

Inquiring Minds topic – 1 December 2017

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We pay too much attention to GNP & not enough to GNH

I went to the Himalayas to seek enlightenment and, in Bhutan, found an Inquiring Minds topic! Bhutan is credited with introducing the concept of Gross National Happiness (GNH) as the key to its development strategy. For several decades they have claimed to put “increasing happiness” at the heart of policy-making and happiness as they define it, is a multi-dimensional concern (see p. 6)-- not "Disney happiness" but an holistic approach to quality of life.

The first article, though a bit old (2005), offers a good introduction to the concept of GNH, raises lots of issues, and doesn't get bogged down in bureaucratese (see the website gross national happiness.com for that!) The second article, written over a decade later, summarizes a UN report and shows how the GNH concept has spread beyond Bhutan.

What about the US? As I write this (Nov. 16), the main argument offered by proponents of the tax bills before Congress is that the plan(s) will stimulate growth and increase GDP. But at what cost in terms of other values? Would a focus on GNH change the tax debate? What else goes into national well-being?

Would a greater concern with GNH be either possible or desirable in the US?

Andrew C. Revkin, “A New Measure of Well-Being from a Happy Little Kingdom,” *NYT*, Oct. 4, 2005:

What is happiness? In the United States and in many other industrialized countries, it is often equated with money.

Economists measure consumer confidence on the assumption that the resulting figure says something about progress and public welfare. The gross domestic product, or G.D.P., is routinely used as shorthand for the well-being of a nation.

But the small Himalayan kingdom of Bhutan has been trying out a different idea.

In 1972, concerned about the problems afflicting other developing countries that focused only on economic growth, Bhutan's newly crowned leader, King Jigme Singye Wangchuck, decided to make his nation's priority not its G.D.P. but its G.N.H., or gross national happiness.

Bhutan, the king said, needed to ensure that prosperity was shared across society and that it was balanced against preserving cultural traditions, protecting the environment and

maintaining a responsive government. The king, now 49, has been instituting policies aimed at accomplishing these goals. Now Bhutan's example, while still a work in progress, is serving as a catalyst for far broader discussions of national well-being.

Around the world, a growing number of economists, social scientists, corporate leaders and bureaucrats are trying to develop measurements that take into account not just the flow of money but also access to health care, free time with family, conservation of natural resources and other non-economic factors.

The goal, according to many involved in this effort, is in part to return to a richer definition of the word happiness, more like what the signers of the Declaration of Independence had in mind when they included "the pursuit of happiness" as an inalienable right equal to liberty and life itself.

The founding fathers, said John Ralston Saul, a Canadian political philosopher, defined happiness as a balance of individual and community interests. "The Enlightenment theory of happiness was an expression of public good or the public welfare, of the contentment of the people," Mr. Saul said. And, he added, this could not be further from "the 20th-century idea that you should smile because you're at Disneyland."

Mr. Saul was one of about 400 people from more than a dozen countries who gathered recently to consider new ways to define and assess prosperity.

The meeting, held at St. Francis Xavier University in northern Nova Scotia, was a mix of soft ideals and hard-nosed number crunching. Many participants insisted that the focus on commerce and consumption that dominated the 20th century need not be the norm in the 21st century.

Among the attendees were three dozen representatives from Bhutan -- teachers, monks, government officials and others -- who came to promote what the Switzerland-size country has learned about building a fulfilled, contented society.

While household incomes in Bhutan remain among the world's lowest, life expectancy increased by 19 years from 1984 to 1998, jumping to 66 years. The country, which is preparing to shift to a constitution and an elected government, requires that at least 60 percent of its lands remain forested, welcomes a limited stream of wealthy tourists and exports hydropower to India.

"We have to think of human well-being in broader terms," said Lyonpo Jigmi Thinley, Bhutan's home minister and ex-prime minister. "Material well-being is only one component. That doesn't ensure that you're at peace with your environment and in harmony with each other."

It is a concept grounded in Buddhist doctrine, and even a decade ago it might have been dismissed by most economists and international policy experts as naïve idealism.

Indeed, America's brief flirtation with a similar concept, encapsulated in E.F. Schumacher's 1973 bestseller "Small Is Beautiful: Economics as if People Mattered," ended abruptly with the huge and continuing burst of consumer-driven economic growth that exploded first in industrialized countries and has been spreading in fast-growing developing countries like China.

Yet many experts say it was this very explosion of affluence that eventually led social scientists to realize that economic growth is not always synonymous with progress.

In the early stages of a climb out of poverty, for a household or a country, incomes and

contentment grow in lockstep. But various studies show that beyond certain thresholds, roughly as annual per capita income passes \$10,000 or \$20,000, happiness does not keep up.

And some countries, studies found, were happier than they should be. In the World Values Survey, a project under way since 1995, Ronald Inglehart, a political scientist at the University of Michigan, found that Latin American countries, for example, registered far more subjective happiness than their economic status would suggest.

In contrast, countries that had experienced communist rule were unhappier than non-communist countries with similar household incomes -- even long after communism had collapsed.

"Some types of societies clearly do a much better job of enhancing their people's sense of happiness and well-being than other ones even apart from the somewhat obvious fact that it's better to be rich than to be poor," Dr. Inglehart said.

...In March, Britain said it would begin developing such an "index of well-being," taking into account not only income but mental illness, civility, access to parks and crime rates.

In June, British officials released their first effort along those lines, a summary of "sustainable development indicators" intended to be a snapshot of social and environmental indicators like crime, traffic, pollution and recycling levels.

"What we do in one area of our lives can have an impact on many others, so joined-up thinking and action across central and local government is crucial," said Elliot Morley, Britain's environment minister.

In Canada, Hans Messinger, the director of industry measures and analysis for Statistics Canada, has been working informally with about 20 other economists and social scientists to develop that country's first national index of well-being.

Mr. Messinger is the person who, every month, takes the pulse of his country's economy, sifting streams of data about cash flow to generate the figure called gross domestic product. But for nearly a decade, he has been searching for a better way of measuring the quality of life.

"A sound economy is not an end to itself, but should serve a purpose, to improve society," Mr. Messinger said.

The new well-being index, Mr. Messinger said, will never replace the G.D.P. For one thing, economic activity, affected by weather, labor strikes and other factors, changes far more rapidly than other indicators of happiness.

But understanding what fosters well-being, he said, can help policy makers decide how to shape legislation or regulations.

Later this year, the Canadian group plans to release a first attempt at an index -- an assessment of community health, living standards and people's division of time among work, family, voluntarism and other activities. Over the next several years, the team plans to integrate those findings with measurements of education, environmental quality, "community vitality" and the responsiveness of government. Similar initiatives are under way in Australia and New Zealand.

Ronald Colman, a political scientist and the research director for Canada's well-being index, said one challenge was to decide how much weight to give different indicators.

For example, Dr. Colman said, the amount of time devoted to volunteer activities in Canada has dropped more than 12 percent in the last decade.

"That's a real decline in community well-being, but that loss counts for nothing in our current measure of progress," he said.

But shifts in volunteer activity also cannot be easily assessed against cash-based activities, he said.

"Money has nothing to do with why volunteers do what they do," Dr. Colman said. "So how, in a way that's transparent and methodologically decent, do you come up with composite numbers that are meaningful?"

In the end, Canada's index could eventually take the form of a report card rather than a single G.D.P.-like number.

In the United States there have been a few experiments, like the Princeton plan to add a happiness component to labor surveys. But the focus remains on economics. The Census Bureau, for instance, still concentrates on collecting information about people's financial circumstances and possessions, not their perceptions or feelings, said Kurt J. Bauman, a demographer there. But, he added that there was growing interest in moving away from simply tracking indicators of poverty, for example, to looking more comprehensively at social conditions. "Measuring whether poverty is going up or down is different than measuring changes in the ability of a family to feed itself," he said. "There definitely is a growing perception out there that if you focus too narrowly, you're missing a lot of the picture."

...In an open discussion, Marc van Bogaert from Belgium described his path to happiness: "I want to live in a world without money." Al Chaddock, a painter from Nova Scotia, immediately offered a suggestion: "Become an artist."

Other attendees insisted that old-fashioned capitalism could persist even with a shift to goals broader than just making money.

Ray C. Anderson, the founder of Interface Inc., an Atlanta-based carpet company with nearly \$1 billion in annual sales, described his company's 11-year-old program to cut pollution and switch to renewable materials. Mr. Anderson said he was "a radical industrialist, but as competitive as anyone you know and as profit-minded."

Some experts who attended the weeklong conference questioned whether national well-being could really be defined. Just the act of trying to quantify happiness could threaten it, said Frank Bracho, a Venezuelan economist and former ambassador to India. After all, he said, "The most important things in life are not prone to measurement -- like love."

But Mr. Messinger argued that the weaknesses of the established model, dominated by economics, demanded the effort.

Other economists pointed out that happiness itself can be illusory.

"Even in a very miserable condition you can be very happy if you are grateful for small mercies," said Siddiqur Osmani, a professor of applied economics from the University of Ulster in Ireland. "If someone is starving and hungry and given two scraps of food a day, he can be very happy."

Bhutanese officials at the meeting described a variety of initiatives aimed at creating the conditions that are most likely to improve the quality of life in the most equitable way.

Bhutan, which had no public education system in 1960, now has schools at all levels around the country and rotates teachers from urban to rural regions to be sure there is equal access to the best teachers, officials said.

Another goal, they said, is to sustain traditions while advancing. People entering hospitals

with nonacute health problems can choose Western or traditional medicine.

The more that various effects of a policy are considered, and not simply the economic return, the more likely a country is to achieve a good balance, said Sangay Wangchuk, the head of Bhutan's national parks agency, citing agricultural policies as an example.

Bhutan's effort, in part, is aimed at avoiding the pattern seen in the study at Harvard, in which relative wealth becomes more important than the quality of life.

"The goal of life should not be limited to production, consumption, more production and more consumption," said Thakur S. Powdyel, a senior official in the Bhutanese Ministry of Education. "There is no necessary relationship between the level of possession and the level of well-being."

Mr. Saul, the Canadian political philosopher, said that Bhutan's shift in language from "product" to "happiness" was a profound move in and of itself.

Mechanisms for achieving and tracking happiness can be devised, he said, but only if the goal is articulated clearly from the start.

"It's ideas which determine the directions in which civilizations go," Mr. Saul said. "If you don't get your ideas right, it doesn't matter what policies you try to put in place."

Still, Bhutan's model may not work for larger countries. And even in Bhutan, not everyone is happy. Members of the country's delegation admitted their experiment was very much a work in progress, and they acknowledged that poverty and alcoholism remained serious problems.

The pressures of modernization are also increasing. Bhutan linked itself to the global cultural pipelines of television and the Internet in 1999, and there have been increasing reports in its nascent media of violence and disaffection, particularly among young people.

Some attendees, while welcoming Bhutan's goal, gently criticized the Bhutanese officials for dealing with a Nepali-speaking minority mainly by driving tens of thousands of them out of the country in recent decades, saying that was not a way to foster happiness.

"Bhutan is not a pure Shangri-La, so idyllic and away from all those flaws and foibles," conceded Karma Pedey, a Bhutanese educator dressed in a short dragon-covered jacket and a floor-length rainbow-striped traditional skirt.

But, looking around a packed auditorium, she added: "At same time, I'm very, very happy we have made a global impact."

An update:

Eric Weiner, "Find Your Happy Place," *NYT*, Mar. 21, 2016.

The United Nations issues lots of important, if not exactly scintillating, reports. Then there is the annual [World Happiness Report](#), released last week.

This one consistently sparks interest beyond the usual coterie of diplomats and foreign-policy wonks. Happiness is a universal aspiration.

This year we learn that happiness, like another precious commodity, oil, is not evenly distributed across the globe. Some nations are awash in bliss (see: Denmark), others bone dry (see: Burundi). Every year, happiness rankings capture our imagination. Like sports scores, everyone wants to know how the home team fared. (The United States, according to the United Nations, ranks 13th out of 157 countries.)

...What really intrigues ... happiness researchers is not where people are happy but why. The U.N. report identifies six key factors: G.D.P. per capita, life expectancy, social support, trust, generosity and perceived freedom to make life decisions.

This year, the report also examined, for the first time, the question of “happiness inequality.” In some countries, such as the Netherlands, happiness levels are evenly distributed. That is, most Dutch people are more or less equally happy, as measured in self-reported surveys. In other nations, particularly those in the Middle East and Latin America, happiness levels vary tremendously. (Unequal income levels explain some, but not all, of the variation.)

This inequity matters, the report concludes, because “new research suggests that people are significantly happier living in societies where there is less inequality of happiness.” In other words, we can achieve only so much happiness if our neighbors are miserable. Which raises an intriguing question: Can you redistribute happiness?

Yes, you can, Dr. Helliwell said, and less painfully than redistributing income. It’s possible to boost someone else’s happiness without subtracting from your own.

In fact, several [studies](#) have found that acting altruistically makes a person happier. “It’s one of those win-win games that everyone is looking for,” Dr. Helliwell said.

The U.N. report is good news for Bhutan, the nation where happiness is most evenly distributed. No great surprise there: The tiny Himalayan nation single-handedly sparked interest in global bliss with its well-publicized measurements of Gross National Happiness. And while the country’s prime minister recently said he plans to [dial back](#) this approach, “the seeds have been exported and planted around the world and now they are growing vigorously,” Dr. Helliwell said.

The U.K. and France are both actively pursuing ways to translate happiness data into public policy. Last month, the United Arab Emirates [appointed a minister of happiness](#), the first such position in the Middle East, part of an effort to improve its well-being ranking (currently a not terrible 28th).

This fascination with the scorecard rankles some happiness researchers, but not Dr. Helliwell, who views them as a kind of loss leader.

“It gets people in the store, and once they’re in the store they become interested in asking, ‘Well, what makes for better lives?’” he said.

From Bhutan’s GNH website:

The GNH Index is meant to orient the people towards happiness, primarily by improving the conditions of not-yet-happy people. We can break apart the GNH Index to see where unhappiness is arising from and for whom. For policy action, the GNH Index enables the government and others to increase GNH in two ways. It can either increase percentage of people who are happy or decrease the insufficient conditions of people who are not-yet-happy. In the way the GNH Index is constructed, there is an incentive for the government and others to decrease the insufficient conditions of people who are not-yet-happy.

... The GNH Index provides an overview of performance across 9 domains of GNH (psychological wellbeing, time use, community vitality, cultural diversity, ecological resilience, living standards, health, education, and good governance.)