

Chapter II

Conceptualizing Happiness in the Framework of Gross National Happiness

2.1 Introduction

This chapter deals with the theory of happiness and examines how Bhutan conceptualizes the concept of happiness in its Gross National Happiness (or GNH) paradigm. The first part of the chapter explores the meaning or the idea of happiness as construed by various scholars and also examines the two schools of happiness philosophy. There are basically two schools of thought when it comes to the concept of happiness, namely, hedonism and *eudaimonia*. The chapter then discusses the Buddhist philosophy which the idea of GNH flows from. The second part of the chapter deals with the debate between Gross National Happiness and Gross National Product and tries to see if GNH is a better alternative to development than GDP. The third part of chapter discusses the implementation of GNH in Bhutan. Here, the various pillars of GNH, the domains as well as the indicators are briefly discussed to understand how Bhutan has developed a well-rounded, holistic development approach that caters to the wellbeing of its people in the most effective way, which is followed by the examination of how GNH is calculated.

2.2 Gross National Happiness

Gross National Happiness (GNH) is an ideology, just as neo-liberal capitalism is, as well as now defunct Communism (Mancall, 2004: 11) Countries all over the world have come to acknowledge and understand that there is a serious need for an alternative ideology or model of governance due to the various destructive and ill effects that global capitalism bears. As mentioned in the introductory chapter, in 2011, the UN General Assembly adopted a resolution calling the pursuit of happiness ‘a fundamental goal’ and asking the United Nation member states to exercise initiatives which endow more importance to well-being in determining how to measure and achieve social and economic development. The move was endorsed by 68 countries then. In 2012, the United Nations Sustainable Development Solutions Network published a World Happiness Report which states that

efforts should be made to achieve a new course “that ensures poor countries have the right to develop, and all countries have the right to happiness, while simultaneously curbing the human-induced destruction of the environment” (Helliwell, John, Richard Layard and Jeffrey Sachs, 2012: 7). Although the neo-liberal development approach is designed to procure well-being of people, its focus on economic aspects is not enough to tell if people are actually happy. The indicators that neo-liberalism employs do not necessarily show if people are truly satisfied with the life they live. Additionally, there are many ill-effects that the approach using GDP as a measure of development carry. Environmental effects like global warming, brought on by the free market capitalism, are a serious threat to the planet and the entire life-forms living in it. Governments, International Organizations and policy makers around the world have addressed these issues and are together or independently trying to find ways for a change from the current pattern.

Bhutan is the first country to take a detour from the popular Gross Domestic Product (or GDP) approach and take a new, multi-dimensional approach to development, namely, Gross National Happiness. As one of the last countries to be affected by globalization, Bhutan’s development process is indeed quite unique. With a population of about 784,103 and sandwiched between India and China, Bhutan has been relatively isolated until recently. What contributed to its isolation were the complex geopolitical factors which kept influence of the British India or any other colonial power at bay. Until the late 1950s, Bhutan practiced a closed-door policy refusing any foreign cultural influence keeping it far off from under the radar of the outside world (Priesner, 1999: 31). As a result of this active policy of isolation, Bhutan remained medieval in character until the end of 1950s (Ura, 1994: 25). The process of unification, expansion and consolidation of the state of Bhutan was religiously-inspired and carried out in the name of a religious order in the 17th century, by the *Zhabdrung* Ngawang Namgyal¹, a hierarch of the *Druk Kagyu* sect. As such, Bhutan was founded on a Mahayana Buddhist ideology which has made a profound effect on the nature of the state, society and the individual in Bhutan.

¹The *Zhabdrung* is the title for the unifier of Bhutan and his reincarnations. It means “at whose feet one prostrates.” Ngawang Namgyal (1594-1651) fled Tibet in 1616 following a dispute over his recognition as a reincarnate lama.

As increasing concerns of national security cropped up as a result of the occupation of Tibet by Chinese forces in 1950 and the suppression of the Tibetan revolt by the Chinese in 1959, Bhutan ended its isolation policy (Priesner, 1999: 32). Bhutan did not have diplomatic relations with other countries, except India. As such, India almost entirely financed the first three development plans (1961-1976) of Bhutan (Ura, 1994: 35). Consequently, Bhutan started developing its basic infrastructure under the initiative of the third king, Jigme Dorji Wangchuck, who reigned from 1952 to 1972. Until then, Bhutan was linked only by footpaths and mule tracks as they had no proper road connectivity.

The third king, Jigme Dorji Wangchuk, recognized that in a changing international setting, Bhutan faced an enormous challenge. One of the main issues was the need to train elites capable of governing the transformation (Bhattacharya, 1997: 137-165). At the end of the 1950s, Bhutan had less than 500 students enrolled in primary schools, while the only form of education widely available was those offered in the monastic centers, following the precepts of Mahayana Buddhism (Priesner, 1999: 25). At that time, no possibility for further lay education existed within Bhutan as the country was posed with topographical barriers to modernization.

There are very little written sources available which indicate that Bhutan's development philosophy was inspired by the objective of happiness within the first two decades of Bhutan's development (Priesner, 1999: 28). There were no conceptual issues or broad guidelines in relation to happiness objective introduced by the National Assembly (Rose, 1977: 162). Bhutan's Planning Commission, as one of the main bodies responsible for the implementation of development projects, had not yet incorporated well-being as an explicit goal (Rose, 1977: 25). It is believed that the idea of Gross National Happiness was invented in 1972 by the fourth King of Bhutan, Jigme Singye Wangchuck.² However, this claim has no evidence or proof of its authenticity. The earliest written reference to GNH

2M.S. Givel in his article "Gross National Happiness in Bhutan: Political Institutions and Implementation" states that "GNH has been Bhutan's guiding directive for development since the 1907s". Elizabeth Allison of California Institute of Integral Studies also writes in her article "Gross National Happiness" that "In 1972, the fourth king of the Himalayan nation of Bhutan, King Jigme Singye Wangchuk, proclaimed, 'Gross National Happiness is more important than Gross National Product'". The President of the Centre for Bhutan Studies and GNH Research, Dasho Karma Ura has also supported the claim on many occasions, one of them being during a Lecture at Schumacher College, UK, on November 11, 2009.

can be found in two articles by Michael Kaufman in the New York Times in 1980 (Munro, 2016: 74). However, the concept of GNH is not presented as the central theme in both the articles (Munro, 2016: 72). As such, there was nothing about the concept of GNH that was mentioned in writing anywhere during the 1960s and 1970s, which makes the popular claim of the concept being coined by the fourth King in 1972 uncertain. The concept of GNH was first mentioned in the country's *National Budget for Financial Year 1996-1997 and Report on the 1995-96 Budget* (Royal Government of Bhutan, Ministry of Finance, 1996: 16). As such, it was in 1996 that the tradition of GNH as Bhutan's national development policy was first officially mentioned. Furthermore, while the idea of happiness and wellbeing as the goal of development has been a part of Bhutan's development endeavours, it did not take a central theme as a deliberate policy objective until very recently.

There were instances beginning from the late 1960s when happiness began to be loosely mentioned and a vague notion of an alternative path to development began to emerge. Just as an article in *Kuensel*³ on 1967 states that the third King Jigme Dorji Wangchuck expressed that the goal of development was to make “the people happy and prosperous” (Priesner, 2004: 28). Similar views were expressed by the king on the occasion of Bhutan's admission to the UN in 1971, one of the most important events in the country's recent history (Priesner, 2004: 28). In 1997, the Bhutanese government published its Eighth Five Year Plan 1997-2002 in which there was a fleeting mention of GNH, although the concept was framed in terms of human development and capabilities paradigm and not born of Bhutanese cultural referents (Munro, 2016: 79). In 1999, the Royal Government of Bhutan Planning Commission along with the support of the United Nations Development Programme (or UNDP) published a long-term strategic planning document entitled *Bhutan 2020: A Vision for Peace, Prosperity and Happiness*, in which the concept of GNH was the

³*Kuensel* is the national newspaper of Bhutan, which was found in 1967 as an internal government bulletin. Today, the government owns 51 per cent of the newspaper.

central development theme but was subordinated by the overarching goal of the “future independence, sovereignty and security” of Bhutan.⁴

The concept of GNH based on four pillars, namely, sustainable socio-economic development, environmental preservation, cultural resilience and good governance, serves as a guiding philosophy for Bhutan. These four pillars were used as a standard to construct and implement policies in Bhutan. These four pillars are discussed in detail in the latter half of the chapter. As an alternative to Gross Domestic Product, GNH adopts a less materialistic national goal, where non-economic aspects of well-being are given equal priority. As such, GNH philosophy is a contrast from traditional western ideologies, as they continue to believe the system of well-being, self-reliance and paternalism were the main features of their traditional society (Gupta, 2014: 33). Instead of economic development, GNH values and prioritizes non-economic development at higher extent.

Thus, the proper system of measuring the GNH was developed, as it exists today. Today, as per the latest 2010 GNH survey, Bhutan has defined this index into nine domains, which have sub-indicators under them, making the measurement an extensive process. The nine broad domains are psychological well-being, health, time use, education, cultural diversity and resilience, good governance, community vitality, ecological divergence and resilience, and living standards. These are further classified into 33 indicators, which are used to determine the GNH Index of the country. They are explained in detail in the latter paragraphs to come.

It is noted by now that the GNH of Bhutan is inspired by the Buddhist philosophy. Mahayana Buddhism, as the state religion of Bhutan, has played and still plays a substantial influence today, and has been intricately linked with culture and politics in Bhutan. Therefore, a deeper exploration of Mahayana Buddhism needs to be done to understand why and how GNH operates as a primary policy influence in modern Bhutan. However, before exploring the link between Gross National Happiness and Buddhism, the

⁴For more details, see Lauchlan T. Munro’s “Where did Bhutan’s Gross National Happiness come from? The Origins of an Invented Tradition” available at <http://dx.doi.org/10.1080/03068374.2015.1128681> accessed on 21/07/2016

following section attempts to examine the term happiness and what it means in Buddhist philosophy, which forms the basis for the formation of the concept of GNH.

Figure 2. Gross National Happiness: Domains and Indicators



Source: <http://www.bhutaneverydaytours.com/gallery/bhutan-photos.html>

2.3 The Idea of Happiness

The word ‘happiness’ is used in various ways. It carries diverse meanings which vary between individuals, over time and situations and cultural tradition. However, as Neil Thin puts it, it is not a “definable entity” but it can be understood as “an evaluative kind of ‘conversation’ concerning how well our lives go” (Thin, 2012: 33). As such, it is a process which is both dynamic and interactive and which includes “good feelings, satisfactions, and more ambitious themes such as the fabrication of meaning and purpose or coherence”

(Thin, 2012: 33). On the other hand, Ruut Veenhoven defines happiness as the “subjective enjoyment of life” (Veenhoven, 2001: 3). For him, happiness is the degree of positive assessment of the overall quality of a person’s life in its entirety. Simply put, it is how much a person likes the life he/she leads. The term happiness is often used interchangeably with terms like ‘life-satisfaction’, ‘well-being’, ‘subjective well-being’, ‘psychological well-being’, ‘hedonism’, ‘*eudaimonia*’, ‘health’, ‘flourishing’ and so on.

In the study of happiness, the various conceptions of happiness are placed within one of two well-known traditions, namely, the hedonic and the *eudaimonic* (David et. al, 2013: 3). The major historical figures who propounded these two types of theories are J. S. Mill and Aristotle, respectively (Uyl, et.al, 1983: 116). Research within the hedonic school of thought defines happiness as “the pursuit of positive emotion, seeking maximum pleasure and a pleasant life overall with instant gratification” (David et.al, 2013: 4). As such, it is a constructive process of turning various pleasures and sorrows into a meaningful and evaluative story about life as a whole. On the other hand, the *eudaimonic* school “looks beyond this, and is concerned with change, growth and breaking homeostasis” (David et.al, 2013: 4). It calls for people to recognize their true and fullest potential and live in accordance with that (Waterman, 1993: 678). It is the result of the connection between personal expressiveness and self-realization (Waterman, 1993: 679). For a clearer understanding of the concept of happiness, the following sections will discuss the works of J. S. Mill and Aristotle on the question of happiness.

2.3.a Hedonism

According to hedonism, an individual’s overall level of well-being is determined by the balance of pleasure and pain they experience (Fletcher, 2016). As such, happiness for hedonists is a balance of pleasure over pain (Parducci, 1995: 9). In his work, Utilitarianism, John Stuart Mill tries to equate happiness with pleasure (Mill, 1862). However, unlike most hedonists, the notion of pleasure for him is something more than mere enjoyable feelings or any type of sensation. Mill’s conception of happiness has been visited by many thinkers. Traditionally, he is seen equating happiness with pleasure, and pleasure is thought of as a state of mind. As such, the value of various actions or states of affairs is determined by their contribution to a pleasurable state of mind. The actions which

are taken for a particular end further acts as a means to an ultimate end which is the pleasurable state of mind. This traditional view of Mill's idea of happiness sees him advocating a dominant end theory of happiness (Uyl et. al, 1983: 121). However, there are other interpretations of his work which argue that Mill's theory of happiness is characteristically more inclusive. These works reject the dominant end theory of happiness as it is seen in Mill's words that, "the principle of utility does not mean that any given pleasure, as music for instance, or any given exemption from pain, as for example, health, is to be looked upon as means to a collective something termed happiness, and to be desired on that account. They are desired and desirable in and for themselves; besides being means, they are part of the end" (Mill, 1863). According to Pamela Clark, Mill conceives happiness as "the good for man", and not simply a psychological state of mind (Clark, 1954: 247). D. H. Munro has made further exploration of the inclusive/dominant end controversy of Mill's texts. He suggests that an individual's pleasure or happiness can be regarded as the sum of those things one does for their own sake: the sum of one's ends. On the other hand, to do something as a means to happiness is to do it not for its own sake but because it leads to something that is a part of one's happiness" (Munro, 1969: 192). He further adds that the means of happiness can also be a part of happiness. He points out that Mill followed the psychological theories of Hartley that claimed that some pleasures could become associated with other, such that they take on the status of ends in themselves.

2.3.b *Eudaimonia*

The concept of *eudaimonia* has had different conceptions offered by different thinkers. Prichard takes Aristotle's reading of *eudaimonia* and states that *eudaimonia* is some state or feeling of pleasure, and as such what is pleasurable is the good (agathon). Meanwhile, Austin rejects this view by stating that *eudaimonia* cannot be pleasure, because "pleasure is a feeling" and *eudaimonia* in Aristotle is a "life of a certain kind" or "an achievement" (of which pleasure may be apart) (Austin, 1968: 280). This view is supported by many other thinkers who see *eudaimonia* as something more than a feeling of pleasure.

Regardless of the various interpretations of Aristotle's concept of *eudaimonia*, there are three well-known features of Aristotle's account given in the *Nicomachean Ethics* which provide the basic principles that must be explained in any interpretation: (1)

eudaimonia is tied to man's function (*ergon*), (2) *eudaimonia* is an end in itself, and (3) *eudaimonia* is said to be found in both the life of contemplation and the life of moral virtue, with the latter being given apparently secondary status (Uyl et. al, 1983: 117).

There are scholars and philosophers who claim that Aristotle has no conception of happiness at all, in the general sense of the word. His translation of the word *eudaimonia* into happiness is said to be loose and dubious (Kraut, 1979: 167). For instance, he is made to say that everything should be sought for the sake of happiness, and that children and evil adults are never happy because they have not developed such traits as justice, courage, and self-control. Furthermore, *eudaimonia* does not name a feeling or emotion, whereas happiness involves a certain state of mind (Kraut, 1979: 167). As such, Henry Sidgwick warns that the word "happiness" that we find in translations of Aristotle does not have its contemporary meaning in English (Sidgwick, 1907: 92-93). *Eudaimonia* does not mean happiness in its usual sense due to the possibility that some children are definitely happy and some evil people might as well be happy.

For Aristotle, the most *eudaimon* individual is someone who has fully developed and regularly exercises the various virtues of the soul, both intellectual and moral (Kraut, 1979: 170). Such a person engages in philosophical activity (since this is the full flowering of his capacity to reason theoretically) and also in moral activities, which display his justice, generosity, temperance, etc. Aristotle thinks that a virtuous person will make the best of any situation, but that in extreme circumstances *eudaimonia* is lost. It may be regained, but only after a long period of time during which many fine things have been achieved. He thinks that exercising one's intellectual and moral capacities is the greatest good available to human beings, and he knows he possesses this good.

Aristotle also says that one who is virtuous and *eudaimon* particularly desires life, he cannot mean that he will struggle to stay alive at any cost (Kraut, 1979: 172). Rather, he must mean that such individuals are more glad to be alive than others; the kind of existence they enjoy gives them a heightened love of life. As such, the *eudaimon* person is one who is fully satisfied with his life. He is, in other words, a happy person.

2.3.c Buddhist philosophy of happiness

The Buddhist philosophy of happiness fits in the *eudaimonia* school of thought. According to Buddhist philosophy, happiness is a quality of the mind that arises from positive mental attitudes including the intention never to harm others, the desire to provide help and support to those around us, and to remain contented with one's life. According to the Buddhist philosophy there are Four Noble Truths, namely, (a) that existence is suffering, (b) that the cause of suffering is having wrong desire or craving, (c) that there is a possible end to suffering, which comes from the attainment of *nirvana*⁵ through enlightenment, and (d) that *nirvana* may be achieved by pursuing the Noble Eightfold Path which consists of (i) right comprehension, (ii) right aspiration, (iii) right speech, (iv) right conduct, (v) right mode of livelihood, (vi) right endeavour, (vii) right self-discipline, and (viii) right rapture (McGovern, 1919: 239).

Buddhism rejects the notion of happiness in terms of sense and ego gratification, which is resulted from favourable external factors and conditions. This form of happiness as illustrated in the *Bhava Chakra* or the Tibetan Wheel of Life relates to the never progressing aspect of *samsara*. Happiness in its truer sense in fact comes from living an increasingly skilful and pure life, having a clear conscience, from generosity and helping others, from friendship, and from creative endeavour (Lokamitra, 2004: 475). Happiness which is brought from external stimuli or external conditions is not satisfactory and one which does not lead to the realization of nirvana, nor enlightenment. Enlightenment is the state of supreme bliss and peace, and the state of unrestricted freedom from all bonds (Lokamitra, 2004: 475). Therefore, even when the external factors are unfavourable, one remains unaffected in the state of enlightenment. As such, it is only when one moves further away from being dependent on the external factors, one can achieve enlightenment.

For an individual to attain happiness, they must strive to avoid or abandon suffering immediately. Following Buddha's teachings, it is only when one abandons suffering that happiness arises. For suffering to be removed, one must know the cause of suffering. Mostly, the cause of suffering is attachment and craving which is the binding force which

⁵*Nirvana* represents the profound peace of mind that is acquired with *moksha*, liberation from *samsara*, or release from a state of suffering, after respective spiritual practice or *sadhana*. In Buddhist context, *nirvana* refers to realization of non-self and emptiness, marking the end of rebirth by stilling the fires that keep the process of rebirth going. *Nirvana* is part of the Third Truth on "cessation of *dukkha*" in the Four Noble Truths doctrine of Buddhism. It is the goal of the Noble Eightfold Path.

holds all humans within the cycle of *samsara*⁶ (Tashi, 2004: 490). So long as craving and thirst for attachment exists within the mind, it will continue to be the cause for renewal of existence or rebirth (ibid: 490). This craving is mostly associated with the need for sensual pleasure, seeking immediate satisfaction and fulfillment or gratification of various passions through the physical sense. As such, according to the Buddhist philosophy, by learning the truth of suffering, one can understand the cause, its path and cessation, and achieve ultimate happiness.

Buddhism has various different forms. Bhutan's Gross National Happiness is mainly based on the teachings in Mahayana Buddhism, which is one among different forms of Buddhism. In articulating GNH, Bhutan drew from the teachings of Mahayana Buddhism. According to Mahayana Buddhism, *nirvana* is not the highest goal to aspire. It goes beyond this conception and teaches that personal *nirvanaship* may be gained but it is also possible for one who desires to do so, to renounce this personal bliss in order that he may go on helping other individuals in the world out of their misery and sorrow which is seen everywhere (McGovern, 1919: 248). It also teaches that every *bodhisattva*⁷ must finally reach the stage of perfect and supreme enlightenment, or Buddhahood, which is the highest honor to which one may aspire. The state of Buddhahood can be reached by an individual who sets his mind upon it and teaches its followers to do so.

The mission of spreading happiness and compassion among everyone in the world is central to the teachings of Mahayana Buddhism. The philosophy of Mahayana Buddhism thus tells the individuals to wake up to the Ultimate Truth in order to obtain greater clarity and insight about the true nature of the universe, leading to internal peace and happiness (Givel, 2015: 22). The goal of GNH is based on Mahayana Buddhist principles to increase happiness for everyone, which then is carried out through various

⁶*Samsara* is the cycle of birth and rebirth from one existence to another in continuum. *Samsara* in Sanskrit means 'to cycle' or 'go round'. The idea is that until people behave properly, they go round and round in circles, from one rebirth to another.

⁷ In Buddhism, *bodhisattava* is the Sanskrit term for anyone who, motivated by great compassion, has generated *bodhicitta*, which is a spontaneous wish and a compassionate mind to attain *Buddhahood* for the benefit of all sentient beings.

governmental policies and programs that promote material needs balanced with becoming enlightened.

When examining the Constitution of Bhutan, there are various provisions laid down in it which provides a link between GNH and Mahayana Buddhism. Buddhism is regarded as the “spiritual heritage of Bhutan, which promotes the principles and values of peace, non-violence, compassion, and tolerance” in Article 3, Section 1. Similarly, Article 3, Section 3 gives power to “religious institutions and personalities to promote the spiritual heritage of the country while also ensuring that religion remains separate from politics in Bhutan.” Under Article 3, Section 4, the *Druk Gyalpo* appoints the *Je Khenpo* (head monk) with training in the *Drukpa* School of Mahayana Buddhism. The *Je Khenpo* must be ordained with the nine qualities of a spiritual master and accomplished in *ked-dzog* or spiritual development. In turn, under Article 3, Section 5, the *Je Khenpo* appoints, on the recommendation of the *Dratshang Lhentshog* (Commissioner of Monastic Affairs), “the Five *Lopons*” to serve on the central Buddhist Monk Council. Furthermore, Article 4, Section 1 states that:

The State preserve, protect, and promote the cultural heritage of the country, including monuments, places and objects of artistic or historic interest, *Dzongs* (ancient Buddhist religious and civil fortresses), *Lhakhangs* (Buddhist temples), *Goendeys* (Buddhist monastic communities), Ten-sum (Buddhist images, scriptures, and *stupas*), *Nyes* (Buddhist pilgrimage sites), language, literature, music, visual arts and religion to enrich society and the cultural life of citizens. (The Royal Government of Bhutan, The Constitution of The Kingdom of Bhutan, 2008)

In similar terms, Article 9, Section 2 states that, “The State shall strive to promote those conditions that will enable the pursuit of Gross National Happiness.” The GNH Commission also lays down their objectives in relation to the spiritual happiness by stating:

We have now clearly distinguished the ‘happiness’... in GNH from the fleeting, pleasurable ‘feel good’ moods so often associated with that term. We know that true abiding happiness cannot exist while others suffer, and comes only from serving others, living in harmony with nature, and realizing our innate wisdom and the true and brilliant nature of our own minds. (Gross National Happiness Commission 2015)

This statement is in tune with the primary objective of seeking Enlightenment under Mahayana Buddhism. In Mahayana Buddhism, overcoming suffering and becoming Enlightened and happy through the Fourth Noble Truth or Eightfold Path occurs by becoming aware of the nature of reality including good Karma by serving others and being in harmony with nature.

2.4 Gross National Product vs. Gross National Happiness

The notion of Gross National Happiness presents a radical shift of paradigm in development economics and social theory. GNH can be regarded as the Buddhist equivalent to Gross National Product which is the conventional indicator for a nation's economic performance. But GNH can also be regarded as the next evolution in indicators for sustainable development, going beyond measuring merely material values such as production and consumption, but instead incorporating all values relevant to life on this planet, including the most subtle and profound: happiness.

Gross National Product has been subject to having several flaws when it comes to measuring development. As an indicator, it measures things which can be quantified by assigning them monetary value. Thus, they exclude qualitative distinctions. However, over the last decades it has appeared that the qualitative factors are crucial to the understanding the ecological, social and psychological dimensions of economic activity (Tideman, 2004: 226). For instance, the GNP indicator do not account for the value of things like as fresh water, green forests, clean air, and traditional ways of life, simply because they cannot be easily quantified. It is, therefore, this major flaw in the GNP system which has contributed to the accelerating environmental destruction.

As noted earlier, the GNP is based on all quantifiable economic transactions recorded in a given period. The progress of a country is calculated in terms of the growth of GNP on an annual basis. However, there are instances which indicate that the GNP indicator is not entirely accurate but inherently flawed. When countries calculate GNP, natural resources are not depreciated as they are being exploited. Buildings and factories are depreciated, as well as machinery, equipment, trucks and cars. Forests are not

depreciated after irresponsible logging and farming methods turn them into barren slopes causing erosion and landslides. The money received from the sale of logs is counted as part of the country's income for the year. Further, the national statistics would show that the country has gone richer for cleaning up landslides. The funds spent on the chain-saws and logging trucks will be entered on the expense side of the project's accounts, but those to be spent on the supposed replanting will not. Nowhere in the calculations of these countries GNP will be an entry reflecting the distressing reality that millions of trees are gone forever.

In addition to the environmental issue, traditional GNP calculations ignore the informal, unpaid economy of caring, sharing, nurturing of the young, volunteering and mutual aid. This informal "Compassionate Economy" is hidden from economist's statistics and therefore public view, yet it represents some fifty percent of all productive work and exchange in all societies (Henderson, 1999). In developing countries, these traditional non-money sectors often predominate. Indeed, the United Nations Human Development Report in 1995 estimated such voluntary work and cooperative exchange at \$16 trillion, which is simply missing from the world's GNP statistics.

Classical economics holds that all participants in the market between supply and demand have 'perfect information' about the facts on which they base their choices. This is another assumption that has proven to be incorrect, especially in light of the buyer's inability to ascertain to what extent a product has depleted natural resources or exploited labor. The traditional neo-liberal economic system not only makes unrealistic assumptions about the information available to real people in the real world; it also assumes incorrectly that natural resources are limitless 'free good' failing to distinguish between renewable and non-renewable goods and simply equating them on the basis of monetary values set by a supposedly 'informed' market. Additionally, GNP system also fails to account for all the associated costs of consumption. Every time we consume something, some sort of waste is created, but these costs are usually overlooked and externalized. For instance, for all the fuel we consume in a given day, we do not account for extra CO₂ emission in the atmosphere. Since we equate an increase in consumption with an increase in 'standard of living', we encourage ourselves to produce more and more, and also more waste. This has

led to the disturbing reality that those countries which are considered richest, produce the most waste.

As such, the world is moving towards a new economic paradigm, one that is not based on maximizing ownership and profits or boosting abstracts statistics such as GNP, but concerned with managing creativity and knowledge, and improving the quality of our lives and children's future. Economists are busy making models that account for the intangible factors that drives the information-based economy, such as know-how and other human capital, as well as the environmental and social costs of development, such as the pollution and destruction of air, water, forests and other so called "free goods".

These developments in economics and contemporary western thinking run parallel to Bhutan's call for measuring their country's development by Gross National Happiness. It is here that Buddhism, with its extensive research on the human condition, has much to offer. By offering a personal path to achieve lasting material and spiritual happiness, Buddhism can rightly claim to have a path which surpasses any solution to obtain happiness offered in traditional economic terms, which does not go beyond an optimal level of material consumption, wealth and economic stability. From a Buddhist viewpoint, the contribution of economics and material development is nothing more than providing an external condition allowing people to devote time and energy to embark on the more rewarding path of spiritual development. As a Buddhist society, Bhutan's ideal is seen to become an example of how to put this path into reality.

2.5 The Implementation of Gross National Happiness in Bhutan

In neo-liberal societies, happiness often means maximization of pleasure. As such, it is construed that true happiness would consist of an interrupted succession of pleasurable experiences (Richard, 2013: 344). This notion falls short of the notion of genuine happiness, as is forwarded by the Buddhist philosophy. It is already seen that according to Buddhism, happiness means a finest way of being, a very healthy state of mind than underlies and suffuses all emotional states, and that embraces all the joys and sorrows one experiences (Richard, 2013: 344). It is therefore a state of lasting well-being along with the

wisdom that allows us to see the world as it is. Finally, it is the joy of attainment of inner freedom and a sense of compassion towards others.

Schumacher introduced the term Buddhist economics as a concept which has been elaborated by various scholars all over the world (Schumacher, 1973: 38). The term results from combining two words, 'Buddhist' and 'economics'. Economics generally means the subject which deals with "economic activities (production, distribution, and consumption) with the aim for individuals to achieve maximum utility under the condition of resource constraint and for the society to reach maximum welfare under the same condition" (Puntasen, 2007: 190). Buddhist economics is therefore "the subject explaining economic activities with the aim for both individuals and society to achieve peace and tranquility under resource constraint" (Puntasen, 2007: 190).

While the mainstream economics defines pursuing of self-interest as rational behavior as it is the behavior that contributes to generation of more utility, for Buddhist economics the core values are non-self that leads to compassion instead of self-interest, and cooperation instead of competition. In a system of capitalism with industrialism and consumerism, there can be growth without end. In reality, it turns out to be an unsustainable, downward spiral resulting in more waste generation and resource depletion, causing environmental degradation, and eventually human self-destruction. With such a depressing scenario for humankind under capitalism, Buddhist economics, where *sukha*, or wellness is not generated through increased consumption but rather through mental development that does not require excessive material inputs, can offer a much more promising alternative. As such, the Gross National Happiness framework was developed along the core values of Buddhist economics.

In this manner, the comprehensive goal of every aspect of life, including economics, is not the multiplication of material wants, which can be satisfied by consumption, but the purification of the human character. The objectives of market economics, i.e. increasing consumption and accelerating growth are thus only relevant as means to an entirely different end – human well-being. Buddhism turns the formula of western economic thinking which views all pre- and non-capitalist values as instrumental to either enabling or impeding economic growth. Besides, Buddhist moral philosophy

provides a definition of happiness, suggesting that well-being be drawn from the harmonization of spiritual and material aspects of life. Although GNH has been subject to criticism in the context of its economic inefficiency, it is in fact correct to say that the critics miss the actual point, which is, the aim of GNH is not economic efficiency but rather maximization of happiness.

Bhutan perceives that development need must be human-oriented and as such, its government emerged with decisions to invest scarce resources in social facilities rather than industrialization or the diversification of economy to generate growth. This people-centric perception of development explains Bhutan's commitment to the rapid enhancement of the population's health and education with the availability of financial assistance. Broadening its understanding of development by fostering modern social services, Bhutan essentially anticipated the approach of human development, which was propagated three decades as a revolution in development thinking.

Since Buddhism has always been a major feature of the country ever since its establishment, its philosophy has provided strong arguments for adoption of an environmentally sensitive development strategy and it can be seen in the decision of including environmental conservation as one of the four pillars of GNH. In Buddhist philosophy, the relationship between human beings and the environment is seen in a fundamentally different way than the western approach. While the latter is based on the Christian instrumental view that nature exists solely for the benefit of mankind, the Buddhist concept of *sunyata* holds that no subject or object has an independent existence; rather it dissolves into a web of relationships with all dimensions of its environment. These relationships are non-hierarchical, since Buddhist moral philosophy does not differentiate between species i. e. humans and non-humans. Similarly, Buddhism perceives reality as circular (rather than linear such as the western worldview) with human lives regarded as a stage in an eternal cycle of reincarnation. This naturally alters the relationship to the environment, since sustainable development is in everybody's self-interest instead of in the interest of future generations.

Bhutan's indigenous conservation ethic provided a major input for Gross National Happiness and was perhaps the most consistently applied aspect of the concept. Here only

some examples can be given. As early as 1961 the National Assembly resolved that trees in the ground should be exempted from taxation to discourage felling in keeping with the Government's conservation policy. The same rationale led to legislation such as the Forest Act of 1969 (and the Land Act of 1979), which contains the peculiar provision that the government owns all trees, including those growing on private land (Royal Government of Bhutan, 1969). In 1974 preservation policy was underscored by declaring vast sanctuaries, parks and forest reserves as protected areas. Today, protected areas constitute about 26 per cent of Bhutan's territory. Elsewhere, Bhutan never exploited its natural resources on grounds of commercial profitability.

Additionally, Bhutan's traditional socio-economic system was based on the principle of communal self-reliance. The population lived in scattered villages, hamlets and isolated farms while urban settlements were non-existent. This corresponds to Buddhist doctrine, which points to the benevolent nature of small-scale communities. Topographic constraints and the entire lack of infrastructure limited the interaction between the communities settled in the river valleys of the Inner Himalayas with those in the southern foothills and the outside world. In the absence of marketable surpluses trans-Himalayan and Indo-Bhutanese trade was reduced to a few necessities exchanged by barter. However, among the valley communities there was vigorous exchange of goods facilitated by the migration of livestock and people from temperate settlements in summer to subtropical settlements in winter (Ura, 1994: 26). As a result groups of neighbouring communities formed self-sufficient units for most purposes. Due to the lack of foreign influences and the extremely stable social environment, indigenous institutions and systems of knowledge could evolve. Particularly in the field of local conflict resolution and the allocation of collective resources (e. g. rules about irrigation, use of community grazing land, etc.) effective customary rules have developed over the centuries (Ura, 1993: 81).

With the exception of the collection of tax resources for the maintenance of the religious establishment, the official and the aristocracy and occasionally the militia, these socio-economic institutions and interactions on grassroot-level faced limited systematic intervention from the state. The society at its base, used to an economy of scarcity and to a paternalistic political system without any grassroots participation, had very few demands

beyond their subsistence needs. With interaction between the state and the society at a low level, the system was rather characterized by feudal paternalism (e. g. between landlord and tenant farmer) than state paternalism.

As a concept deeply rooted in the country's traditional system, self-reliance did not have to be implanted by outsiders after 1959. Although on an empirical level Bhutan fell short of almost every aspect of economic self-reliance in the first decades of modernization (lacking both financial resources and manpower requirement), the goal to achieve self-reliance has been intimately intertwined with the Bhutanese vision of development. In fact, self-reliance was the first explicitly emphasized development objective. The National Assembly stated in 1959 that "to maintain the sovereignty of the kingdom through economic self-reliance" was among its primary tasks. Since then, many policies bear the stamp of the centrality of self-reliance, i.e. the gradual shift to decentralization of development decision-making, the reluctance to give up food self-sufficiency in favour of cash-crop agriculture until recently, the macroeconomic prudence to avoid dependency on external loans, etc.

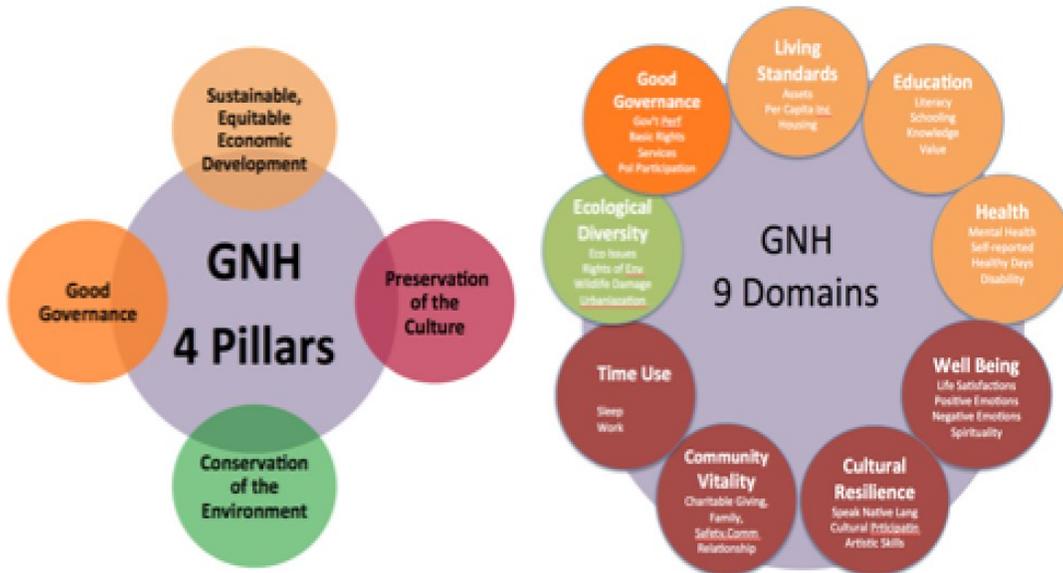
2.6 Domains and Indicators of Bhutan's GNH

The GNH Commission, which is the main national planning agency in Bhutan that operationalizes and evaluates GNH's incorporation in all government programs, has contributed to the evolution of a holistic vision of development for the country (Gross National Happiness Commission, 2015). The Commission uses the Thimpu-based Centre for Bhutan Studies' GNH Index, which measures four pillars of GNH: (a) Equitable Economic Development, (b) Environmental Preservation, (c) Cultural Resilience, and (d) Good Governance. These four pillars have been further classified into nine domains, which are: (i) Psychological Wellbeing, (ii) Time Use, (iii) Community Vitality, (iv) Cultural Diversity and Resilience, (v) Health, (vi) Education, (vii) Ecological Diversity and Resilience, (viii) Living Standard, and (ix) Good Governance.

The GNH Index uses two types of thresholds, namely, sufficiency threshold and happiness threshold. Sufficiency threshold indicates how much a person needs in order to enjoy sufficiency in each of the 33 indicators. Happiness threshold, on the other hand,

answers the question “how many domains or in what percentage of the indicators must a person achieve sufficiency in order to be understood as happy?” The subsequent section of this chapter will extensively make use of the Centre for Bhutan Studies methodology in explaining the domains and indicators of Bhutan’s GNH.

Fig 3. Gross National Happiness: The four pillars, nine domains and thirty-three indicators of the GNH framework.



Source: <http://www.bhutaneverydaytours.com/gallery/bhutan-photos.html>

2.6.a Psychological Wellbeing

The Psychological Wellbeing domain covers three areas, namely, general psychological distress indicators, emotional balance indicators, and spirituality indicators. Elements like the prevalence rates of negative emotions (jealousy, frustration, selfishness) and positive

emotions (generosity, compassion, calmness), the practice of spiritual activities like meditation and prayers, and overall life enjoyment are part of this domain.

Life Satisfaction

This indicator asks how satisfied one is with the life he/she lives. It combines individuals' subjective assessments of their contentment levels with respect to health, occupation, family, standard of living and work-life balance. The respondents are asked to say how satisfied or dissatisfied they were in these five areas on a five-point Likert scale (1=very dissatisfied, 5=very satisfied).

Emotional Balance (positive and negative emotions)

Emotion carries a strong influence over people's thoughts and actions which reflects on their well-being as well. Buddhist teaches the development of positive emotions must be developed and the reduction of force of negative emotions, which results in the increase of one's happiness and well-being. The GNH index therefore reflects this position.

Positive emotions, or non-disturbing emotions, such as compassion, generosity, forgiveness, contentment and calmness are included while selfishness, jealousy, anger, fear and worry represents negative emotions.

Spirituality

The spirituality indicator is based on four aspects: person's self-reported spirituality level, the frequency with which they consider karma, engage in prayer recitation, and meditation. Self-reported spirituality level describes the person's judgment on his or her own position on the spirituality continuum. The questions of the consideration of karma asked people to what extent they take into account their own volitional impulses actions as having moral consequences in future just as they did on the present. Measures of social engagements are dealt in both community vitality and time use domains. Here, indicators of sacred activities are limited to praying and meditation as two separate events although these activities are not mutually exclusive. All the four indicators run on a four-point scale of 'regularly' to 'not at all' except for the spirituality level which ranges from 'very spiritual' to 'not at all'.

2.6.b Time Use

GNH values non-work time for happiness and overall quality of life. The time-use domain is constructed under the assumption that non-work activities such as sleeping, personal care, community participation, education and learning, religious activities, social and cultural activities, sports, leisure, and travel add to a rich life and contribute to levels of happiness. Even though the “measurement of time devoted to unpaid work activities life care of children and sick members of a household, maintenance of household, and others can provide a proxy measure of the contribution made by unpaid activities to welfare,” the value of such activities are underestimated in most national accounts (Brahm, 2009).

Time use data can yield a range of important information that provide insight into lifestyles and occupations of the people. It can also reveal the gap between GDP and non-GDP activities that reflects the gap between market and household economy sectors. Such data are helpful in accounting for a more comprehensive output of goods and services that SNA omits. Time use data on 24 hours in the life of Bhutanese people can be broken down into various useful sub-categories. The distribution involves the following disaggregation: 20 districts, 7 income slabs, 11 age groups, 60 activities, and gender (Ura, 2012). However, the GNH index incorporates only two broad aggregated time use: work hours and sleep. The definition of work hours in GNH is not completely compatible with definitions used elsewhere and shows unusually long work duration in Bhutan. Some activities not usually defined as work elsewhere are included as part of work.

Working hours

Even unpaid work such as childcare, *woola* (labour contribution to community works; and voluntary works and informal helps etc. are included in this indicator. Also the following categories are classified as work: Crop farming and kitchen gardening (agriculture), business, trade and services, care of children and sick members of household, construction and repairs, craft related activities, forestry and horticulture activities, household maintenance, livestock related activities, household maintenance, livestock related activities, processing food and drinks, and quarrying work.

Eight hours is also the legit limit, applied to formal sector, set by the Ministry of Labour and Human Resources of Bhutan for a standard work day. Since a main objective of the indicator is to assess people who are overworked, those who work for more than eight hours are identified as time deprived.

Sleeping hours

A person's health also depends on how much sleep they get. An average person needs eight hours of sleep every day. But sleep requirements can vary substantially and some people, such as nuns and monks, would prefer and find it much healthier to devote more time to meditation and other spiritual practices than sleeping.

Eight hours is considered the amount necessary for a well-functioning body for everyone. Both the mean and median fall around eight hours for the respondents.

2.6.c Community Vitality

Community Vitality domain consists of seven areas, which are, family vitality, safety, reciprocity, trust, social support, socialization, and kinship density. It focuses on the strengths and weaknesses of relationships and interactions within communities. It also examines the nature of trust, belongingness, vitality of caring relationships, safety in home and community, and giving and volunteering.

Social support

These indicators assess the level of social support in a community and its trends across time. They capture the giving of time and money (other goods in previous olden days) – volunteering and donating – is a traditional practice in Bhutanese societies.

Community relationships

The two components of this indicator are 'a sense of belonging', which ranges from 'very strong' to 'weak', and 'trust in neighbours' which ranges from 'trust most of them' to 'trust none of them'. Both indicators have options of 'don't know'. The trust indicator may reveal the trustworthiness of the neighbours.

Family

For this indicator, six questions on a three-point scale of ‘agree’, ‘neutral’, and ‘disagree’ have been asked to the respondents. They are added together to form an indicator with 18 as the maximum score (high family relationships) and 6 as the minimum score (low family relationships).

Victim of crime

To assess safety in the community, respondents are asked whether they have been a victim of crime in the past 12 months. The crime indicator has a simple two-point scale of ‘yes’ and ‘no’.

2.6.d Cultural Diversity and Resilience

Cultural Diversity and Resilience domain consists of six areas, namely, dialect use, traditional sports, community festivals, artisan skill, value transmission, and basic precept. One of Bhutan’s primary policy concerns has been the maintenance of cultural traditions, since traditions and cultural diversity contributes to identity, values, and creativity.

Language

The language indicator is measured by self-reported fluency level in one’s mother tongue on a four-point scale. It should be clarified that mother tongue is defined as natal tongue which is a dialect. There are over a dozen dialects. Only in Western parts of the country does the mother tongue coincide with the national language, Dzongkha. The ratings vary from ‘very well’ to ‘not at all’.

Artisan skills

This indicator assesses people's interest and knowledge in thirteen arts and crafts, collectively known as *Zorig Chusum* and reports on number of skills possessed by a respondent. These skills and vocations are the basis of historical material culture of Bhutan when it was trading far less. The 13 arts and crafts include weaving (*Thagzo*), embroidery (*Tshemzo*), painting (*Lhazo*), carpentry (*Shingzo*), carving (*Parzo*), sculpture (*Jinzo*), casting (*Lugzo*), blacksmithing (*Garzo*), bamboo works (*Tszharzo*), goldsmithing and silversmithing (*Serzo* and *Nguelzo*), masonry (*Dozo*), leather works (*Kozo*) and papermaking (*Dezo*). For the indicator, people are asked if they possessed any of the above 13 arts and crafts skills.

Socio-cultural participation

In order to assess people's participation in socio-cultural activities the average number of days within the past 12 months is recorded from each respondent. The days are grouped on five-point scale ranging from 'none', and '1 to 5 days' to '+20 days'. The median is 1 to 5 days. The threshold is set at 6 to 12 days per year.

Driglam Namzha

Driglam Namzha (the Way of Harmony) is expected behavior (of consuming, clothing, moving) especially in formal occasions and in formal spaces. It arose fundamentally from the conventions of communal living and working in fortress-monasteries. Certain elements of *Driglam Namzha* are commonly practiced amongst Bhutanese when they interact with each other in formal spaces. A minimal part of it is also taught for a few days in educational institutions.

For *Driglam Namzha*, two indicators were developed: perceived importance of *Driglam Namzha* and the perceived change in practice and observance during the last few years. The questions run on a three-point scale: perceived importance ranges 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 vital to have knowledge about etiquette.

2.6.e Health

The Health domain consists of three areas, namely, health status, health knowledge, and barriers to health. The health indicators assess the health status of the population, the determinants of health and the health system. Health status indicators show information on self-rated health, disabilities, body-mass index, number of healthy days per month, knowledge about HIV transmission, and breast feeding practices. Barriers to health are also assessed according to the walking distance to the nearest health facility and access to health services.

Self-reported health status

The self-reported health indicator is used here as a proxy measure and to complement other health indicators (healthy days and disability) and is consequently given only one-tenth of the total weight for health and only one-third as much weight as any of the other three indicators. The ratings range on a five-point scale from having 'excellence' health to 'poor' health.

Healthy days

This indicator reports the number of 'healthy days' as respondent enjoyed within last month. The mean number of healthy days for Bhutan is 26 days (SD=7.7) and the median is 30 days.

Long-term disability

This indicator examines an individual's ability to perform functional activities of daily living without any restriction. Participants are asked whether they had any longstanding illness that had lasted over six months. If the answer is 'yes', they are then asked, using a five-point scale, whether the disability restricted their daily activities. The scale ranges from 'never' to 'all the time'.

The threshold is set such that those individuals who are disabled but are ‘rarely’ or ‘never’ restricted from doing their daily chores are classified as sufficient. Conversely, individuals with a disability whose daily activities are restricted ‘sometimes’ are classified as deprived.

Mental health

This indicator uses a version of the General Health Questionnaire (specifically GHQ-12) developed by Goldberg. It consists of 12 questions that provide a possible indication of depression and anxiety, as well as confidence and concentration levels. It is calculated and interpreted using the Likert scale with lowest score at 0 and highest possible score at 36. Each item has a four-point scale, but there are two types of scales 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’.

Since the GNQ-12 satisfied similar reliability and validity tests in Bhutan as in other places, the 12 questions are computed using the standard procedure.

2.6.f Education

The Education domain consists of the following areas: educational attainment, *Dzongkha* language, folk, and historical literacy. Education contributes to the knowledge, values, creativity, skills, and civic sensibility of citizens. The emphasis of the education domain is on the effectiveness of contributing to collective wellbeing.

Literacy

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

Educational qualification

The education system in Bhutan has two major components: formal education and non-secular institutions such as monastic schools, plus non-formal education (NFE). This educational indicator includes formal schooling, education imparted by monastic schools and NFE.

The threshold for education is set such that persons have insufficient education if they have not completed six years of schooling from any source, including government, non-formal, or monastic schools.

Knowledge

This indicator includes learning acquired either from inside or outside of formal institutions. Five knowledge variables are chosen: Knowledge of local legends and folk stories, knowledge of local festivals (*tshechus*), knowledge of traditional songs, knowledge of HIV-AIDS transmission, and knowledge of the Constitution. The first three kinds of knowledge capture certain forms of local traditions, especially oral and performance based ones. The responses for each question follow a five-point scale which ranges from ‘very good knowledge’ to ‘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.

Values

Here, respondents are asked whether they considered five destructive actions to be justifiable: killing, stealing, lying, creating disharmony in relationships and sexual misconduct. In a society influenced by good values, e.g., by Buddhism, individuals are expected to tame themselves with respect to five destructive actions. Moral consequences of virtues and non-virtues are typically revealed through speech, body and mind and in the case of disinformation, the agency of speech is emphasized. The variables have a three-point response scale ranging from ‘always justifiable’ to ‘never justifiable’ along with an option of ‘don’t know’. The values have been combined into a composited indicator in a 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 indicator takes the values 0 to 5.

2.6.g Ecological Diversity and Resilience

The Ecological Diversity and Resilience domain focuses on people's perceptions on ecology, since most of the objective measurements of ecological diversity and resilience are conducted by other environmental agencies. It uses three areas, which are, ecological degradation, ecological knowledge, and afforestation. By examining the state of Bhutan's natural resources, the pressures on ecosystems, and different management responses, the domain of ecological diversity and resilience is intended to describe the impact of domestic supply and demand on Bhutan's ecosystems.

Pollution

In order to test people's environmental awareness, a series of questions have been developed to test the perceived intensity of environmental problems. Seven environmental issues of concern are shared with respondents, and their responses follow a four-point scale from 'major concern' to 'not a concern'.

Environmental responsibility

This indicator tries to measure the feelings of personal responsibility towards the environment. It is crucial to reinforce attitudes that will encourage people to adopt eco-friendly approaches and also to identify any deterioration in the current very environmentally aware views of citizens. The responses run on a four-point scale ranging from 'highly responsible' to 'not at all responsible'.

Wildlife

The wildlife indicator here incorporates information on damage to crops. Wildlife damage can be catastrophic economic consequences for farmers, especially vulnerable household; it also disrupts sleep patterns and may create anxiety and insecurity. A simple self-reported estimate is used as a proxy for quantitative assessment. 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 question deals with whether respondents consider it as a constraint to farming. Responses are given on a four-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. Respondents are asked to provide an average perceived degree of crop lost, if the crop 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 wildlife indicator is rural-specific since it pertains to farmers. Individuals from other occupational backgrounds such as civil servants or corporate workers are classified as non-deprived. The rural-specific indicator is later offset by the urban issue indicator which in turn applies to urban dwellers only.

Urban issues

Bhutan is undergoing a rapid urbanization resulting in the growth of city and town populations. Since this has both positive impacts on human wellbeing (such as improvement in energy, health care, infrastructure) and negative effects (congestion, inadequate green spaces, and polluted ambience) these adverse impacts on wellbeing have been incorporated into the GNH index. Respondents are asked to report their worries about four urban issues: traffic congestion, inadequate green spaces, lack of pedestrian streets and urban sprawl.

The threshold is set such that a person can report any one of the issues as major threat or worry to be sufficient. This indicator mainly acts as a proxy for sustainable development which is one of the major objectives of the government.

2.6.h Living Standard

The Living Standard domain consists of four areas, namely, income, housing, food security, and hardship. It covers the basic economic status of the people. The indicators assess the levels of income at the individual and household level, sense of financial security, room ration, and house ownership. The indicators also reflect economic hardships like inability to repair households and the purchase of second-hand clothing.

Household income

Household income includes income earned by all individuals in a household from varied sources within or outside of the country. The household income here has been adjusted for in-kind payments received.

In the literature, two types of thresholds are generally used, either a fixed threshold like a poverty line or relative threshold such as mean or median income.

Assets

The asset indicator uses data on selected household assets, such as durable and semi-durable goods of everyday use to describe household welfare. The concept is based on evidence that income/expenditure measures are incomplete measures of the material wellbeing of households especially in developing countries where such data may have higher measurement errors.

The asset indicator is created consisting of three major components: Appliances (mobile phone, fixed-line telephone, personal computer, refrigerator, color television and washing machine), livestock ownership and land ownership.

The thresholds are applied at two levels: they are set initially on each of the three indicators and then later, an overall threshold is applied to classify insufficiency in the asset indicator.

Housing quality

The benefits of good housing can be observed from both an individual as well as from a community perspective. On the individual level, having one's personal space is considered fundamental for one's biological, psychological and social needs since it is a place where most spend a significant part of their everyday lives. Studies show the critical impacts that poor quality, overcrowded and temporary accommodation can have on an individual's physical and mental health. From a community standpoint, aspects such as combating social exclusion and discrimination and strengthening social cohesion cannot be achieved unless there are proper living spaces and a decent standard of accommodation. Studies show strong associations between the likelihood of criminality and educational attainment. Overcrowded accommodation, which is based on the number of rooms and number of

household members, can lead to family disintegration, weakening community ties and is considered to give rise to a variety of social ills. Therefore, insufficient housing conditions can pose a threat to not only the wellbeing of individuals but also the community at large.

The quality of housing is composed of three indicators: the type of roofing, type of toilet and room ratio. The thresholds have been set based on the Millennium Development Goals such as corrugated galvanized iron (CGI) or concrete brick or stone for roofing, pit latrine with septic tank for toilet and two persons per room for overcrowding, and all three conditions must be met. 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 or stone), a pit latrine with septic tank, and uncrowded rooms. In reality, having a higher quality roof may by far outweigh toilet condition as far as housing quality is considered.

2.6.i Good Governance

Good Governance domain includes government performance, freedom, and institutional trust. The domain of good governance evaluates how people perceive various government functions in terms of their efficacy, honesty, and quality. The theme includes human rights, leadership at various levels of government, performance of government in delivering services and controlling inequality and corruption, and people trust in the media, the judiciary, and the police.

Political participation

The measure of political participation was based on two components: the possibility of voting in the next election and the frequency of attendance in *zomdue* (community meetings). The 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’.

Political freedom

These indicators attempt to assess people’s perceptions about the functioning of human rights in the country as enshrined in the Constitution of Bhutan which has an entire article (Article 7, Fundamental Rights) dedicated to it. The seven questions related to political freedom ask people if that feel they have: freedom of speech and opinion, the right to vote,

the right to join political party of their choice, the right to form *tshogpa* (association) or to be a member of *tshogpa*, the right to equal access and the opportunity to join public service, the right to equal pay for work of equal value, and freedom from discrimination based on race, sex, etc. All have three possible responses of ‘yes’, ‘no’ and ‘don’t know’.

Service delivery

The indicator comprises four indicators: distance from the nearest health care centre, waste disposal method, access to electricity and water supply and quality. The goal is to evaluate access to such basic services, which in Bhutan are usually provided by the state.

In health service, people with less than an hour’s walk to the nearest health centre are considered to have sufficient access. In cities, access is attained but crowding can lead to waiting. If households report disposing of trash by either ‘composting’, ‘burning’ or ‘municipal garbage pickup’ they are non-deprived. On the other hand, if the response is ‘dump in forests/open land/ rivers and streams’ then they are deprived. As access to electricity is at the forefront of Bhutan’s objectives, respondents who answer ‘yes’ to the question of whether their house has access to electricity are considered non-deprived. The improved water supply indicator combines information on access to safe drinking water with information on the perceived quality of drinking water. An improved facility would include piped water into a dwelling, piped water outside of a house, a public outdoor tap or protected well.

Government performance

The indicator pertains to people’s subjective assessment of the governments’ efficiency in various areas. To test people’s perceptions of overall service delivery in the country, respondents are asked to rate the performance of the government in the past 12 months on seven major objectives of good governance: employment, equality, education, health, anti-corruption, environment and culture. These outcome-based questions enable respondents to rank the services on five-point scale from ‘very good’ to ‘very poor’.

2.7 How is GNH calculated?

Gross National Happiness (GNH) uses two types of thresholds: (a) sufficiency threshold, and (b) happiness threshold (The Center for Bhutan Studies, 2012). Sufficiency threshold shows how much a person needs in order to enjoy 'sufficiency' – how much is enough, normally, to create a happiness condition (The Center for Bhutan Studies, 2012). Each of the 33 GNH indicators has a sufficiency threshold. On the other hand, according to happiness threshold a person who enjoys sufficiency in more than six or more of the 9 domains is considered happy (The Center for Bhutan Studies, 2012). GNH survey is conducted and based on the results, respective measures are taken to improve the GNH Index. GNH Index effectively classifies the population depending on the degree of happiness (in sufficiency):

- Deeply happy (>77%)
- Extensively happy (66% - 76%)
- Narrowly happy (50% - 65%)
- Unhappy (0 %– 49%)

All government policies and plans in Bhutan are screened for GNH. All development projects and activities should be aligned with the GNH approved/endorsed plans. Additionally, the country also conducts quarterly reviews to measure the progress and status of the development projects.

2.8 Conclusion

In conclusion, Gross National Happiness is an attempt at an alternative development paradigm to GDP initiated by the Himalayan Kingdom of Bhutan. Inspired by the Buddhist philosophy, which has a strong presence in the Bhutanese society ever since Buddhism was established by the *Guru Padmasambhava* in the eight century, the ideals of GNH is human-oriented and holistic as it takes the subject to development beyond materialism and prioritizes 'happiness' of the people.

Mahayana Buddhism as an ideology has had a profound effect on the nature of the state, society and individual in Bhutan. As such, it remains a state religion of the country

today and has been intricately linked with culture and politics in Bhutan. The idea of happiness flows from Mahayana Buddhism. The Buddhist philosophy of happiness not only flows from the teachings of Buddha, but it is also consistent with the ideals of *eudaimonia*. For this reason, the Buddhist philosophy of happiness is placed under the *eudaimonic* tradition in this chapter.

As a policy objective, GNH is gaining popularity among many countries as they are trying to adopt a model of development which regards not just economic aspects but social and ecological factors as significant indicators for a successful development. GNH spreads the idea that economic factors are significant for development but it is not the goal or purpose of development, rather it is a means to an even greater end, i.e. happiness of the people. Market forces can do many things but it alone is not sufficient for a thriving society. In this way, GNH calls for a system that is more human-oriented which should be the case for the system in every society.

The GNH framework which has emerged from the need for a more people-centered, environment-sensitive and sustainable measure of development has a lot to offer. Although the idea of implementing GNH in place of GNP is a noble one, the problem lies in the way it is being implemented in Bhutan. The study is a focus on the operationalisation of GNH in Bhutan in the context of the ethnic minority situation. As such, the study seeks for an exploration of the country's ethnic situation which will be dealt with in the following chapter.