From GDP to well-being and sustainability: Means and measures

Gross National Happiness Commission Secretariat (GNHC)
May 26, 2022
78th Session of ESCAP
Outline

1. Background
   - Bhutan’s GDP
   - Shortcomings of Bhutan’s GDP
2. Alternative for GDP
   - Gross National Happiness
   - Sustainable Development Goals (SDGs)
3. GNH in Policy and Planning
4. Measurement of GNH
5. Challenges and Conclusion
Background: Bhutan’s GDP

- Small Economy with around 2 billion+ USD
- Historically positive GDP growth but decelerated by 10.08 in 2020 due to the impact of COVID-19
Background: Shortcomings of Bhutan’s GDP

• ‘The good, the bad and the ugly: All things increase GDP’
• Bhutan is largely rural and agrarian society
• Small farmers – Consumption within household

• Informal economy – measurement not near accurate
• But higher GDP doesn’t guarantee that happiness is increasing
• Thus a new way of thinking required. Is GNH an answer?
Alternative for GDP: Gross National Happiness (GNH)

What is GNH?

"Bhutan’s holistic approach to development that seeks to create the right conditions for people to maximize happiness."

- Happiness is not a new value in Bhutanese society
- Founder of Bhutanese State, Zhabdrung Ngawang Namgyal, said “If the government cannot create happiness for its people, there is no purpose for the government to exist” in mid 17th Century.
- This principle became the bedrock of laws in which the pursuit of happiness, not only for humans but sentient beings, is made the end of development.
- GNH was born in 1979 when the Fourth King of Bhutan, His Majesty Jigme Singye Wangchuck, “Gross National Happiness is more important than Gross National Product.”
Gross National Happiness (GNH)

9 Domains of GNH

- Psychological Wellbeing
- Living Standards
- Health
- Time Use
- Education
- Cultural Diversity and Resilience
- Community Vitality
- Good Governance
- Ecological Diversity and Resilience

33 Indicators and 124 variables

Diagram adapted from CBS
Gross National Happiness (GNH) and SDGs

- GNH & SDGs: Both seek to enhance People’s wellbeing and Happiness
- SDG = GNH – (Cultural + Psychological + Community vitality + Time Use Dimensions)
- Thus, mainstreaming and implementing SDGs came so naturally.
GNH in Policy and Planning

GNH Policy Screening Tool

Mandatory to screen all policies that originate from the government

To assess whether the policies are GNH favourable or not

To help make informed decisions

To ensure policies are aligned to the philosophy of GNH
GNH in Policy and Planning

GNH Integration Planning Framework (FYPs)

9 Domains of GNH

- Education
- Health
- Living Standards
- Ecological Diversity and Resilience
- Time Use
- Culture
- Psychological Well-Being
- Community Vitality
- Good Governance

PLAN OBJECTIVE (s)

E.G. Just, Harmonious and Sustainable Society through enhanced Decentralization

Key Result Areas and Key Performance Indicators (Relevant SDGs are aligned)
Measurement of GNH

- Measurement of GNH through creation of GNH Index

GNH Survey
Challenges and Conclusion

Challenges:
• Short term gain Vs long term and sustainable development (“In the long run we are all dead”)
• Lack of deeper understanding of GNH among policy makers
• Subjectivity in measurement

Conclusion:
• GNH does not dismiss the importance of economic development and consumption
• It only makes material well-being just one among many other constituents that have received limited attention in public policies and development.
• There are many alternatives to GDP (HDI, GPI, HPI)
• But GNH is backed by the State/Government of Bhutan (Whole of Society Approach)
• “The State shall strive to promote those conditions that will enable the pursuit of Gross National Happiness” – The Constitution of Kingdom of Bhutan
བཀྲིལ་མྱིན་པོ་