

**HAPPINESS AS A PRIORITY OVER DEVELOPMENT
- SOME EVIDENCES FROM THE KINGDOM OF BHUTAN**

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ABSTRACT

Can a nation boast of its developed state until its residents are happy? Happiness drives Development or vice-versa? What comes first, Happiness or Development? Whatever, happiness is an important constituent of development which is academically studied within the basic premise of the study of quality of life. The policies carry meaning only when they are focused towards improving quality of life of people.

Bhutan is a tiny Buddhist kingdom sandwiched between two most populous nations on the globe viz., India and China. This unique kingdom has demonstrated its priority in providing happiness to the people through a concept as evolved by its King bearing the nomenclature of *Gross National Happiness (GNH)*. All the important government publications including planning documents are the testimonies of this fact that Bhutan puts GNH over GDP to determine the well being of the people which is the ultimate goal of any government. There have been discussions and debates on the issue of operationlising the concept of happiness in the kingdom and the process of sensitizing the policy makers, government officials, decision makers at various levels and the academicians is a regular exercise.

This paper is an attempt to study happiness as a basic prerequisite for development and to bring out the evidences from the kingdom of Bhutan as to how they are practicing the concept of GNH, though it is just at the policy directive level. This could help a nation to initiate its policy framework towards improving quality of life of people in general and happiness of its people in particular.

These evidences are studied from the perspective of a small developing nation where role of market is not as important as in the relatively larger nations. The paper is prepared in the background of the economics of public-good and relevant input from the well being studies has been taken to set out a priority of happiness over other visible indicators.

The paper is divided in *four* parts as *Introduction, Happiness as a prerequisite for development, Some evidences from Bhutan, Discussion and Conclusion.*

Key Words: *Happiness, Gross National Happiness, Development, Bhutan*

*If we do not learn from history, we shall be compelled to relive it.
True. But if we do not change the future, we shall be compelled to
endure it. And that could be worse.*

[Toffler 1972]

INTRODUCTION

Development as a term is used as synonym to economic development. And on this premise the title of the paper is chosen to be *development* as a term in the understanding of a layman. Therefore it would basically mean that happiness should gain priority in the eyes of policy makers over concentration on the policies for just economic *development*. Further it could be argued that social and human development is more important than economic development and is found to be closer to well-being and happiness of people.

Happiness is the ultimate goal of human life. Bracho (2004) considers happiness as *greatest human wealth*. It is supposed to be an intrinsic element of development. Ironically visible development somewhere compromises with Happiness of people which is an ultimate goal. The state primarily, takes up the responsibility to patronize development by initiating policies in this direction. The policies are formulated, documents are drafted, and subsequently implementation takes place with a target of achieving higher economic growth which should ideally result in improving quality of life of people vis-à-vis their life satisfaction and happiness. Unfortunately, economic growth is achieved but it does not make the people of the state happy. However development is also felt and recorded, which should intrinsically provide an end-result by way of making the people happy. Happiness should be in continuity of the development process feedback. This has not been happening as expected. Hence instead of prioritizing development over happiness, happiness need to be focused and it is to be observed and studied whether happiness driven policies take care of

development as well as improvement in the life satisfaction. The parameters of human development come closer to the study of quality of life, life satisfaction or happiness as compared to economic development. 'Development represents a transformation of society, a movement from traditional relations, traditional ways of thinking, traditional ways of dealing with health and education, traditional methods of production, to more "modern" ways'. (Stiglitz, 1998). These modern ways are supposed to take care of economic, human and social development.

The kingdom of Bhutan gives priority to happiness over development by emphasizing on - 'Gross National Happiness is more important than Gross Domestic Product'¹. A sustainable growth rate has kept this small sovereign nation to keep its environment and culture intact. The state policies are happiness driven as compared to development driven and they take care of development and growth as well. One may not observe fast development and climbing economic indicators; however, it has kept the people happy and contented.

Theoretically the concept of GNH is ideal and unique which drives the policy decisions but practically it is still in search of a suitable model which can measure the happiness of the nation both at an individual as well as national level. There are debates and discussions going on all across the borders on operationalising this concept but nothing concrete as such has come out as yet. In the absence of the data on happiness level of people, the comparisons across the time series and trend studies have not been taking place.

However, smaller research projects² under different funding agencies are carried out and the findings are collected by the government at various levels. It is expected that these findings provide some feedback on the government policies and their influence on the life satisfaction of the people which in result help the government to assess its GNH level.

According to traditional economic thought happiness is not a goal of development rather it is supposed to be a by-product of development and simultaneously happiness is considered to be individual concern not really a primary concern for state. In the subsequent paragraphs here it is argued that happiness should be considered as a prerequisite for development and basically as mentioned earlier, here development is taken as a term synonymously used for economic development which is the layman's concept.

HAPPINESS AS A PREREQUISITE FOR DEVELOPMENT

Happiness is highly a subjective as well as relative term. Veenhoven (1991) terms happiness as - *the degree to which an individual judges the overall quality of life favorably*. It depends on the surrounding environment, whether the subjects are happy or not. At times ignorance tends to provide a feeling of happiness even while in utmost poverty. *Haves* and *Have-nots* are determined by the forces of economies like market, environment, consumption, and competition and alike. The level of happiness can be judged only when the *haves* do not influence the *have-nots* and overtake them. This is generally an impossible proposition. In the economy of welfare, it is expected that the state would be in the driver's seat and would direct the policies towards improving satisfaction level of people. The pace of development is not to be compromised for short term gains against long term losses. Therefore the state takes initiative to sustain the pace of development. The philosophy of development has to be studied in consonance with the philosophy of happiness.

'Welfare' is taken as a comprehensive term of which happiness and well-being are the constituents. Wright (1976) has termed happiness and well-being as 'aspects', 'components' or 'parts' of Welfare. He suggests that there is a broad sense of 'happiness' and of 'well-being' (also see Easterlin 1974; Easterlin 2001;

Easterlin 2003;) to mean more or less same as 'Welfare' and happiness is the consummation or crown or flower of welfare (also see Titmuss 1976). The primary concern of public-good³ should ideally occupy the first priority while framing development strategies. The provision of subsidies by the government is one of such example where it could be seen. Partha Das Gupta (1988) mentions that resource allocation is of paramount importance for the planners and characterizes the Samuelsonian solution as a command mode of planning, as 'the decision of what to produce and how much to produce to be made by the government'.

The climbing economic indicators are very deceptive in nature. Public-good is compromised at the cost of goodness for selected few who dominate decision. The cries of the masses get unheard and are rarely given ears. The weapons of mass destruction might help a state boasting of more power but that does not reflect the notion of public-good as a whole.

Jigme Thinley (1999), then head of the council of ministers in Bhutan, has related happiness with the policies of Bhutan in a very convincing way. He states that '*...the primary goal of development is happiness, but the subject of this very goal eludes our analysis because it has been regarded as subjective. The current approach may be too obtuse and unnecessarily scientific. We do not need scientific proof to assess happiness meaningfully. We can, and in my opinion we must, raise policy and ethical questions about happiness. It is a universal proposition and value. It is a goal all humanity shares in common.*'⁴

Happiness is attained when the needs are satisfied. Worcester (2004) identifies seven fundamental needs of human beings as – food, water, shelter, health, clothes, education, happiness and love.⁵ Happiness and love is considered as a human need but one attains happiness when other needs are fulfilled. This notion tries to relate the sense of happiness with that of satisfaction but as Wright

(1976) puts it, *the relationship between unhappiness and dissatisfaction does not seem to be as close as between happiness and satisfaction*. Satisfaction depends on one's aspirations so once the aspirations are not met it results in dissatisfaction and ultimately into unhappiness. However if the aspirations are met one feels satisfied which may not really result in attaining happiness rather interestingly it tries to put the aspirations at higher level. And this process of step-by-step meeting aspirations does develop a momentary sense of satisfaction but increases wants and aspirations. 'Satisfaction depends on change and disappears with continued consumption. ...an increase in income is accompanied by an increasing aspiration level.'⁶ (Frey & Stutzer, 2002a). If the aspirations are set modestly and the wants well crafted, a degree of happiness could be attained which does not make the individual dissatisfied as the chances of frustration gets reduced. Wright (1976) calls it 'the ascetic ideal of life'. The needs are needed to be reduced to promote 'a genuine reduction of those tensions which are the ultimate causes of strife and war' as expansion of needs is termed as 'antithesis of freedom and peace'.⁷(Schumacher, 1973)

Happiness depends on gaining freedom, to a certain degree⁸ (Thinley, 1999) because when one is free the feel of happiness is derived. But this freedom has to be taken very cautiously that is the reason 'a certain degree' is thought about. It has to be within the purview of the law of the land so that if one goes beyond that certain degree established by law, proper measures are taken against such people to set them right. This way the freedom would provide happiness to the individuals. The freedom is also related to the availability of choices. So it is freedom to choose from. It is possible in a world of competition where the economy of the state encourages and supports it. State is responsible to encourage competition by providing choices to its citizens. However one needs to remember that you can provide only what you have. Hence if freedom is not available to state, state cannot

offer it. In the process of enjoying the fruits of freedom, the state has to create a friendly environment where choice is offered within the broader purview of the freedom for state. There is a relationship of development with freedom as Sen (1999) puts it 'Development... as a process of expanding the real freedoms that people enjoy'. What he means by freedom can be understood by his explanations of unfreedoms, which development is suppose to remove - 'poverty as well as tyranny, poor economic opportunities as well as systematic social deprivation, neglect of public facilities as well as intolerance or overactivity of repressive states.'⁹ The political freedoms are measured by the right to vote, compete for public office, and elect representatives who have a decisive vote on public policies. Civil liberties include the freedom to develop opinions, institutions, and personal autonomy without interference from the state.¹⁰ (UNMP 2005).

Thinley (1999) feels that happiness is usually considered a utopian issue and suggests that the individual's quest for happiness and inner and outer freedom is the most precious endeavour, society's ideal of governance and polity should promote this endeavour. Further he laments into the future and provide an insight into the challenges which happiness faces in general with the advent of information technology.

Shows his concern for

Money (or Income) and happiness have been the primary concern for people to a certain level but there have been instances where the feeling of looking for solace has reduced the importance of physical money. 'At a point in time, those with more income are, on average, happier than those with less. Over the life cycle, however, the average happiness of a cohort remains constant despite substantial income growth.'¹¹ (Easterlin 2001; also see Layard 2003). Thinley (1999) is of the opinion that beyond a level, an increase in material consumption is not accompanied by a concomitant rise in happiness.¹² He has supplemented the views of psychologists and economists by saying that;

happiness depends on relative income and on absolute income. This reflection can be found even in the official documents of Bhutan as in the report of round table meeting (RGOB, 2000) mentions that '*...there is ample evidence throughout the world that an increase of GNP does not lead directly or indirectly, to an increase in happiness, either personally or as a society.*'¹³

What we have is less and what we aspire for is more at every level. We keep aspiring for more and after achieving our aspirations perpetually our aspirations are set higher. So we have reasons to be happy about as well as to be unhappy about. It depends on what we are concentrating whether on our achievements or on higher aspirations. The choice is ours. If we put a state in the position of such individual, it would make us realise as a state of more displeasures and discontentment than a sense of satisfaction and happiness. Happiness is highly a relative term. Let's not forget that. Poor economies have transformed themselves as under-developing economies but now can we forget that the developed economies have not been complacent and have constantly kept their eyes open for the runners behind them. In this race of which (what) comes first and remains there at a large level public-good of happiness is ignored not only compromised. Curle (1999) agrees 'Certainly we all long for happiness' but cautions us by 'You remember, I am sure that Jefferson said that, along with life and liberty, it was our inalienable right to pursue it. But how successful are we in catching it? In general, I would say, not very'. This is what we all are not pursuing in the right direction.

Happiness is not identical to utility, but it well reflects people's satisfaction with life.¹⁴ (Frey & Stutzer, 2002a). Generally, happiness is taken as an instant emotional reaction to an event which makes one happy. It is also considered as a momentary response and need not necessarily be a stable and sustainable feeling. The sum total of the elements like, 'Moments of pleasure and enjoyment, Positive feelings and thoughts, Absence of negative feelings and thoughts, Fully

healthy and functioning, Positive relationships, Positive expectations of the future, Positive actions, Success and achievement, Positive self-concept, Positive assessment of one's life, Virtues and strengths, True love and good sex, Humor and laughter, & Meaning and purpose have widely been accepted as a perfect picture of happiness'.¹⁵ I would put across my view on happiness as not merely an instant feeling but a sustainable positive response to the events and situation. As Brandolini (2003) calls it 'the paradox of sustainability', in which the individuals are to sacrifice themselves today in order to be happy in the future and further to allow future generations to be happy which makes the sacrifice worth. Therefore happiness needs to be maintained and monitored so that it does not get affected by minor incidents. 'The measures of subjective well-being or, in short, happiness, prove to be consistent and reliable. Happy people are, for example, more often smiling during social interactions, and are rated as happy by friends and family members, as well as by spouses. Reported subjective well-being is moderately stable and sensitive to changing life circumstances.'¹⁶ (Frey & Stutzer, 2002a). The stable characteristic of well-being though sensitive to the externalities does not become a controlling factor rather it operates on the principle of inclusion and accommodation. The policy framework acts as a guideline to create an environment where the individuals develop confidence and further their efforts to achieve their targeted goals both objectively as well as subjectively.

The Big-Push theory as propounded by Rosenstein Rodan (1943) and the Balanced Growth Theory by Hirschman (1958) provide models to be followed for improving economic growth and subsequently developing a nation. But this is for a framework where industrialization is the main focus and investments are made on many areas (big-push) or on identified areas (balanced-growth) to patronize development. On the other side the priority areas for the third world nations to make the development sustainable are identified as health and

hygiene, education, social security, poverty alleviation, gender related issues, people participation and empowerment etc. *'The Millennium Development Goals are the world's time-bound and quantified targets for addressing extreme poverty in its many dimensions – income poverty, hunger, disease, lack of adequate shelter, and exclusion – while promoting gender equality, education, and environmental sustainability. They are also basic human rights – the rights of each person on the planet to health, education, shelter, and security as pledged in the Universal Declaration of Human Rights and the UN Millennium Declaration.'*¹⁷ (UNMP 2005). In one or the other ways all these issues are happiness driven. Ironically these areas are substituted by infrastructure development, industrialisation, advancement of technology and innovation etc among the nations which fall in the so called 'developed' bracket or the First world nations. (see Easterlin, 1981). Does one derive a conclusion that the first world has shifted the focus from basic areas of public-good or happiness towards improving disclosure practices and concentrating on economic indicators?¹⁸ Is happiness a non-issue among the developed nations, since they are monetarily sound? Should it be only the underprivileged or sometime suppressed who console themselves by being contented out of their ignorance or without experiencing a 'resource gap'? There are evidences from the developing and developed nations on their transformations in their happiness level.¹⁹ The partnership of developed and developing world can create an environment which would provide mutual happiness. This needs to be addressed more convincingly through the policy initiatives at the government level.

There could be convincing arguments to justify that there are more problems in the areas of education, health and hygiene, social security, poverty etc in the developing nations as compared to their counterparts in the developed nation and therefore accordingly priorities are established. But still somewhere down the line I feel in the rat race of becoming a developed

nation, the third world is making lot of compromises and sacrifices which would be realized later. Hunt (1980) looks quite concerned about the irony of welfare in the developing (growing) economies when he says, *'What maximizes welfare in a growing economy is not clear. Is it maximizing the rate of growth, maximizing profit, maximizing consumption, maximizing consumption per head?'*²⁰ The Neo-classical Welfare Theory believes is the theory of 'the more you consume the happier you are'. The consumption here is of material commodities and it is related to the commodity/work space so the kind of work one does and the number of hours one puts for it also corroborates to the consumption quality. So the consumption of material commodities as well as of time is important for making a person happy. But so far as its practicability for the general human being is concerned, it may not be possible as Albert and Hahnel²¹ puts it *'this is most unlikely for human beings'*. Further inflation has a relation with welfare vis-à-vis happiness (see Frey & Stutzer. 2002a. 2002b. 2002c) and it is observed that *'since people's happiness is directly related to the quantity of the consumption good, welfare is unambiguously lowered when the inflation rate goes up.'*²² (Haslag, 1997).

The policies and plans of the state are generally oriented towards the development and improvement, directly or indirectly of its residents. The various parties and institutions which can play a major role are - '...the market, the government, the democratic process, the media, the NGOs, the research institutions, public and private, and so on. Each of them can play a major, but complementary role in enhancing the well-being and freedom of the individuals in the society and in the world at large...' (Sen, 2000). All the efforts of the organizations, business or social, can easily be linked to the improvement in the quality of the population. Well-being of the people and population has been a major agenda for the development strategies across the nations. Kanbur (2003) divided the period between 1970-2000 in two phases

for the study of developing countries where he characterizes the first phase as 'a phase of conceptual advancement' and the later half as 'a phase of application and policy debate'. It is for us to decide - what phase we are passing through now.

Happiness is a pre-condition for development. Therefore physical quality of life is as important as happiness or '*subjective well being*' as Diener (1984) calls it. Further, interestingly it is also argued that development is end result of happiness. Both these hypotheses need to be proved to reach to a conclusion. But visibly one can say that not all the residents of developed nations are happy as well as not all the subjects being happy, makes a developed nation. The well-being of people can be assured in more convincing ways if the priority of happiness is established in the policy guidelines. This is more a theoretical framework. However it has to be practiced and then studied and researched further whether it is taking care of the layman's concept of *development*. Happiness needs to be considered as a prerequisite for development planning where endogenous and exogenous resources needs to be tapped to assure and improve satisfaction level of people. In the next few paragraphs such evidence is traced from the Royal Kingdom of Bhutan.

SOME EVIDENCES FROM BHUTAN

Bhutan²³ is a unique sovereign Buddhist nation which followed a conscious policy of isolation. This policy has allowed the nation to maintain the balance of culture and development. The development philosophy of Bhutan has been driven by the happiness values as compared to the economic indicators. The Third king of Bhutan, His Majesty Jigme Dorji Wangchuk had stated in 1952 that the goal of development should be to make the people prosperous and happy²⁴. This basic thought has directed the priorities of the Royal Government of Bhutan (RGOB) to emphasize more on the social and cultural development apart from

the economic development unlike most of the other nations. Bhutan has also been concerned about the Gross Domestic Product (GDP) growth which is evident from its Five Year Plans but it is driven by the fact that priorities are established keeping in mind its impact on the Quality of Life vis-à-vis Gross National Happiness (GNH). Bhutan can lead the breed of the GNH economists which can tell the world that even within lot of constraints and having been under pressure it can sustain its developmental process. GNH is a phenomenon which has transpired the citizens of this kingdom to put forth their efforts to maintain peace, tranquility and sovereignty.

Happiness is a feeling of an individual and happiness of the individuals putting together for a nation results into GNH. Gayleg (2004) establishes six levels of happiness as individual level happiness, family level happiness, community level happiness, regional/dunkhag/dzonkhag level happiness, national level happiness and global level happiness.²⁵ The happiness which starts with the individual happiness ultimately results into global happiness if at every level it is maintained and further improved. The economic indicators of development can very well depict the status of development and growth of a nation but still the living standard of the people gets side lined. Therefore, the concept of GNH has been evolved to give more weight to this indicator of development as compared to the economic indicators. Development can be achieved and maintained through the philosophy of happiness which makes the process of development more focused and sustainable. GNH is more close to human development than economic development. *'GNH rejects the notion that there is direct and close relationship between wealth and happiness'*.²⁶ (Bandyopadhyah 2004)

Lyonpo Jigme Y Thinley, the then Chairman of the Council of Ministers, while giving his keynote address to the Millennium Meeting for Asia and the Pacific at Seoul, Korea, in 1998, put many relevant questions which needs to be addressed while studying and understanding the concept of GNH. The questions included

the affect of information technology, rapid automation of society and the economy, and shrinkage of biological and cultural diversities on people's happiness, role of value education, secularisation and nuclearization of family affecting loneliness and self enclosure, global capitalism and competitive international trade resulting into unhappiness and uncertainties, impact of cloning on happiness and the forms of global and regional governance best suited for promoting happiness among people.

These questions might look stereotyped but the felt concern is what makes these questions important, relevant and worth deliberating on. There is a price which we pay for development; hence there are certain questions like secularisation and nuclearisation of family, competition etc which are firmly attached with the development process. However at every level of developmental planning one needs to think and relate the policies to the happiness of people. One could evolve better ways of breaking laws, committing crimes, being corrupt etc through education that does not mean that education should not be provided.

Fundamentally there are two types of requirements for the case of GNH which are derived from the sense of happiness of individuals' viz., Physical requirement and Mental requirement. There are certain activities which provide us physical happiness like, money, enough to eat, house, proper clothing, government provisions, electricity, road, water, sanitation, employment etc. On the other hand there are certain activities which provide us only mental happiness like the feeling of security, participation, feel good factor, spirituality, cultural values etc.

We tend to become complacent when we feel happy and contented. Sustainability is the issue to be kept in mind here. Sustainability here means sustaining the sense of happiness both at the individual level as well as at state level. Apart from sustaining happiness the efforts have to be put to minimise

suffering. GNH is about minimising suffering and maximising happiness. The premise of GNH includes cultural preservation and creative experimentation apart from technological and material development.

GNH is a concept which is based on the premise of happiness derived spiritually and at minimal cost of development. It is imperative to look at development as a process of eliminating poverty and making people happier. Development has to fulfill the aspirations of the people in the manner that their hunger is well addressed in the policy issues and statements. Hunger is of two types physical and mental. Physical hunger is about clothing, shelter, food, physical exercise etc whereas mental hunger is spiritual hunger, ignorance and the feeling of attachment and detachment. Mental hunger distinguishes human being with animals as animals also have physical hunger but no mental hunger. Through attachment the human mind throws spiritual hunger. Hopes are merely spiritual hunger.

Population quality and GNH are two sides of the same coin. Better quality of population ensures higher GNH. GNH finds its base in the parameters of Population quality. *'A great deal of consistency exists between the Bhutanese concept of GNH and human development...The pursuit of GNH calls for a multi-dimensional approach to development that seeks to maintain harmony and balance between economic forces, environmental preservation, cultural and spiritual values and good governance.'*²⁷ (BNHDR 2000). The RGOB has been targeting to provide better facilities and services to the people to ensure their development through its Five Year Plans and other planning instruments. BNHDR (2000) further states that - *'The pursuit of growth in GNH rather than in GNP reflects Bhutan's anxiety to avoid some of the more glaring failures of the blind pursuit of economic growth'*²⁸. This thinking has given the policy makers a bent of mind which more concentrates on the sustainability of progress and growth and this is one important reason that

Bhutan has been going very slow on concentrating on economic indicators and this is where the concept of GNH comes for their rescue.

There is much agreement that GNH is a good idea, for many it offers the glimmerings of refuge against the steadfast tide of scientific reductionism. For others it provides relief from the stale indicators of development that enjoys so much currency (Hargens 2002). Gross National Happiness is, undoubtedly, a unique paradigm of a chastening possibility in which the main motivating force behind human effort is not economic gain, but the cultivation of a humane society, the ultimate goal being the happiness of all people (Powdyel²⁹).

Veenhoven (2004) defines GNH as *'the degree to which citizens in a country enjoy the life they live, GNH is then an aggregate concept, like the concept of GNP that sums goods and services.'*³⁰

The concept of GNH has evolved from the basic constituent features of Bhutanese society in the beginning of the twentieth century when the social fabric was being woven. Buddhism, which surrounds feudal set of values form the basic constituent features of Bhutanese society. The official documents and publications in Bhutan show that their development objectives lie in the happiness and satisfaction of their people rather than the growing GDP. The discussion during 7th Round Table Conference held in 2000 at Thimphu concluded one very interesting thought according to which the underlying idea of happiness within GNH concept is the 'capacity to make choices for oneself'. Mathou (2000) puts modernisation and preservation of national heritage as two merged rhetorics 'under the catchphrase of GNH'³¹.

This path of development seems to be making sense. Bhutan has been successful in selling the idea of GNH world over. The discussions and debates are on to follow this concept while making developmental policies at local as well as national level. Researchers are busy finding out the ways to quantify GNH so

that it is comparable. It is suspected whether the countries having higher GDP would count higher on the scale of GNH also.

Schell (2002) writes that the King Jigme Singye Wangchuk once told Barbara Crossette, South Asia correspondent of New York Times that *"Being a small country, we do not have economic power. We do not have military muscle. We cannot play a dominant international role, because of our small size and population and because we are a landlocked country. The only factor we can fall back on ...which can strengthen Bhutan's sovereignty and our different identity is the unique culture we have. ...happiness takes precedence over economic prosperity in our national development process"*.

This is a realisation as well as self analysis which keeps Bhutan as one of most close friend of a big nation i.e., India. It is a concern of mutual interest. The kingdom has concentrated on maintaining its unique culture in all these years which is evident from the fact that as a nation there is a dress code and *driglam namjha* (code of conduct) which is strictly followed. The residents proudly follow it in their public life.

Figure 1 shows that Bhutan considers GNH as its central development concept. Interestingly it is seen that the kingdom has two dimensions of goals viz. the guiding principles and Independence, Sovereignty & Security of the Nation State. These two goals are the driving forces for the maximisation of GNH but it has to ensure that there is no compromise made so far as its 'identity, unity and harmony, stability, self reliance and sustainability' is concerned which are shown as guiding principles. These guiding principles and central development concept viz. GNH establish five main objectives as - Human Development, Culture and heritage, Balanced and equitable development, Governance and Environmentally sustainable development. These objectives make the process of

development unique in this tiny kingdom. This is one of the most important evidence of concentrating on happiness as compared to (economic) development.

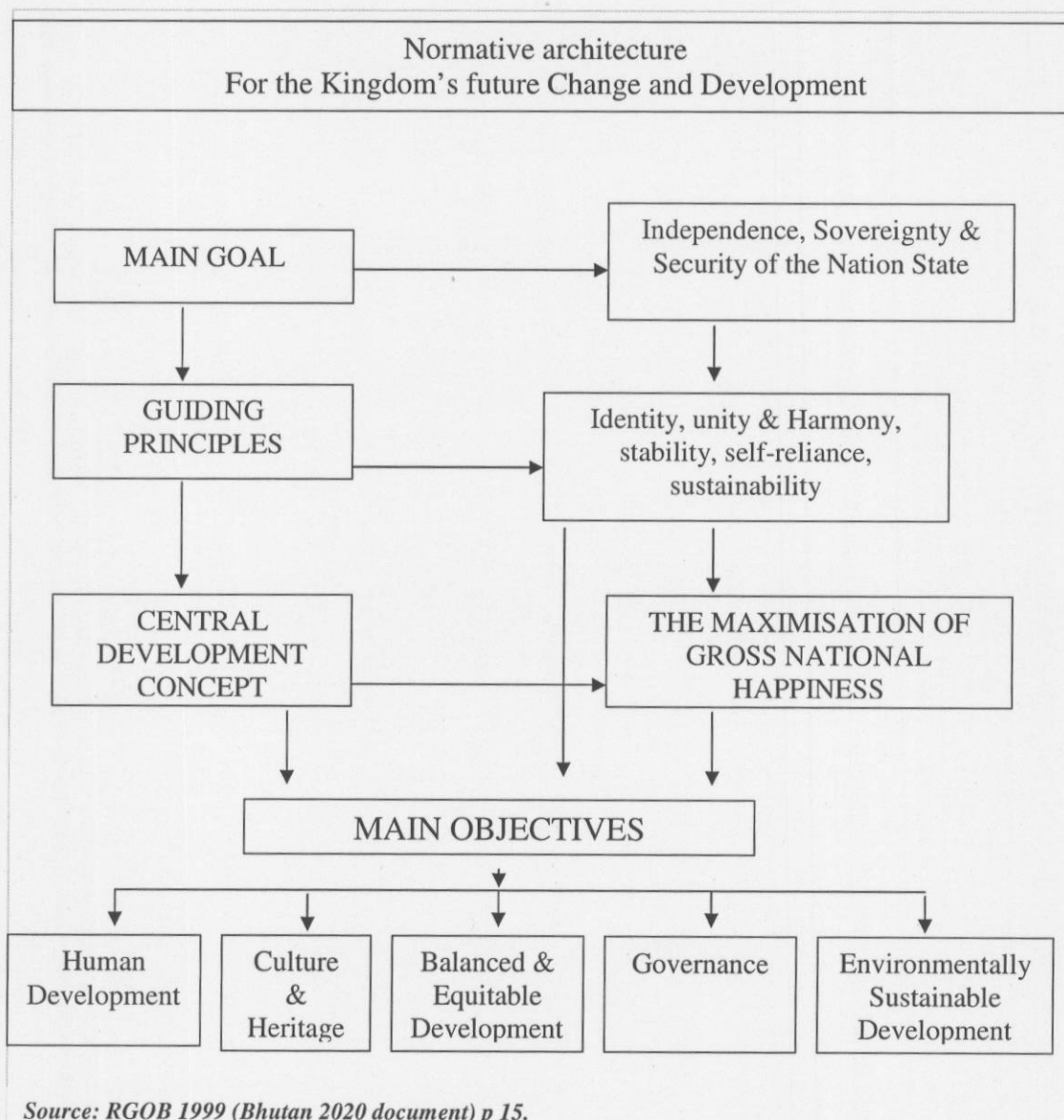


Figure 1

The sense of one community is reflected in practice in rural and urban areas alike in Bhutan. Bringing up the children of relatives or of the people of the same

village, bearing their expenses etc is a very common practice here. 'Our ability to survive depends on our sense of ourselves as members of a national community. This implies both the development of the institutions of national cohesion and participation and the consciousness of Bhutan as a nation.'³² (RGOB 2000). Bhutan has been participating in the international discourses and deliberations and in the last decade it is observed more with a difference. It is making good investment in building up the institutions of national cohesion.

The *Tshogdu* or National Assembly was established in 1953. It is the highest legislative body in the kingdom. The *Thrimkhang Gongma* or High Court was established in 1968 comprising of the Chief Justice and seven *Dungthrim*s and *Thrimkhang*s in all 20 *Dzongkhags*. The judicial system has been separated from the executive and legislative branches of Bhutan. The *Lhengye Zhungtshog* or the Cabinet was established in 1968. The king devolved full executive powers to the council of ministers elected by the National Assembly in 1998. The *Lhengye Zhungtshog* is the highest executive body in the country which consists of the council of ministers and the members of the *Lodey Tshogdey*. The *Lodey Tshogdey* was established in 1965 which consists of six elected representatives of the public, two elected representative of the clergy and one nominated by the government who functions as Chairman of the council. It advises the King on matters of national importance, acts as a bridge between the government and the people and ensures that the laws and decision of the national Assembly are implemented. The members of the *Lhengye Zhungtshog* are collectively responsible to the king and the national assembly. *Dzongkhag Yargye Tshogchung*s (DYT) was established 1981 and the *Gewog Yargye Tshogchung*s (GYT) was established in 1991. DYT and GYT are basically local level institutions which were established under the personal initiative of the King with '*the objective of strengthening traditional local institutions and enhancing their role in development policies and activities*'³³. (RGOB 2002) In the dual system prevailing in the

kingdom, the *Dratshang* or the Monastic Body plays an important role in the spiritual and cultural life of people apart from participating in the decision making institutions like the *Tshogdu* and the *Lodey Tshogdey*. (Please refer note 34 for english meaning of the Bhutanese terms)

The dynamism which is evident from the establishment of these important institutions in the kingdom, has allowed it to deal with its environment more firmly. The law and order condition is excellent, crime and 'corruption' very minimal (Rutland 1999), no capital punishment, beggars hardly seen, life is relatively less hectic and the physical environment well protected. These are some of the generally observed indicators which have been maintained through these important institutions.

Priesner (1999) has given few influencing and determining factors. The backdrop on which the concept of GNH is based has been termed as 'Superstructure' which includes Indigenous national building and absence of foreign domination as precondition for political, social and cultural identity, Buddhism and feudalism as cornerstones of traditional Bhutanese socio-economic identity giving psychological and substantive input respectively. These inputs results in the thinking of GNH which is termed as 'Output Concepts' and reflected through four basic policy guidelines as self reliance, human development, cultural preservation and environmental preservation. This theoretical model puts forward the major determinants of GNH which are the basis for development projects and policies in the country and they reflect the vision of the RGOB.

The Buddhist culture has harmony, stability and integration as its important components which are addressed in the policies of development (GNH driven) in Bhutan. Bhutan has concentrated on the policy of decentralisation and participation in last two decades and both of these elements have been chosen as

essential elements of GNH. Since 1981, the King has initiated a vigorous programme of administrative and political decentralization. 9th FYP emphasises on Geog based planning which ensures the participation of people from the lowest level of administration which is also mentioned by Thinley (1999) who advocates for the decentralization policy of the government and feels that it has *'enhanced the democratic powers, social responsibilities, transparent processes and structures of villages and communities to make decisions at grass roots level.'*³⁵ The nation has made great efforts to achieve these objectives through its policy initiatives in all the sectors of development. *'In our country, consensus is a characteristic and even a necessity of daily life. We need to understand our own culture and society more thoroughly and to formulate principles and institutions that will survive our national political life.'* (RGOB, 2000). Bhutan has shown that it is open for change happening around the world even when it comes to look at its culture as its foreign minister expresses this to Schell (2002) *'Some people tend to look at culture as static, but actually culture is always evolving. It is a tool, and when a tool becomes obsolete, you have to change it.'*

The reflection of GNH is seen in the cultural follow up in Bhutan which is dominated by the concern for mutuality, accommodation and compassion. The government is aware of the challenges to get this culture divulged as it is finding it difficult to determine the shape of the institutions in the changing scenario. Still the priorities are well defined and the citizens well informed about the government initiatives calling them for their participation. As mentioned earlier, the institutions of importance have been quite dynamic in nature. Individuals heading such institutions are well oriented and briefed about the international developments in all the fields of importance like economics, society, politics, culture, spiritualism etc. The kingdom is committed to *'maintain at least 60% of the land area under forest cover for all time to come'*.³⁶ (RGOB, 2002).

The Government has constantly shifting its main focus on the emerging issues of economy which have direct linkage with the quality of life vis-à-vis GNH. The issues like environment, unemployment, globalisation, infrastructure development, media, communication, and information technology are into the official documents and one could see it being given importance practically. Bhutan has taken into account the cultural, social, economic and historical costs of not engaging in infrastructural development in its planning and policies. The most important factors for Bhutan's development have been continuous culture, environment and *Vajrayana Buddhism*.³⁷

Another area of concern which has emerged in the last around one and half decade is urbanization. The nation believes in the philosophy of 'one nation - one people'. Bhutan realises that in the times ahead it would have to face a greater challenge since a new Bhutanese culture is expected to emerge in the new urban centres. It has been the strategy in this kingdom to deal with poverty by strengthening the food security base, its proper distribution and adequate relief measures whenever felt necessary. It is realised on a general note that large amount of investment is required to make the rural life more attractive so that rural-urban migration can be controlled. It could also increase the returns on farming vis-à-vis improving the quality of life of people in the rural areas. The RGOB has initiated macro level policies with its development partners to address poverty both in rural and urban areas. Political stability and unity has been addressed through transparency in governance. It does not want development which is not sustainable and this is visible from the academic discourses taking place in most of the ministries, departments, units and institutions. There is hardly an individual in the capacity of a decision maker who neither is nor oriented on the basic premise of sustainable development. International volunteers and NGOs are providing help to the government in the process of increasing GNH through following policies towards sustainable development.

The government believes that *'only the ability to acquire what one cannot produce or cannot produce in sufficient quantities to satisfy one's needs can result in self reliance which is one of the goals of GNH.'*³⁸ (RGOB, 2000).

Sarup & Brahme (1990) defines planning as *'...deciding what should be done in a given situation, after careful consideration of alternatives, and thereafter working out the details of how it could be done as quickly and economically as possible.'*³⁹ The government in Bhutan has very carefully drafted its plan documents after considering the alternatives and the road map is drawn keeping in mind the path of GNH. The five year plans are reviewed periodically to examine the shortcomings and prospects so that the focus is not lost at any time. The process of review has become more organised and planned during last three five year plans. During 8th plan period apart from the above mentioned issues the position of private sector, economy and status of governance has also come under scrutiny. The private sector plays an important role in GDP growth simultaneously it helps the economy to grow especially in the competitive market environment. It allows the state to concentrate on the issues of greater social importance. Hence it has two fold impacts on the economy of a nation.

As private sector is an important player for GDP growth it has its roots in the concept of GNH as well. The basic premise of GNH is *'independence of thought and conscience'*. This premise allows the private sector to play its role but the RGOB needs to have a well defined policy for the entry of private sector so that there is no risk to GNH. However, it is important to mention here that the private sector was given more importance in the 6th FYP when the strategies were drafted to facilitate its development. The process of corporatization of government agencies and divestment of government equity to the private sector was started during 6th FYP and since then the RGOB has been quite active in privatising many of the profit making government enterprises and the this trend of divestment is still being actively pursued today. The Private sector in Bhutan

suffers many problems which are identified as – the fear of commercial culture, capital requirement and its management, human resource development, enabling environment, physical infrastructure etc, which is one of the reasons that it has not grown as expected.

It is important to mention here that this is done keeping in mind the important role these sectors are going to play in the times to come to maintain and improve the happiness level of people in the country. The government is aware that *'globalisation offers unprecedented opportunities for human advancement' however it visualises that 'it also poses new and increasingly complex challenges'*.⁴⁰ (RGOB, 2000)

It realises its vulnerability to the effects of globalisation and this realisation has provided an opportunity to concentrate on the GNH driven development. This policy is not followed in isolation with economic development rather they go together. In result traditional values and culture are not compromised at the cost of economic development. The kingdom ha given preference to good governance and has followed its policies keeping this preference in mind. RGOB (2000) has stated that efficiency, transparency and accountability are the pillars of good governance. Another important feature of good governance, which is visible through the documentation and practice, is developing trust among people towards the government and its established institutions.

In the process of development in isolation, Bhutan did not allow television viewing and internet before 1999. But studying the mindset of people and looking at the pros and cons of the impact of television and internet and the preparedness of the government to face this challenge, it opened its doors for the entry of television and subsequently internet. This step of RGOB has changed people's life here. The government is still cautious of its bad effects than really its impact for public-good.

*'Buddhism is historically the most important religion – historically not philosophically – because it was the most tremendous religious movement that the world ever saw, the most gigantic spiritual wave ever to burst upon human society.'*⁴¹ (Vivekananda 2000).

According to Buddhism there should be partnership of nature and man for development and Bhutan is following that whereas the general perception about environment is that nature is a resource or a force to be exploited. Co-existence of nature and man is considered not as an enemy of nature rather a friend.

Kuensel⁴² writes in its editorial dated January 1, 2000 that *'Bhutan has understood, perhaps better than most other countries, that there is nothing such as unlimited progress. Development comes with a cost, be it the deadly stain on our natural resources, that impact on the human soul through growth of material desires and spiritual superficiality, or the breakdown of society, the family and, therefore the individual. We learned that progress brings us many gifts but also enslaves us.'* This is not a sudden realisation but it has its roots in the planning process of the country. However it is important that this kingdom has reasoned the sustainability of such progress.

Apart from the concern felt for satisfaction and happiness Bhutan is aware of certain approaches to development which might lead to an increase in unhappiness and dissatisfaction. Therefore it minimizes such compulsive initiatives which might lead to unhappiness and dissatisfaction. The King has been conveying his opinion through various modes on the five year plans as *'if at the end of a plan period, our people are not happier than they were before, we should know that our plans have failed.'*⁴³

The development philosophy followed by Bhutan has made this kingdom unique. Powdyel (2000) provides an overview of the relative importance to humaneness given in the kingdom *'...the world knows what Bhutan always knew: that the profoundest needs of human beings are not material, but spiritual, that all the wealth of the world does not measure up to the worth of a single human being.'*

*Development in the Bhutanese concept puts on a more dignified, humane and sanctified fact.*⁴⁴ Powdyel (2000) further clears the priorities established by 'the genius and sagacity of the rulers' where the shift is made from 'commodifying human beings to humanizing commodities'.

Bhutan has developed in isolation and the development philosophy viz. GNH, has allowed this dragon kingdom to sustain development. There is absence of extreme poverty and negligible unemployment with large availability of renewable natural resource base like forests and hydropower. It has maintained its culture par excellence and has ensured that the development approaches are in no way contrary to the local conditions. It does not believe in the policy of isolation now and the initiatives taken by the government prove that the kingdom is trying to learn lessons from other nations and is prepared with a strong base for the challenges ahead. 'We can continue to be cautious, but being cautious does not mean shutting our eyes, ...shutting our eyes and cloistering ourselves as we did at one time during the policy of isolation served us once. But then we took the conscious decision to strengthen our sovereignty through involvement in the world. That means some intrusion, and we are prepared for that' these words were told to Schell while his interaction with Jigme Thinley. Further Schell (2002) mentions in his paper that, '*Bhutan has passed an important milestone in convergence with the outside world.*' The nation which was totally isolated from the outer world before 50 years has responded to the changes in a very remarkable way and given more importance to human and social development. It would have been possible to concentrate on economic development and achieve fast success by compromising on the people well-being, but it opted for a more sustainable approach and succeeded in maintaining peace and tranquility in the nation. The first written constitution⁴⁵ is in the public domain at present and the comments are invited from the people in general. The preamble of the constitution ensures to *enhance unity, happiness and*

well-being of people for all time to come. The government has committed that they would distribute a copy of the constitution to every citizen of the nation which would be open for debates and discussion.

DISCUSSION AND CONCLUSION

Development breeds happiness. It may not be a goal of development. By prioritizing happiness over development (human and social development as against economic development) it has been argued whether happiness can breed development. And if it is so then the state policy would have a different direction for public spending and investment. Such policy directions are prevalent in Bhutan and it could be one of the reasons for which it has been put it on the category of fast track countries⁴⁶. Further, Bhutan has topped⁴⁷ in the list of best performers so far as child mortality rate is concerned.

Bhutan has followed unique style of development which has helped this tiny nation to grow from strength to strength. It has made a remarkable progress especially among the South Asian countries⁴⁸ in improving the living standards of its people since its first five year plan for modernization in the early 1960's. The policies are monitored on the basis of its impact on GNH. Happiness has not risen in western nations in the last 50 years, despite massive increases in wealth.⁴⁹ So despite being rich physically, *the ultimate goal of human life* is not achieved. A report in the New Scientist stated that the 10 happiest nations were all so-called third world ones.⁵⁰

In the times of industrial espionage and falling values we need to look back and question whether money can buy us happiness. The basic premise of discussion should follow the need to bring happiness within the agenda of discussion amongst economists with a view of seeking policy interventions.

Stiglitz (2002) aptly warns the policy designers by saying that *'Economic Policies that fail to pay attention to the social dimension may make matters worse'*⁵¹.

Further, the role of spiritualism and culture as compared to money (income) has to be studied from the perspective of attaining *the ultimate goal of human life* i.e., happiness. Happy people would make a happy nation. Bhutan even being a tiny kingdom can teach many lessons (Shrotryia, 2004) to the world to follow the path of concentrating on happiness goals.

Bhutan would certainly provide a base to follow the philosophy of GNH. It believes in a common Bhutanese saying - *'If it is medicine, you should take it from an enemy. But if it is poison, you should refuse it from a friend.'* The medicine in the form of GNH philosophy could help nations to sustain their growth and maintain better quality of life amongst the people. Rutland (1999) mentions that *'While cynics may dismiss those words (GNH) as a catchy sound-bite, the fact is that the underlying philosophy has been a consistent guiding principle in the development of Bhutan and continues to be the fundamental consideration in the formulation of development policies for the future'*. Further he suggests - *'In this respect Bhutan provides a somewhat different role model for development from the traditional Western-oriented theories of development economics.'*⁵²

*'Economies grow, GDP swells, but once above abject poverty, it makes no difference to citizens' well-being. What is all this extra money for if it is now proved beyond doubt not to deliver greater happiness, nationally or individually?'*⁵³ Therefore it is not that the nations need to follow the first world. The third world and this tiny kingdom in particular has many things in its offering which can help other nations to maintain peace, tranquility, sovereignty, better quality of life, happiness, etc which are much more important indicators of development than just rising gross domestic product. Hence by prioritising happiness over development and more clearly by

concentrating on human and social development rather than just economic development, the nations can contribute a great lot for humanity. The identities would not get degenerated by the motives of money rather they would be preserved with cultural advancements. Family, friends and fraternity would get along to avoid pallid economic behaviour and selfless love and affection with community feeling and the thought of happiness for all would prevail. Let us pray for this noble end and a better tomorrow.

NOTES

1. This statement is given by the King Jigme Singye Wangchuk and can be found in many published documents of the kingdom. (e.g., BNHDR, 2000, p. 1; RGOB, 2002, p. 4; Thinley, 1999, p. 12-13 etc)
2. The author undertook a study of comparing the life satisfaction of households in a village and an urban area in eastern Bhutan in the year 2000. This project was funded by UNFPA. It was tried in the study to develop a happiness index and rural households had better index than urban households.
3. The term 'public-good' has been used as a broader sense of happiness of people. Happiness of people together is different from the individual happiness. The State has to look beyond individual happiness to the happiness of people as a whole which is termed as 'Public-good' in this paper.
4. Thinley, 1999, p 13.
5. Worcester, 2004, p 125.
6. Frey & Stutzer, 2002a, p 8.
7. Shumacher, 1973, p 29.
8. Thinley, 1999, p 18
9. Sen, 1999, p 3.
10. UNMP, 2005, p 111.
11. Easterlin, 2001, p 465. also see Thinley, 1999, p 20.
12. also see Frey & Stutzer, 2002a, p 8.
13. also see Oswald, 1997.
14. see Frey & Stutzer, 2002a, p 12.
15. see www.meaning.ca/articles/presidents_column/happiness_aug03.htm viewed on March 10, 2005.
16. see Frey & Stutzer, 2002a, p 2.
17. UNMP, 2005, p 1.
18. A paper by Chris Whitehouse entitled 'The Ants and the Cockroach - A Challenge to the Use of Indicators' website (http://hdr.undp.org/network/attachments/Bhutan_TheAntsandtheCockroach_discussionpaperandresponse.pdf) viewed on 4.04.05
19. See Easterlin, 1974, Easterlin, 1995, Oswald, 1997, Veenhoven, 1995, for the study of developed nations and Graham and Pettinato, 2001, Graham & Pettinato, 2002, Graham, 2004, Lokshin & Ravallion, 2002 on Russia, Peru and Latin American Countries, Ng, 2002 for East-Asia, Diener & Oishi, 2005 for comparison between Scandinavians and Asians. Also see Offer, 2000, Easterbrook, 2003 for American experience of happiness and the causes of unhappiness in the last 50 years.
20. Hunt, 1980, p 243.
21. A Quiet Revolution in Welfare Economics by Michael Albert and Robin Hahnel (www.zmag.org/books/quiet.htm) Chapter 5. viewed on 4.04.05.

22. Haslag, 1997, p 14.

23. A Brief Note on Bhutan:

'It is believed that the name Bhutan is derived from the Sanskrit 'Bhotant', meaning 'the end of Tibet', or from 'Bhu-uttan', meaning 'high land'. Historically the Bhutanese have referred to their country as Druk Yul, 'land of the thunder dragon'. Bhutanese refer to themselves as Drukpa people.'

(<http://www.kingdomofbhutan.com/kingdom.html>)

The Royal Kingdom of Bhutan is a tiny mountainous country situated between two most populous nations of the world, India and China. It was in 747 AD when guru Padmasambhav visited Bhutan from India and introduced Buddhism. Bhutan has been practising Buddhism and it is a religious country. In 1907 Monarchy system started in Bhutan by the first monarch Ugyen Wangchuk who was given knighthood by British Raj. Subsequently he attended Delhi Durbar in 1911. It was in 1926 when the eldest son of the first king, Jigme Wangchuk took over the reign from his father. His rule was one of the most important periods since it was during this period that there was social, economic and political instability internationally. Bhutan maintained its independent status through the policy of non-engagement. The third king, Jigme Dorji Wangchuk, became king in 1952. He introduced land reforms, reduced land taxes, established Royal Bhutan Army (RBA), National Assembly, Planning Commission, and Royal Advisory Council, launched Five Year Plans and abolished capital punishment. Bhutan became member of United Nations Organisation in 1971. Jigme Singye Wangchuk, fourth in the wangchuk dynasty was coroneted in 1974. Bhutan became a member of the World Bank in 1981. The period between 1907 and 1998 is seen as a period of consolidation and development of instruments of power. The functioning of the government is streamlined and the priorities properly set. In 1998 the king devolved all the executive powers to the council of ministers elected by the national assembly. This can be seen as a beginning of a new political era in the History of Bhutan. 'Bhutan is also well endowed with other natural resources with a rich forest cover of 72.5 %, and various mineral resources that include limestone, dolomite, gypsum, coal, copper, talc, marble, quartzite, zinc and lead. Bhutan's pristine nature, bio-diversity and unique cultural heritage also make for an attractive and exotic tourist destination.' (RGOB 2001, p4)

It is estimated that Bhutan had 0.65 million population in the year 2000 comprising of around 80% rural population. Around 80% population is estimated to be of mongoloid origin (*drukpas*) and remaining 20% of indo-aryan (*Nepalese*). The country has 20 *Dzongkhags* composed of 201 *Gewogs*.

24. Gross National Happiness - Gross National product (a meeting between two cultures). This document is available on web (www.ecooperation.org) refer p. 6 under the title of Gross National Happiness.

25. Gayleg, 2004, p 622.

26. Bandyopadhyah, 2004, p 259.

27. BNHDR 2000, p 20.

28. Ibid.

29. Powdyel, TS. Gross National Happiness: A Tribute.

(www.windhorsetours.com/ugen/bhutan.htm) viewed on 10.04.04.

30. Veenhoven, 2004, p 332.

31. Mathou, 2000, p 240.

32. RGOB, 2000, p 18.
 33. RGOB, 2002, p 3.
 34. English meaning of Bhutanese terms:

<u>Bhutanese Terms</u>	<u>English Meaning</u>
<i>Tshogdu</i>	National Assembly
<i>Thrinckhang Gongma</i>	High Court
<i>Lhengye Zhungtshog</i>	the Cabinet
<i>Lodey Tshogdey</i>	Royal Advisory Council
<i>Dzonkhag</i>	District
<i>Gewog or Geog</i>	Block (consisting of villages)
<i>Dzongkhag Yargye Tshogchungs (DYT)</i>	District Development Committee
<i>Gewog Yargye Tshogchungs (GYT)</i>	Block Development Committee
<i>Dratshang</i>	Monastic body
<i>driglam namjha</i>	code of etiquette
<i>Dunkhag</i>	Sub-district formed by a few Gewogs

35. Thinley, 1999, p 21.
 36. RGOB, 2002, p 30.
 37. As mentioned in RGOB 2000 three factors (continuous culture, environment and Vajrayana Buddhism) have been of the greatest influence for Bhutan's development. It is of strength for Bhutan that it has never been colonized or conquered, so the culture has been maintained continuously in all the times. The prevalent Buddhist culture considers nature and man as friends and there is a special symbolic relationship between the people and nature. Since Bhutan follows Vajrayana Buddhism it gets its reflection in the development policies of the country.
 38. RGOB, 2000, p 39.
 39. Sarup & Brahme, 1990, p 9.
 40. RGOB, 2000, p 63.
 41. Vivekananda, 2000, p 14
 42. Kuensel is Bhutan's only national weekly published from Thimphu, in English, Dzongkha and Lotshampa.
 43. Quoted in Powdyel 2004
 44. Powdyel, 2000, p 6.
 45. available on web www.constitution.bt.
 46. Bhutan has been identified as MDG fast-track countries on the basis of governance qualification. See UNMP Report, 2005, p 234
 47. As per the HDR 2004, in 1990 the child mortality rate in Bhutan was 166 per 1000 which has gone down to 94 in 2002. See HDR 2004, Table 3, p. 132
 48. see Rutland, 1999. p 289. (also see Frame 2005, p 217)

49. As quoted by Polly Toynbee in his paper 'Money and happiness' published in the Guardian dated March 7, 2003. (<http://utilitarianism.com/misc/index.html>)
50. As quoted by Tracey Worcester in her paper 'Operationalising Gross National Happiness' published by CBS (conference proceedings) 2004 p130 (www.bhutanstudies.org.bt/publications/GHN-papers-1st_5-8.pdf)
51. Stiglitz 2002, p 173.
52. Rutland, 1999. p 284.
53. See Polly Polly Toynbee. 'Money and happiness' published in the Guardian dated March 7, 2003. (<http://utilitarianism.com/misc/index.html>)

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