channel for change in Bhutan. To link GNH to tourism, the TCB (Tourism Council of Bhutan, an autonomous agency chaired by the prime minister), plays a central role in its policy making.

87. The guiding principle of tourism in Bhutan is “high value, low impact” adapted from earlier “high value, low volume” principle. To deliver high value tourism for both the government and the guests, it is combined with environmental and cultural preservation policies that enhance these sectors. The number of tourists that is culturally and ecologically sustainable is maximized. Until 1999, there were only 33 tour operators working in conjunction the external travel agents. Now, there are over 600 local travel companies. The tourism industry involves both state and non-official actors contributing to decentralized voices in governance and policies. Many CSOs like the Association of Bhutanese Tour Operators, representing four companies, Tourism Development Council, Guide Association of Bhutan representing guides, Hotel Association of Bhutan representing hotels, Handicraft Association representing handicraft producers contribute to the implementation of GNH policies in tourism. In a country that has been steeped in subsistence agriculture and with no great history of commercial private entrepreneurship especially partnering foreign agencies, the tourism industry is also a trail blazer in entrepreneurship. Foreign

direct investment and foreign management are comparatively most prominent and voluminous in the hotel sector.

88. The tourism industry of Bhutan is an arena where balancing economic growth with cultural and ecological preservation, as required by GNH, can be tested considerably. If and when the generation of revenue, or economic growth, through tourism or any other means, is the overriding goal, economic growth may be sustained, but there can be negative externalities or fall out from maximizing growth over priorities of local cultures and ecological systems. Cultural and ecological systems have their own carrying capacities beyond which they may break down. Where the balance is located and how it can be struck, in terms of quantitative and technical measurement, is an engaging task and a focus of public discussion.

89. The government of Bhutan premises its tourism policy on the virtuous GNH circle in the tourism sector. Traditional culture and the environment are promoted through various means, for intrinsic reasons, but also to expand the carrying capacity in a locality, as the number of tourists increase. This is expected to fuel economic growth of the tourism related sectors of transport, hotels, and restaurants, and handicrafts.

90. There was also a subtle change in its headline policy in 1999 when the guiding principle of “high-value, low-volume” became “high value, low impact.” The previous government of Bhutan seemed to have been compelled by the need for more revenue and concerned by the rise of youth unemployment to maximize growth in the tourism sector, giving the tourism sector a higher role in its growth strategies. But the CSOs and the private sector in the tourism sector had articulated their priorities that they perceive as being more consistent with the values underlying GNH in the tourism sector. They opposed McKinsey’s 2013 recommendations backed by government to liberalize tariff so as to attract 250,000 international tourists by 2013. The CSOs and tour operators fortunately rejected this radical restructuring of tourism by McKinsey. It was a restructuring neither about tariff level nor number of tourists but behind it the crucial issue was about balance between economic growth, cultural preservation, and environmental integrity. A good balance was once again regained in Bhutan, by not targeting too many tourists soon. Yet there is a potential threat in allowing regional tourists to be exempt from the tariff. The room accorded for regional tourists to travel unaccompanied by guide and with visa on arrival has “the potential for cultural and environmental disruption” (Shroeder 2012) and this new exemption represents a new departure in the tourism policy of Bhutan.

91. At a broad level, the ecological carrying capacity for tourism is being increased, with more areas devoted to nature parks and biological corridors, which have reached almost 50% of the country’s surface area. Tourism helps raise awareness and change for more eco-friendly technologies, and stricter rules regarding garbage and fuel wood use along the trekking trails, although it also increases fossil fuel emission in transportation. Ecotourism initiatives will be a major area of concentration in the future. Garbage has not been a result of tourism. Stricter rules regarding garbage and fuel wood use along the trekking trails came about due to tourists’ complaints. And tourists’ complaints about littering and garbage in Bhutan has in fact led to better policy and public response. These green approaches are reinforcing the ecological spirituality of the rural Bhutanese. In the cosmic consciousness of the Bhutanese people, earth is not just for people; the gods and goddesses of mountains, forests, and water bodies inhabit it permanently.

7.4 Wildlife Depredations

92. Forest conservation is encroaching on agricultural land in Bhutan, a rare kind of advancement. The rising level of forest around homes has led to wildlife predation on crops and livestock. There is no compensation for livestock predation by tigers, leopards, wolves, and Himalayan black bears. Wild boars, deer, monkeys, and porcupines destroy crops. Small farmers’ livelihoods are in conflict with wildlife, and there is neither compensation nor insurance. The tiger conservation fund created in 2002 provided compensation for livestock killed by big cats but it was discontinued in 2011 as the funds ran out. In total, about Nu6.5 million or \$115,000 was paid out in compensation (Schroeder 2012).

93. There is no wilful retaliatory killing of wild animals—both protected and unprotected species—by human beings. Bhutan citizens grudgingly reconcile themselves to the depredation loss of wildlife, and expect the government to develop an effective anti-depredation measures. Farmers who see themselves as victims of conservation regard this problem as a critique of GNH as it privileges urban livelihoods over rural, and conservation over farming. It is a very delicate problem for the government. Compensation is too expensive to cover all depredation losses, and killing is not welcome as it may spiral out of control. In some places electric fencing funded by the government has stemmed reduction of depredation and mitigation of crop damage by wildlife, but the coverage is limited.

94. An early GNH survey identified wildlife destruction of crops as a major constraint to agricultural production. Seventy-two percent of the rural respondents considered wildlife as a major (51%) to moderate (21%) constraint in agriculture. Annual average losses of most cereals and potato was estimated to be 20% in a survey carried in 2009 (Ura, et al. 2009).²⁰ A farmer living next to the national parks is estimated to be spending over 4 months a year guarding crops (Wang, et al. 2006).

95. Overall, Shroeder's study suggests that the understanding and interpretations of GNH are varied among different actors among both the government and society. Clearly, GNH as a governance framework is not as cohesive as it is projected with respect to the four policy areas he studied. His case study shows that in media and tourism, GNH policy intentions and outcomes are more or less matched. In both areas, private sector participation is widespread. Though not discussed here, the conclusions of a study of town planning in the capital city by Bajaj (2014), also indicate some deviations from town plan, which itself was GNH oriented. Further, in farming and wildlife conflict, the complex dynamics has resulted in a far more fragmented and incoherent approach. The conflict between the values of conservation and promotion of rural livelihoods remains unresolved, and GNH policy tools or concepts have played no role in their resolution. At a deeper level, the tolerance of the conflict between the policies of conservation and rural livelihoods is rooted more in the Buddhist outlook of the people.

8. GNH OUTREACH

96. Over the past 15 years, the pursuit of GNH by the state and outreach on GNH by the CBS has prompted substantial coverage in global and Bhutan media. Articles have been published on various aspects of GNH and Bhutan Studies in internationally popular newspapers and magazines and TV programs worldwide. Theses and scholarly articles have also been published by foreign scholars (Alkire 2012 and 2014), (Santos 2007), (Frey and Stutzer 2007), (Duncan 2008), (Hirata 2011), (Bates 2009), and (Shroeder 2014) and by Bhutanese. Conferences on GNH have been organized in various parts of the world. Such dissemination of GNH to the public and discourses among academics internationally are an important part of global inquiries into measure of progress.

97. Numerous awareness and capacity strengthening trainings have been given by CBS over the years. But this does not go beyond a few thousand civil servants. Trainings have been carried out with schools, college students, government district officials, civil servants, etc. For instance, in 2011, CBS undertook trainings on dissemination of GNH index and GNH survey findings to district officials in 20 districts of the country in the western, eastern, and southern regions of the country.

²⁰ K. Ura, R. Stringer, and E. Bulte. 2009 Managing Wildlife Damage to Agriculture in Bhutan: Conflicts, Costs and Compromise. In L. Lipper, T. Sakuyama, R. Stringer, and D. Zilberman, eds. *Payment for Environmental Services in Agricultural Landscapes: Economic Policies and Poverty Reduction in Developing Countries. Natural Resource Management and Policy*. Vol. 31. New York: Springer Press.

98. The CBS has played a key role officially in sharing research and disseminating knowledge, including conceptual innovations and methodical approaches on GNH, at international and regional conferences, workshops, and meetings. CBS publications are devoted largely to GNH and its related policy issues. As a government, Bhutan has contributed to the official international forum to promote the inclusion of happiness as a goal. A major activity of the Royal Government of Bhutan was the organization of the 2 April 2012 High Level Meeting on Well-being and Happiness at the UN General Assembly. A report *Happiness: Toward a New Development Paradigm* by the Royal Government of Bhutan was submitted to the United Nations General Assembly in December 2013 (New Development Paradigm Steering Committee and Secretariat, 2013).²¹

99. The influence of GNH in schools and colleges is more noticeable through an emphasis in the curriculum on value education and skills development to protect the environment and other sentient beings (Ura 2009). GNH education in schools and colleges highlights the importance of a holistic educational approach. A holistic education extends beyond a conventional formal education framework to reflect and respond more directly to the task of creating good human beings.

9. OUTLOOK

100. As of March 2015, the UN has shortlisted a vast collection of potential indicators for post 2015 goals in its Background Information to the Proposed List of Indicators. The GNH index is one of the six indicators enumerated and proposed by UNCTAD, which proposed the Index of Sustainable Economic Welfare (Nordhaus/Tobin), Gross National Happiness (Bhutan), Beyond GDP (EU), Key National Indicators System (US), 17.19.5 Better Life Index (OECD), and Human Development Index (UN). They are a preliminary list from which probably a final one will be selected to build “measurements of progress on sustainable development that complement GDP.” (Background Information to the Proposed List of Indicators, p. 180).

101. Scientific inquiries have contributed to global awareness about broader concepts of development. Not only climate change, but rising inequality has fueled more debate about growth-centered development (Picketty 2014), (Atkinson 2015) and (Stiglitz, et al. 2009). And “...ecologists keep reminding us... it's impossible to maintain an engine of perpetual growth forever on a finite planet...” (Graeber 2011). The size of economy (or level of wealth) cannot be infinite in scope. It must be determined by the capacity of the specific ecology of a country at an objective level within a given time perspective, and by what is deemed sufficient at an individual level. This suggests that, ultimately, we cannot avoid coming to terms with the idea of a “material sufficiency condition” for our happiness and welfare. Beyond a certain level of affluence, research suggest that adding more commodities cannot enhance happiness and welfare, but it will impact negatively on the ecology. As a result, a balance between the economy and ecology is a key consideration in GNH.

102. Bhutan has been making its modest effort to explore an alternative based on GNH since Jigme Singye Wangchuck, the fourth king of Bhutan, declared that Bhutan should be more aligned with the philosophy of GNH in mid 1970s. Research needs to be sustained to deepen interdisciplinary knowledge in the domains of GNH. Under-researched GNH domains (such as time use, psychological well-being and community vitality) and their role in development are drawing increasing attention from scholars and government in understanding nonmaterial components of well-being. The concepts and measurement of individual happiness and collective happiness, like the question about individual versus society, is another policy-relevant one. There are views that “The contradiction between the individual and the collective can be resolved only by means of policies specifically designed according to GNH” (Mancall 2004).

²¹ <http://www.newdevelopmentparadigm.bt/2013/12/13/new-development-paradigm-report/>

103. GNH cannot last long as a movement within a single nation, just as a nation cannot develop without imbibing positive influences from the international community. GNH is a platform for Bhutan to offer a positive influence on the world, not only in theoretical terms but also with concrete practices. For a small nation, on the margins, it has had some positive influence in fields such as environment and happiness, and the ongoing evolution of GNH in policy and practice may be of interest as well. The final question is whether GNH as a practical, development framework has been influential in Bhutan. Did it alter the path of development in Bhutan? What would Bhutan be like today if it had not embraced GNH?

104. The answer is clear. GNH has provided a normative orientation for both the state and society to a considerable degree. It has led the state to do things differently, by creating new norms of official decision making and new institutions. Among the outcomes, the balance that Bhutan has struck between modernity and tradition on the one hand, and environment and economic growth on the other are prominent achievements that would not have been otherwise possible. The GNH role has been of significant value in guiding its public discussions, policies, and laws. A major success criteria for GNH as a development framework would be that Bhutan so far has remained a reasonably equitable and sustainable society where the proportion of unhappy people are very low, for the given level of per capita income. But GNH is not a blueprint from above to be implemented vertically. Bhutanese state and society take decisions by taking views and opinions as they are expressed in public discussions and as findings from GNH surveys inform them. The aim of GNH surveys is encouraging people to discuss and reflect on what brings them happiness and making those reflections on causes and skills part of the public policies. There have been many positive changes because of GNH in Bhutan. GNH has also had an effect on public policy deliberation in other countries. Bhutan has thus contributed to adding happiness as an important societal objective as part of shift toward alternative path of development.

INDICATORS USED IN CONSTRUCTING THE GROSS NATIONAL HAPPINESS INDEX

The footnotes accompanying various sub-indexes, are excerpted fully from *An Extensive Analysis of GNH* (Ura Karma, Alkire Sabina, Wangdi Karma, Zangmo Tshoki, 2012). The 33 indicators consist of: (i) five life satisfactions,¹ (ii) five negative emotions,² (iii) five positive emotions,³ composing emotional balance index, (iv) four activities composing spirituality index,⁴ (v) self-reported health status,⁵ (vi) healthy days in a month,⁶ (vii) long-term disability index,⁷ (viii) mental health (GHQ-12),⁸ (ix) literacy in any of the three languages,⁹ (x) educational qualification,¹⁰ (xi) 5 knowledge,¹¹ (xii) an index of 5 values,¹² (xiii) mother tongue proficiency,¹³ (xiv) 13 artisan skills making up the artisan skill index,¹⁴ (xv) participation in cultural

¹ This index combines individuals' subjective assessment of their contentment levels with respect to health, occupation, family, standard of living and work life balance. The respondents were asked to say how satisfied or dissatisfied they were in these five areas on a 5-point Likert scale (1= very satisfied, 5=very dissatisfied).

² They are; (1) selfishness, (2) jealousy, (3) anger, (4) fear and (5) worry. For both sets of emotions the respondents are asked to rate the extent to which they have experienced during the past few weeks with reference to a 4-point scale. The scale ranges are: 1 "never", 2 "rarely", 3 "sometimes", 4 "never" and 5 "very much"

³ They are; (1) compassion, (2) generosity, (3) forgiveness, (4) contentment, (5) and calmness.

⁴ Spirituality is based on four questions; (1) person's self-reported spirituality level, (2) frequency with which they consider Karma, (3) engagement in prayer recitation and meditation. All the four indicators run on a 4-point scale of "regularly" to "not at all" except for spirituality level that is from "very spiritual" to "not at all". The index sums the scores across the four questions. Scores range from 4 to 16 with 16 indicating greater degree of spirituality. The threshold has been set at 12, which imply that at least 3 of the 4 indicators must be rated "regularly" or "occasionally" for individuals to be qualified as spiritual.

⁵ It is used as a proxy measure to complement other health indicators; and is consequently given only one-tenth of the total weight on health, and only one-third as much weight as any of the other three indicators. The ratings range on a 5-point scale from having an "excellent" health to "poor" health. For a person to be sufficient in self-reported health status, he/she must have a rating of "excellent" or "very good".

⁶ The indicator reports the number of "healthy days" a respondent enjoyed within the last month. Health achievements vary; occasional illness is normal; and healthy days are also associated with age (one way anova, $P < 0.000$). As expected, the elderly enjoy fewer healthy days. So, to allow for normal illness and for elderly respondents, the threshold has been decreased to 26 days.

⁷ It refers to any long-standing illness that had lasted over 6 months. If the respondent had long-term illness, they were then asked whether the disability restricted their daily activities, to which they responded on a 5-point scale range from "never" to "all the time". A person was identified as deprived if they reported a long-term disability that limited their ability to perform daily activities.

⁸ The General Health Questionnaire-12 (GHQ-12) consists of 12 questions and each item has 4-point scale, but there are two types of scale depending on the structure of statements. Some questions range from "not at all" to "much more than usual" and some from "more than usual" to "much less than usual". The respondents who have reported, "don't know" are categorized under the neutral answer such as "same as usual". Note that the percent of "don't knows" is less than 0.31% of respondents for any given question, so there are only very minor changes in the final results. Since the GHQ-12 satisfied similar reliability and validity tests in Bhutan as in other places, the 12 questions were computed using the standard procedure. The threshold was set at normal well-being (15).

⁹ A person is said to be literate if he/she is able to read and write in any one language, English or Dzongkha or Nepali.

¹⁰ It includes both formal schooling and education imparted by monastic schools and NFE. The threshold for education was set at 6 years of schooling from any of these sources. Primary schooling lasts 6 years for Bhutanese.

¹¹ For knowledge indicator five variables are used. They are; (1) knowledge on local legends and folk stories, (2) knowledge of local festivals (tshechus), (3) knowledge of traditional songs, (4) knowledge of HIV-AIDS transmission, (5) and knowledge of the Constitution. The responses for each knowledge question follow a 5-point scale; from having "very good knowledge" to having "very poor knowledge". Responses are aggregated to create a maximum score of 25, which indicates "very good" knowledge in all areas, while the minimum score of 5 indicates "very poor" knowledge. The threshold is set to 19, which imply that Bhutanese should have an average of "good" knowledge across the five variables.

¹² Respondents were asked whether they considered five negative actions to be justifiable; (1) killing, (2) stealing, (3) lying, (4) creating disharmony amongst relationships and (5) sexual misconduct. The variables have a response scale of 3-point scale; from being "always justifiable" to "never justifiable" along with an option of "Don't know". The values have been combined into a composite index in particular manner. For killing, stealing and sexual misconduct, a value of 1 is assigned if the person reports "never justifiable" while for creating disharmony and lying, responses either "never justifiable" or "sometimes justifiable" are assigned 1. The composite index takes the values 1-5. The threshold is set at 4 that imply that a person can consider at least one of the values to be justifiable.

¹³ It is measured by self-reported fluency level in one's mother tongue on a 4-point scale. The ratings vary from "very well" to "not at all". Since, currently almost everyone seems to be fluent in his or her mother tongue, a high threshold is necessary to maintain standards. And for this reason, threshold is set to "very well".

¹⁴ There are thirteen artisan skills, collectively known as Zorig Chusum. The thirteen arts and crafts include: 1) Weaving (Thagzo)

and community activities, (xvi) way of harmony (interpersonal etiquette and courtesy),¹⁵ (xvii) 8 hours limit of working hours,¹⁶ (xviii) 8 hours minimum sleep,¹⁷ (xix) 2 activities of political participation index,¹⁸ (xx) fundamental rights index,¹⁹ (xxi) 7 core activities of government performance index,²⁰ (xxii) 4 basic government service delivery index,²¹ (xxiii) 3 activities of social support index,²² (xxiv) 2 activities of

2) Embroidery (Tshenzo) 3) Painting (Lhazo) 4) Carpentry (Shingzo) 5) Carving (Parzo) 6) Sculpture (Jinzo) 7) Casting (Lugzo) 8) Blacksmithing (Garzo) 9) Bamboo works (Tszhazo) 10) Goldsmithing and Silversmithing (Serzo and Nguelzo) 11) Masonry (Dozo) 12) Leather works (Kozo) 13) Papermaking (Dezo). For the indicator, people were asked if they possessed any of the above 13 arts and crafts skills. The mean was 1.01 with SD of 1.15. A sufficiency threshold has been set to one, which implies that a person must possess at least one skill to be identified as sufficient.

¹⁵ For *Driglam Namzha*, two indicators were developed; perceived importance of *Driglam Namzha* and perceived change in practice and observance during the last few years. The questions run on a 3-point scale; perceived important runs from “not important” to “very important” and perceived change from “getting weaker” to “getting stronger”. Both have values of “don’t know” which have been classified as insufficient since it is considered a vital to have knowledge about etiquette. So in an attempt to assess these components the thresholds for perceived importance has been set at “important” and perceived change at “getting stronger”. Both indicators need to be fulfilled for an individual to be identified sufficient in *Driglam Namzha*.

¹⁶ The working hours here include even the unpaid work such as childcare, household chores, etc. In terms of thresholds, many studies seem to focus on the classification set by the International Labour Organization (ILO), which sets working limits at 48 hours per week (8 hours per day) for manufacturing. 8 hours is also the legal limit set by Ministry of Labour and Human Resources (MoLHR) of Bhutan for a standard workday. Working time in service sectors or other non-formal sectors has not been defined. Hence, the threshold is set at 8 as per the limit set by the labour ministry. Being overworked compromises time for leisure, family time and other social activities that are equally beneficial for well-being.

¹⁷ While sleep requirements vary from person to person, most studies conclude that healthy adults need between 7 or 8 hours of sleep per night to function. However, it is also important to understand the factors affecting one’s sleep time. Some occupational backgrounds such as nuns and monks would prefer and find it much healthier to devote more time to meditation and other spiritual practices than sleeping. Although such adjustments are important, it is challenging to determine specific sleeping hours for specific sections of societies. So, 8 hours is considered necessary for a good functioning of the body for everyone.

¹⁸ It was based on two components: the possibility of voting in the next election, and the frequency of attendance in zomdue (community meetings). Respondents are asked if they would vote in the next general election and the response categories are simply “yes” or “no” or “don’t know”. For voting, the threshold is straight forward because it is agreed by everyone that developing true democratic processes requires the active participation from citizens – minimally, by voting. In terms of attendance in meetings the threshold has been set to one time. An individual has to report, “yes” in voting criteria and has to attend at least one meeting in a year to be classified as sufficient in political participation index.

¹⁹ These indicators attempt to assess people’s perceptions on the functioning of human rights in the country. The seven statements which make up the fundamental rights index include; rights from freedom of speech and opinion, right to vote, right to join political party of your choice, right to form tshogpa or to member of tshogpa, right to equal access and opportunity to join public service, right to equal pay for work of equal value and free from discrimination based on race, sex etc. All have three possible responses from 1-3; “yes”, “no” and “don’t know”. Given the importance of fundamental rights for individuals and democratic society, the thresholds for all rights were set to “yes”. So, a person has a sufficient condition in the index if he or she has all the rights fulfilled.

²⁰ To test people’s perceptions of overall service delivery in the country, seven major objectives of good governance have been considered: employment, equality, education, health, anti-corruption, environment and culture. These outcome based indicators ranges on a scale of 1 to 5. The seven are ranked from “very good” to “very poor.” The overall index has maximum value of 35 and minimum value of 7. The people’s perception of government performance is generally high. If the sufficiency threshold is set at 30, there are possibilities of response biasness because of the subjective nature of the statements and varying degree of knowledge in people on the mentioned functions of governance. Hence, there needs to be some space for individuals who have limited knowledge either by the nature of their physical or mental conditions or lack of information flow or personal experience. A threshold of 28 is adopted which means that a person has to perceive that public services are “very good” or “good” in at least five of the seven objectives.

²¹ The index comprises of four indicators; distance from the nearest health care centre, waste disposal method, access to electricity and water supply and quality. With health service centre, people reporting distance less than an hour’s walk is considered non-deprived. For waste, if the response is “dump in forests/open land/rivers and streams” then they are deprived. Though landfills (municipal garbage pickup) and burning are considered adequate, it is understood that there have been questions about the possible hazardous emissions by using these methods. But again these seem viable at this stage where there are limited scopes for recycling and other waste management methods. In terms of electricity access, the respondents are asked if their house has access to electricity and the threshold is obviously set at “yes”. The threshold used for the access of water is based on the underlying concept laid down by UNICEF, which defines an improved water source as a source by the nature of its design protects the drinking water source from external contamination. As per the definition, an improved facility would include piped water into dwelling, piped water outside of house, public outdoor tap or protected well. For the perceived quality of water, threshold has been set on “good” or “very good”. On the whole, both conditions need to be fulfilled in order to be sufficient in water index.

²² This index reflects the provision of support in forms of volunteering or donating to an individual or a community. Respondents

community vitality index,²³ (xxv) good family index,²⁴ (xxvi) victimization index,²⁵ (xxvii) pollution index,²⁶ (xxviii) environmental responsibility attitude,²⁷ (xxix) wildlife depredation index,²⁸ (xxx) public transport accessibility,²⁹ (xxxi) household income,³⁰ (xxxii) ownership of appliances, livestock, land composing assets index,³¹ and (xxxiii) housing quality index.³²

were asked for number of days they volunteered and for donation. Donation is expressed in the total amount of financial resources donated in the past 12 months, and that of volunteering by the days donated in the past 12 months. For the threshold, for donation 10% of the household income is considered, and for volunteering the 3 days is considered. The threshold here has been identified based on normative grounds since there are no standards for minimum levels followed. Both the conditions has to be satisfied to be classified non-deprived. This might mean, however, that a person who volunteered every spare hour but did not have enough money to give 10% was deemed insufficient; similarly, a senior businessperson who was tremendously generous and gave 30% of their income but could not manage to volunteer 6 days per year would be judged insufficient, as would an elderly person who was not physically or mentally able to volunteer. There are people who donate but do not volunteer: about 38% of the respondents. There are few who volunteer but do not donate: only 3%. Most do both (51%) and some choose to do neither (6.5%). In particular, if a person donates 20% of their income, then even if they do not volunteer it is enough; and if they give more than 6 days in volunteering but do not donate 10% of their income, it is still sufficient.

²³ A sustainable society requires strong social ties that bind people together in the community. The two components of the index are sense of belonging that range from “very strong” to “weak”, and trust in neighbours which lies from “trust most of them” to “trust none of them”. Both indicators have options of “don’t know”. GNH defines the notion of belonging or social identity as a central aspect of who we are. It is the strong and positive membership of families, communities or groups that ensures belongingness to individuals and so the thresholds here are based on normative reasons for sustaining and promoting a sense of community. The threshold for sense of belonging has been set at “very strong” and for levels of trust “some of them” and “most of them” have been selected. For a person to have achieved sufficiency, both conditions have to be satisfied. The fulfillment of both conditions is necessary since a community must strive to create sense of connection derived from individuals’ feelings of belongingness as well as increased neighbourliness.

²⁴ A good family relationship is vital for health of both family members as well as those of community members. Six questions on a 3-point scale have been asked to the respondents. They are added together to form an index with 18 as the maximum score (High family relationship index) and 6 as the minimum score (Low family relationship index). It has six statements pertaining to the relationship of oneself with family. The responses rest on 3-point scale from “agree”, “neutral” and “disagree” for all statements. They are computed to form a family index score from 6-18. So, generally family relationship seems to be strong. Naturally the highest possible score would be ideal to develop a society where families are a source of comfort, security and protection. However instead of using 18, a threshold of 16 is applied in the pretext of incorporating responses of “neutral” category in any two statements. Note that the interview session involves only the respondent and the interviewer so there are less chances for responses might be affected since family members were not present or within earshot of the interview.

²⁵ The indicator pertains to whether the individual has been a victim of crime in the past 12 months. The crime indicator has a response range on simple 2-point scale from “yes” to “no”. The threshold is set at “no” for victim of crime.

²⁶ The awareness and knowledge of the citizens on their environment are crucial for pro-environmental actions and in making environmental policies successful. So, in order to test people’s environmental awareness, a series of questions were developed to test the intensity of environmental problems. Seven environmental issues of concern are shared with the respondents; the response follows on 4-point scale from “major concern” to “minor concern”. They are not added into a single number but rather a conditional threshold is applied whereby an individual is insufficient if he or she has rated “major concern” or “some concern” in at least 5 of the 7 environmental issues. Their reference frame is within the past 12 months, however as with many subjective indicators, there might be errors with reference frame and so, it is not very practical to give more weight to perceptive data by fixing high thresholds.

²⁷ Having the right attitude toward environment are fundamentally important and also a widely discussed topic²⁷. The indicator attempts to measure the feelings of personal responsibility toward environment. It is crucial to develop attitudes that will encourage people to adopt eco-friendly approaches. The responses run on a 4-point scale ranging from “highly responsible” to “not at all responsible”. The threshold is set at “highly responsible”.

²⁸ The wildlife index here incorporates information of damage on crops only. Two simple questions on the presence and absence of damage and the severity of damage are applied to determine the impact of wildlife damage on agriculture. The first deals with whether the respondents consider it as a constraint. The responses run on 4-point scale ranging from “major constraint” to “not a constraint”. The threshold has been set at “minor constraint”. The second indicator pertains to the severity of damage i.e. crop loss. The respondents here are asked to provide an average perceived amount of crop lost if at all it had been damaged by wildlife. It ranges from “a lot” to “not at all”. For both the indicators the reference frame is the past 12 months. The threshold is fixed as such that if respondents are deprived if they report either “some constraint” or “major constraint” and account for a crop loss of “a lot” or “some”. Note the wildlife index is rural specific since there are more agricultural respondents. Individuals from different occupational backgrounds are classified as non-deprived. The rural specific indicator is later compensated by the transport index that in turn applies for urban dwellers only.

²⁹ Respondents are asked to report on their satisfaction levels with the accessibility of public transport in their community. The threshold is set at “satisfied” or “very satisfied”. People who have no accessibility to public transport or roads, they are classified as deprived. This condition also acts as a proxy for road accessibility in the community that is one of the major objectives of the government.

³⁰ Household income includes income earned by all the individuals in a household from varied sources within or outside of

country. The household income here has been adjusted for in kind received. With the threshold, using a mean would also have huge affect from the high and low values of income. For the index a more absolute number is preferred, since GNH values and encourages the satisfaction of one's own income rather than satisfaction with comparison to others. In this regard, a threshold is computed from GNH data adjusted poverty line by the doubling the amount. It amounts to Nu. 1847 per person per month.

³¹ Asset index is created consisting of three major components; 1) Appliances comprising of six items (mobile, fixed line telephone, personal computer, refrigerator, color television and washing machine 2) Livestock ownership and 3) Land ownership. The thresholds are applied at two levels, initially on each of the 3 indicators and then later, an overall threshold for classifying insufficiency in the asset index. The final threshold across the three assets is applied as such; if a household possesses either equipment or some livestock or some land then the household is classified as being non-deprived. This implies that any one condition of the three can be satisfied to be non-deprived.

³² Quality of housing has four indicators; type of roofing, type of toilet and room ratio though they are referred as an index, they are not computed into a single number. The thresholds has been set based on Millennium Development Goals (MDG) set by the government such as CGI or Concrete brick or stone for roofing, pit latrine with septic tank for toilet and 2 persons per room for overcrowding. So, overall an individual is sufficient in housing if he or she lives in a house that has a good roofing structure (CGI or concrete brick of stone) and a pit latrine with septic tank and where rooms overcrowded.

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The Experience of Gross National Happiness as Development Framework

This paper explores Gross National Happiness (GNH) as a framework for socio-economic development in Bhutan by elucidating GNH principles that affect the way Bhutanese society and state interact. It dwells more on how Bhutan is actually, in practice, doing - by assessing policy intentions versus policy outcomes and declarations. It concludes that Bhutan's experiment with GNH remains dynamic and evolving, and suggests that this whole policy process may also be of interest to those in the international community who have been intrigued by the original idea of GNH. It concludes that an outlook on whether GNH offers any realistic alternative toward higher well-being and lesser unsustainability in Bhutan.

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