Gross National Happiness –
A Real Alternative or a Romantic wish?
Impressions from the Fourth International Conference on Gross National Happiness in Bhutan

Ram Mukul Fishman
School of International and Public Affairs
Columbia University, New York, NY, USA

Abstract

Back in the 1970s, when discussion concerning economic development was monopolized by the concept of Gross National Product (GNP), King Jigme Singye Wangchuck of Bhutan developed the term Gross National Happiness (GNH) as an alternative approach to development. Though the last 25 years of his reign saw Bhutan's economy grow at an average annual rate of 7% while maintaining environmental quality and social capital, the recent stepping down of the king and the transition to democracy have left Bhutanese policy with an aspiration to uphold his GNH legacy, but without his intuitive guidance on its practical pursuit. In its absence, there is a need to base the concept of GNH on a concrete, objective basis. As an effort to place the discussion on a quantitative and rigorous social scientific basis, Bhutan is inviting scholars from around the world through its annual international conference on GNH. This field note offers a discussion reflecting upon the conference and the concept of GNH.

Keywords: Gross National Happiness; GNH; economic development; Bhutan.

Back in the 1970s, when thought about economic development was completely monopolized by the concept of national income (or Gross National Product, GNP), the king of a small Himalayan Buddhist kingdom, just beginning to emerge from isolation, was observing the environmental and cultural degradation that was accompanying economic development around the world. King Jigme Singye Wangchuck began contemplating a way to improve the livelihood of his countrymen without sacrificing their natural environment or cultural heritage. To emphasize that well-being is not only about material income, and as a play on the term GNP, he used the catchy phrase Gross National Happiness (GNH) to describe the goal of his alternative approach to development. Since then, the term has caught on widely.

Now that alternative, more inclusive measures than GNP like the UN's Human Development Index (HDI) and Green GDP have attained wide recognition and governments like those of the U.K. and France are trying to incorporate other dimensions of well-being in addition to income into their policy discussions, the pioneering vision of the fourth king of Bhutan is worthy of special appreciation, especially when one remembers that, unlike France and Britain, Bhutan even today is...
Figure 1: Lofty ideals – The Bhutanese landscape is characterized by large extents of pristine forest cover.

a small developing country with a population of less than 700,000 and a per-capita income of 5,200$ (PPP GDP per capita).\(^1\)

Moreover, the king did not restrict himself to lofty words. During the last 25 years of his reign, Bhutan's economy has grown at an average annual rate of 7\%, life expectancy has risen from 40 to 64 years, school enrollment grew by 20\% during the 1990s alone,\(^2\) and the UNDP reports that Bhutan is one of the few countries making good progress to meet the MDGs. And yet, any casual visitor to Bhutan will testify to the large extent of pristine forest cover\(^3\) and the thriving traditional culture (there is no other part of the Tibetan Buddhist world that I visited had the same sense of cultural continuity, or in which this religion seemed to flourish as much). The capital, Thimpu, is the cleanest of any town of comparable size I have visited in both South Asia and the Himalayan world, and no beggars are to be seen in its streets. Not all is perfect, of course. There seems to be a growth in crime, especially in the capital, which is often blamed on the spread of western and Indian entertainment, and dissatisfaction among the youth. Things are changing.

\(^1\) CIA, The World Fact Book
\(^2\) The Economist, March 24th 2008
\(^3\) 64\% of the land area is still covered with forest, in comparison to 67\% originally. No forest was lost in the 1990s. Compare with 17\% loss during the same decade in neighboring Nepal, whose forest cover has shrunk to 26\% of the land area, down from the original 84\%. Data is from the World Resource Institute's Earth Trends (earthtrends.wri.org)
Figure 2: Change – Monks' robes are still the same, but their vehicles are changing.

While part of the King's success can be attributed to the utilization of hydropower resources (sales to India account for a major share of growth), aid from India or the relatively low population density, there is no doubt that his policy was both unique and effective. It included measures ranging from massive investments in public health (the steep, mountainous terrain is covered with a network of clinics), control of commercial advertisements, a law requiring the use of traditional dress and a ban on smoking, and a “forced” transition to democracy.

The recent stepping down of the king, and the transition to democracy, have left Bhutanese policy with an aspiration to uphold his GNH legacy, but without his intuitive guidance on its practical pursuit. In its absence, numerous interpretations of what GNH is are emerging, ranging from Buddhist spirituality to social capitalism, and there is a need to base the concept of GNH on a concrete, objective basis, lest it become eroded by politics to mere words. What does GNH really mean? How should it influence practical decisions? How can it be monitored? These are the questions with which the Bhutanese government is now struggling.
This fascinating discussion (to which Bhutan is inviting scholars from around the world through its annual international conference on GNH) seems to be really inspired by deeply rooted Buddhist ideals about the futility of blind consumerism. But it includes not only lofty philosophical elements such as the goals of human societies and the meaning of happiness, but also a sincere effort to place the discussion on a quantitative and rigorous social scientific basis. The Bhutanese are trying to form a concept of GNH that will present a real alternative paradigm and be taken seriously by the world, and for that, they feel, it must answer certain social scientific standards.

This is why they made a principal decision to create a quantitative measure of GNH that can function much as GDP does, and will replace the intuitive vision of GNH with an objective number. This is not a trivial decision. Some argue that many of the most important elements of well being are by nature immeasurable. Are they then to be excluded from policy? Others argue that this is a waste of time, and GNH will depend only on the vision of brave leaders and politicians, not on the existence of a number to measure it.

Trying to define a measure for GNH is a difficult undertaking. After all, the use of GDP to proxy wellbeing was not ideological, but operational (in fact, GDP may not have been created for that purpose anyway),\(^4\) since income was something that could be, in principle, objectively measured and compared (certain methodological issues notwithstanding) across countries and across time. Most economists will recognize that it is an imperfect measure and should be interpreted with caution, but

\(^4\) The developer of GDP, Simon Kuznets, in a 1934 report to congress, says: “…the welfare of a nation [can] scarcely be inferred from a measure of national income…”
in practice, it has become the yardstick by which we measure progress and compare countries.

One body of criticism of GDP is concerned with the omission of certain factors from the accounting process, including, for example, distributional issues, and depreciation of environmental and social capital, like the loss of natural resources, a reduction in volunteer work or an increase in crime. This criticism has produced more inclusive measures that amend GDP by attempting to include in the accounting as much of the environmental and social costs as possible. The Genuine Progress Indicator (GPI) is an example of such a measure. But even these modified indicators take into account only those factors that can be reduced to income-equivalent terms. For example, the loss of a forest is taken into account in so far as its monetary worth is lost. The increase in crime is included through the added fiscal burden. The non-material effect on quality of life is not included.

How can dimensions of well-being that are not reducible to income be measured? The most prominent method has been the use of self reported, or subjective well being, in which survey respondents are normally asked to rank how satisfied they are with their life, how they value different activities, what makes them happy, and so on. While this approach is riddled with methodological pitfalls, many prominent economists believe there is something to be learned from such surveys. (Perhaps the earliest and most famous work with such data is Easterlin's work from 1974 about the declining returns to income of self reported well being, the conclusions of which have recently been challenged). If you take these surveys seriously, they can teach you both how life satisfaction is changing with time, and how it is affected by different factors such as income, environmental conditions, and health, and if you then take self reported life satisfaction as the goal of social policy—and that is a big “if”—, then you can in principle use these lessons to form policy.

It seems the Bhutanese are converging on a system that incorporates both self reported satisfaction, self reported standard of living indicators of health and time use (e.g. the amount of sleep, food consumption, frequency of attending cultural shows) and psychological indicators (e.g. trust placed in the community, frequency of sadness). Using 72 such variables that attempt to capture the four pillars of GNH (equitable and sustainable socio-economic development, preservation and promotion of cultural values, conservation of the natural environment, and establishment of good governance), and defining thresholds of sufficiency for each, they are able to either form a single number capturing overall “happiness” or look at specific categories separately, using a methodology developed for multi-dimensional poverty assessment at the Oxford Poverty & Human Development Initiative.

The construction of a single number out of various indicators may seem to some to be necessary from a policy debate point of view, but always requires an arbitrary way of comparing apples to oranges, or of assigning weights to different components of the measure. This problem is not unique to the GNH index, of course. The UN's HDI, for example, is a weighted average of income, literacy and life expectancy. There is no allegedly correct way to assign these weights. It is a matter of policy, not of science, since it reflects what we feel is more important, and by how much. Again, is a single number really needed at all? It certainly makes comparisons easier and

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enables us to make painful tradeoffs between different components of well being, which is what policy decisions are really about. But it also seems hard to take a complicated formula seriously enough to really follow it to its logical conclusions. The debate is open.

There is another issue here. When the Bhutanese government is including, for example, hours of sleep in its index, and considers any amount lesser than a threshold of 7, hours, say, insufficient, is it not dictating and defining what a good life is? This seems like a very treacherous path to take. If the “free market”
proponents really believe that over-working and under-sleeping is a completely free decision and choose to ignore the seeming rat race that drives it, this paternalistic idea seems to be the opposite and far more questionable extreme.

Of course, it all depends on what the governments actually does with its index of GNH. How is it going to affect policy? A great deal of effort has been put into measurement in recent years, and the next stage in the Bhutanese program of research is the really difficult question of how it can affect policy, which was left resounding in the air. Kinley Dorje, the editor of the national newspaper, in his frank closing remarks, challenged that GNH has thus far not entered any of the country's five year plans. Is GNH a slogan, a mere lip service used by Bhutan to draw foreign attention, tourists and aid? Are we foreigners romanticizing GNH and Bhutan, trying to protect something we ourselves have chosen to lose in our own countries, and ignoring the real needs of this country?

It is true that, visiting in Bhutan, one can not but be touched by the rare pristineness and beauty of the country and the faith and kindness of its people, and it is hard not to wonder if it all must be spoiled by economic development, even while recognizing the importance of improving life standards. But at the risk of romanticizing, I also choose to believe there really is a sincere and deeply-inspired intention here to do things differently and to learn a lesson for the whole world to share. During the conference, I found myself alternating between cynicism and inspiration. The latter eventually won. How could I help it? Speakers kept mentioning the intended benefit to all sentient beings, animals included with all
seriousness. The conference was closed with a meditation led by a humble and wise monk. The earnestness of the local scholars was touching.

But the practical, intellectual and policy challenge is daunting, and you might think it is either admirable or perhaps naïve for the Bhutanese to take on such a task with their humble scientific resources. If you agree that this is an important question with global relevance, you might feel significant international academic attention should be given to a government that seems so earnestly sincere about addressing it. But the conference, which was opened by the prime minister and whose participants were all personally received by the new king, has attracted only a handful of western social scientists and practitioners (and many inspiring sympathizers and good will advocates).

In policy circles, things may be changing. There was some presence from the OECD. And some of the attendants, from such groups as GPI Atlantic and the New Economic Foundations are making real headway into mainstream thoughts I Canada and Europe. But Academia (at least the social sciences) is largely ignoring Buhtan. Is it because GNH is perceived, in western academia to be something of a cute curiosity only? In light of the achievements of the 4th king, I think this is unfair.

Let me close with some words from the opening speech of the recently elected prime minister, H.E. Jigmey Y. Thinley, who is said to be a genuine champion of GNH based policy: “Is it enough for us to know how to measure happiness and to hope that this will influence policy-making? Is making GNH policies and programmes enough? What of political will and capacity given the fact that these, in a democracy, are responses conditioned by popular demands and aspirations? So, if people do not understand and favor GNH based policies, will politicians dare? And if they do, will they succeed? How do we begin? How do we internalize, beyond intellectual enquiry and statements, the values that we speak of? How do we as academics, thinkers, scientists, leaders and concerned citizens change our own way of life and behavior? My only request is that we now become more focused on translating the concepts of GNH into clear policies”.

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6 Academia is, however, becoming more interested in well being and in alternatives to GDP. Nobel winning economists Stiglitz and Sen are participating in a commission created by French president Sarkozy, happiness is researched by economists such as Kahneman, Layard and Krueger, to name a few.