

GROSS NATIONAL HAPPINESS: SHAPING BHUTAN AND INFLUENCING THE WORLD

By

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A Thesis Submitted to the Honors College


In Partial Fulfillment of the Bachelors Degree
with Honors in

Political Science

THE UNIVERSITY OF ARIZONA

MAY 2014

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ABSTRACT

In the 1970s, Bhutan instituted a policy called Gross National Happiness, which aimed to be a holistic approach in determining what should be prioritized in order to maximize happiness for both individual and society. Bhutan seeks a variety of factors in determining this, such as environmental quality, the quality of a government, and the presence of a culture. For Bhutan, the policy has proven successful, and their economic growth has accelerated along side environmental protections as well as anti-corrupt regimes. With the amount of success Bhutan has received, others are catching on. The ideals of GNH are disseminating across the world. Other states in the world have taken GNH, altered it, and developed usable metrics that account for factors more prominent measures such as GDP do not take into account. The most prominent is the Genuine Progress Indicator, which factors in values for the environment, household labor, etc. What had started as a small system of guideposts for policy making in Bhutan has evolved, spread throughout the world, and has shown potential to be a headline indicator of the future.

Bhutan is a nation more renowned for what it is not, rather than what it is. In an undeveloped nook of the planet, Bhutan resisted development beyond the norm, turning down economic growth to safeguard its society's way of life. More recently, the country has discovered a balance, increasing its economic development while attempting to maintain standards of culture, good governance, and environmental protection. These core values formed a new ideology known as Gross National Happiness, or GNH, conceived by Bhutan's Fourth Dragon King, Jigme Singye Wangchuck, in 1972. In the time ensuing, Bhutan has deviated greatly from its neighboring East Asian least developing countries. Some changes have greatly improved the Bhutanese way of life, while others pose new problems with which to deal.

For being in such an early stage, Gross National Happiness is making a huge impact. Bhutan's economy is catching up and globalizing similarly to modern advanced states. They're progressing faster than their least developed East Asian neighbors, all while maintaining values true to their identity. They have successfully improved their environment, maintained a cultural identity, and established a government that strives for high moral standards. Reactions have been largely positive, as Bhutan ranks among the world's happiest. GNH is still a developing metric, but has so far proved essential in accelerating Bhutan into the modern global society.

The change within Bhutan has been great, but the potential it has to impact the world could be even greater. The standard use of Gross Domestic Product as a performance indicator has many undeniable flaws, and the attention to these has been growing. In consequence, there have been many other attempts at creating improved performance indicators, quantifying the ideology that GNH sets forth. One of these that has gained

traction is the Genuine Progress Indicator, or GPI. Developed in Canada and used in various countries as well as several U.S. states, GPI accounts for household labor, philanthropy, environmental externalities, and other measures neglected by GDP. Still a metric in its incipient stages, the Genuine Progress Indicator is starting to be taken more seriously in states such as Vermont and Maryland, and appears to have the potential to be a headline indicator of the future.

In a modern world revolving around numbers and statistics, GPI's main effectiveness is in its ability to quantify these ideals. By running estimates on costs of environmental damage as well as profits from acts such as volunteerism, GPI gives states a more accurate figure. A country's true worth can be portrayed with more precision. GPI is able to extrapolate the values GNH lays forth, and give societies a number in dollar terms that truly measures progress. Increasing GPI means improving many aspects of life, and gives countries an accurate scale to grow upon in order to increase the happiness of individuals and civilizations.

Gross National Happiness has helped to change social norms throughout the world. It seeks progress by giving attention to areas often neglected by traditional metrics. GNH has influenced Bhutan both politically and socially. This revolutionary idea is spreading, as more and more places are taking notice. The Genuine Progress Indicator is an example of this, taking the foundation GNH built and transforming it into a useable metric. It has modernized these ideals to appeal to widespread use, and is beginning to permeate through societies. GPI has been a way for Gross National Happiness to advance and influence the world, and bring the traditionally historic Bhutan into the global spotlight.

Background

At 38,394 square kilometers, Bhutan is a small country slightly bigger than the state of Maryland. It is often spoken of as the Land of the Thunder Dragon, dubbed in reference to the vicious storms that topple down the southern face of the Himalayas.¹ Despite its small size, the citizens are by no means tightly packed, as the vast majority of the country is composed of rural farmlands. Its capital and largest city, Thimpu, boasts a modest population of roughly 99,000,² and its 72% forest coverage helps make it one of the ten most bio diverse places in the world.³

As a small nation tucked away between the Eastern powers of China and India, Bhutan is a historically isolated country, acquiring its first paved road in 1961, first bank in 1968, and first implementation of television and internet in 1999.⁴ Thimpu advertised as the only national capital in the world without a traffic light.⁵ It was a country embracing the ways of old, continuing in the paths of their ancestors. Bhutan was committed to maintaining its culture, with little desire to open borders or experience outside life.

The embrace of isolation came with problems, and in the 1960s the country began to shift gears in search of a solution. King Jigme Dorji Wangchuck opened the doors to globalization, which quickly improved literacy rates, health care, education, transportation, infrastructure, access to potable water, and safe sanitation.⁶ But what came with these

¹ "Bhutan." *CIA World Factbook*. The Central Intelligence Agency. Web. 4 Nov 2013. <<https://www.cia.gov/library/publications/the-world-factbook/geos/bt.html>>.

² "Bhutan" *CIA World Factbook*, *ibid*.

³ Willerton, John P. "Bhutan and Gross National Happiness." *The Politics of Happiness*. The University of Arizona. 24 Apr 2013. Lecture.

⁴ "Bhutan: The Pursuit of Happiness." *The Economist*. N.p., 16 Dec 2004. Web. 11 Aug 2013.

⁵ "Bhutan: The Pursuit of Happiness." *The Economist*, *ibid*, 2004.

⁶ Knaster, Mirka. "Bhutan at a Crossroads." *Greater Good*. UC Berkeley, 1 Dec 2008. Web. 21 Nov 2013. <http://greatergood.berkeley.edu/article/item/bhutan_crossroads>.

newfound benefits was a struggle to acclimate to such a new lifestyle. While much of the advanced world was experiencing a booming economy, Bhutan needed a balance.

In 1972, King Jigme Singye Wangchuck sought to strike a compromise to benefit all, and created the concept of Gross National Happiness. The idea reflected his belief that “happiness is the ultimate end desired, but not necessarily pursued by every Bhutanese and indeed, every human being.”⁷ While perhaps revolutionary as a political ambition, the idea was something already engrained within many Bhutanese as they are somewhat predisposed to a holistic form of life.

Bhutan has been heavily influenced by Buddhist ideals, and many of which have leaked into public policy. The Bhutanese have been historical followers of Mahayana Buddhism, which considers the world and all things with reverence, where sacred spirits are the true source of wealth.⁸ According to Buddhism, the reliance on external factors for happiness will only result in unhappiness.⁹ This thought process trickled into Bhutan’s political philosophy, as their legal code of 1729 required that enacted laws would promote happiness.¹⁰ Khenpo Phuntsok Tashi, a Buddhist and Gross National Happiness scholar, states that,

“Gross National Happiness is related to the development of attitudes, which strive not to harm others. Buddhist philosophy also explains that if one desires happiness, one should seek the right causes and conditions that give rise to happiness.”¹¹

⁷ Thinley, Jigmi. "What does Gross National Happiness (GNH) Mean?" 2nd International Conference on GNH. Canada, Halifax. 21 Jun 2005. Keynote.

⁸ Willerton, *ibid*, 2013.

⁹ Tashi, Khenpo Phuntsok. "The Role of Buddhism in Achieving Gross National Happiness." *University of Heidelberg*. (2010): n. page. Print.

¹⁰ Thinley, *ibid*, 2005.

¹¹ Tashi, Khenpo Phuntsok, *ibid*, 2010.

Buddhist values continue to let their presence known, influencing Bhutanese policy and being reflected by Gross National Happiness, as its comprehensive approach embodies the spiritual ideals laid down in the earliest beginnings of the Himalayan society.

The western world is usually associated with innovation, but Gross National Happiness is a political philosophy tailored for Bhutan. Their minute stature as a nation gives community based ideals, where simpler times are held onto despite potential economic opportunity. The emphasis on environment stems from its pristine location tucked against the Himalayas and its historical ties to Buddhism foster a comprehensive view on societal and individual satisfaction, one that extends beyond monetary worth.

PART I: GROSS NATIONAL HAPPINESS AND BHUTAN

What Is GNH?

As stated by Jigme Thinley, former prime minister of Bhutan and GNH advocate, Gross National Happiness is meant to reflect the “holistic needs of the human individual.”¹² GNH is an attempt to bring harmony to diverse interests. It acknowledges that happiness isn’t a good or individual responsibility, but requires the role of a society and an aim towards collective happiness. Because of this large scope, policies will undoubtedly be harder to make and will be more convoluted than those based off standard economic models, but are necessary to meet the ultimate goal for both individual and society. As Thinley puts it, “Man is bound by nature to search for happiness, and that it is the single most desire of every citizen. The only difference between Bhutan and others is that we do

¹² Thinley, *ibid*, 2005.

not dismiss it as a utopian quest."¹³ Although Gross National Happiness is focused on one lone goal of ultimate happiness, it aims to achieve it through a variety of approaches, recognizing that an abundance of factors contribute towards maximizing utility.

With something so broad and all encompassing as Gross National Happiness, it would be easy to get lost in its vastness. As with most state policies, virtually every single piece of legislation has pros and cons that must be weighed. Including normally ignored factors will only add to the complexity. To help delineate the principles of Gross National Happiness, four pillars stand as guideposts to help understand its aim. These pillars are: conservation of the environment, equitable and sustainable development, good governance, and preservation of culture. These pillars are treated as equal, none given more weight than others, as Bhutan aims to take in all of these into consideration in policy making to promote the greatest increase in satisfaction for all.

The first pillar, conservation of the environment, may not initially seem pivotal for promoting happiness, but could have serious consequences. For a country like Bhutan, whose climate ranges from bone chilling in the Himalayas to tropical near the southern border, global warming has posed serious harm. Valleys could become flooded with glacial ice melt and the country could turn to barren desert. Thorthormi Lake, nestled high up in the Himalayan Mountains, has been threatening to become what some call a "tsunami from the sky."¹⁴ Glaciers are melting at a rapid pace, filling mountain lakes until they threaten to burst. At about 14 billion gallons of water, a break in the Thorthormi walls could drown the Bhutanese valleys. An event like this wouldn't be new, as Luggye Lake burst in 1994, killing

¹³ Thinley, *ibid*, 2005.

¹⁴ Chu, Henry. "A Global Warming Calamity is Building in the Himalayas." *Los Angeles Times* 20 Apr. 2008: n. pag. Print.

approximately two dozen in the town of Punakha. Unfortunately, Thorthormi is bigger and in a more dangerous location with the potential to be much worse.¹⁵ This looming catastrophe may happen tomorrow or in the distant horizon, but the environment still has merit without being threatened by peril. The true value of a healthy environment may lie in what is most taken for granted. Something as small as feeling a breeze on the first day of spring, or wading into a placid mountain lake could greatly impact one's satisfaction. As Thinley says, "our health and aesthetic experience depend on the quality of physical environment around us... The world needs to desperately recognize earth as a mortal organism that must be nourished and protected."¹⁶ Despite Bhutan being one of the worlds most dedicated states to the environment, there is no question that concern for the environment has been a void unfulfilled. Global warming continues, and while it has begun to garner attention, productive policy to reverse the trend remains in infantile stages. Gross National Happiness aims to bring this ideal to the forefront of policy, factoring environmental costs and benefits into all policy decisions.

The next pillar, equitable and sustainable development, is a familiar one. This is almost ubiquitously associated with overall progress among first world countries, and is often measured with tools such as GDP and GNP. Bhutan's conception of GNH recognizes the importance of economic growth as a step towards overall happiness, but marks it equal to other social factors constituted by the remaining three pillars. In discussing the application of GNH internationally, Thinley states that economic policy may be more important in certain situations, such as in countries where extreme poverty exists and citizens face the steepest of battles for physical survival.

¹⁵ Chu, *ibid*, 2008.

¹⁶ Thinley, *ibid*, 2005.

It is important to note that the means or nature of economic activity is considered just as much as the resulting growth. Because of this, a purely quantitative indicator such as GDP cannot suffice. Social and household contributions must be accounted for. Free time and leisure must be valued as productive, and preservation must coincide with consumption. Another point to be made is that Gross National Happiness emphasizes income redistribution. Thinley refers to this as happiness redistribution, noting “we live in a world where people are concerned with relative wealth, not absolute. Orienting these perceptions towards actual and absolute needs is an unavoidable challenge for a GNH economy.”¹⁷ This acknowledges that people are driven not to reach a certain level of income, but often to match and exceed their peers. Following this logic, redistribution does not have to be a hindrance. The “keeping up with the Joneses” effect can continue with redistribution, just at a lesser scale where the poor can be brought up to a livable level of income. Like GDP or GNP, Gross National Happiness embraces the value of a dollar. It recognizes the monetary world that we live in. GNH only aims to broaden sights beyond this. Money is not the sole concern in life, so it is illogical to guide progress by such a narrow metric. Gross National Happiness aims to use economic growth in conjunction with other principles to pave a more holistic path to overall satisfaction.

Gross National Happiness also devotes a pillar to something that has proven illusive to many regimes: good governance. Bhutan has advocate a form of government where peoples’ voices can be heard and the desire of happiness acted upon. If collective happiness is to be viewed as a public goal then there must be a government in place that fully embraces this view. To achieve this, we must not only look at institutions themselves, but

¹⁷ Thinley, *ibid*, 2005.

also the motivations that drive them. For political institutions to be effective at promoting happiness, their incentives have to guide them towards this principle. A government embracing Gross National Happiness must be a government committed to seeking happiness, and increasing the happiness of its citizens to an equal degree. For Bhutan, the solution has been a democratic system similar to those found in Canada and Scandinavia. It has shifted to a constitutional monarchy from a long history as an absolute monarchy. This was not only done peacefully, but the king himself became one of the strongest proponents for the change. This simple fact may be the most telling in regards to Bhutan's commitment to good governance and GNH. When the individual with the most to lose is in favor of such a policy, it reflects how important these views are within the society, and how committed the country is to its ideology. The Bhutanese have recognized the importance of good governance to the ultimate goal of maximizing happiness. Creating an incentive based system that aligns everyone's goals towards this issue can only expedite the process, and accelerate their movement towards a penultimate level of happiness for both society and the individual.

The final pillar outlined by Gross National Happiness is the preservation of culture. As noted, Bhutan has historically been a country reluctant to part from the past, so GNH continues to honor the traditions and practices of ancestors. This is not to say that certain aspects of specific cultures must be adopted; it merely recognizes the importance of knowing one's past, from which they can choose and change elements of a multi-cultural identity.¹⁸ Each and every human is culturally and socially unique, and GNH aims to be sensitive towards that, and allow these individuals to tap into their own histories as they so

¹⁸ Fukuda-Parr, Sakiko et al. United Nations. United Nations Development Program. *Cultural Liberty in Today's Diverse World*. New York City: UNDP, 2004. Print.

choose. Individuals may change their identity voluntarily, which is preferred, or by coercion, a reality that is attempted to be put to a halt. This kind of coercion can occur through “pervasive forces such as open-sky and free trade regimes which spawn cultural hybridization, creolization and displacement of vernacular economics, even before one realizes.”¹⁹ External forces can be powerful, even overwhelming to cultural values, so GNH aims to defend cultural aspects to the extent that they can remain as viable choices.

Gross National Happiness is far from a straightforward metric. It cannot be completely quantified, as there is no complete scale to measure these pillars. Much of environmental and economic quality can be measured, but certain aspects will always go ignored by any set of analytical systems. The other pillars, good governance and level of culture, are nearly impossible to measure, as these embody qualitative traits. However, these limitations prove to be strengths for GNH, rather than weaknesses. The world is extremely complex and full of uncertainties, but rather than shy away from this precariousness, Bhutan has embraced it. Gross National Happiness first determines what is important to the overall utility of societies and individuals, and only later finds methods for improvement. Bhutan’s use of GNH faces the reality of the world while looking at ways to maximize happiness. Some factors can be calculated, but others cannot. Gross National Happiness accepts this, thrives from it, and focuses on what matters in order for civilization to experience the highest level of satisfaction.

¹⁹ Thinley, *ibid*, 2005.

Contrasting with GDP

The purpose of this essay isn't an argument aimed to discredit the usefulness of Gross Domestic Product or Gross National Product as valuable metrics. Indicators like this are powerful in what they are, but their value is often inflated to be used as "progress indicators." Even the proponents for the use of Gross Domestic Product know of its limitations. Simon Kuznets, a prominent economist, has said "The welfare of a nation can scarcely be inferred from a measurement of national income ... Goals for 'more' growth should specify of what and for what."²⁰ While they show economic growth of a country, that is but one aspect of progress. There are many other factors to take into account, and GNH attempts to encapsulate those for more holistic measures.

It is peculiar that an indicator such as GDP, dependent solely on money, is used to examine how well off a country is, when it remains uncertain how much money impacts individual well being. Several sociology studies have found that beyond meeting basic needs, money does little to add to utility and happiness. Princeton's Daniel Kahneman and Angus Deaton did the most prominent of these studies in 2010. Using Gallup surveys, they concluded that beyond an annual salary of \$75,000, increases in wealth do little for raising happiness.²¹ Furthermore, Thinley believes that market-led happiness dehumanizes society, as traits like envy and greed are not harmonious with increasing overall

²⁰ "The Genuine Progress Index. A better set of tools.." *GPI Atlantic*. GPI Atlantic. Web. 8 Dec 2013.

²¹ Deaton, Angus, and Daniel Kahneman. "High Income Improves Evaluation Of Life But Not Emotional Well-being." *Proceedings of the National Academy of Sciences* 107: 16489-16493. Print.

satisfaction. He adds that it contributes to an isolated society, seen by the increasing amounts of single parent households, and the likelihood of aging alone.²²

Scientific advances constantly increasing life expectancy are often seen as positives, but what if they only prolong desolation? Depression rates are up, as are suicides, crimes, and alcoholism and mental illness rates. This is a major concern, and while the use of GDP cannot be held to blame, there is no question that it does not concern itself with these harsh realities. In fact, GDP can increase directly with harmful conditions such as depression, as increased drug purchases and doctor visits further stimulate the economy. This increase in money flow gives the illusion that a country is progressing despite the increase in illness.

To use Gross Domestic Product to estimate a nation's progress is misleading. Even its most committed proponents note that GDP is purely economic in nature, and will never paint the entire picture that many today believe it can. Gross Domestic Product is a good metric taken as is, to examine economic activity, but by no means does it paint the whole picture, and to think otherwise would only provide an oversimplified view of the world.

Indicators such as GDP and GNP are very insightful in guiding policy. These indicators examine what goes in and out of a country and provide estimates of monetary worth. However, monetary worth is only one aspect when determining how well off an individual or society is. Factors such as the environment, culture, and honest government contribute as well. Gross National Happiness recognizes this, and extrapolates from GDP to examine other realms in which utility may be increased. Money is important, but it is never everything. These other contributors to happiness are not as easily quantified as dollars

²² Thinley, *ibid*, 2005.

and cents, but that does not mean they should be held without regard. True progress should take everything into account as best as it can in order for the fullest picture to be shown.

Performance of Bhutan Under Gross National Happiness

Conservation of the Environment

Bhutan has moved on from the desolate, technology illiterate place it used to be. While by no means is the country among the world's most advanced, it has caught up and exceeded many East Asian least developed countries. Specifically for this study, East Asian LDCs include the following countries: Bangladesh, Cambodia, Kiribati, Lao P.D.R., Myanmar, Nepal, Samoa, the Solomon Islands, Tuvalu, and Vanuatu. In comparison to both itself and its neighbors, Bhutan has worked towards a more protected environment, a growing economy, and a political climate reflecting good governance and a respect for traditional culture. Progress has occurred, as deforestation and carbon dioxide emissions have been reduced, but the state is far from utopia. Newfound growth coexists with emerging problems. No matter the pillar of emphasis, blazing a new trail has uncovered new problems. Whether it's rising carbon dioxide emissions, inflation, or conflicting opinions on managing culture and governance, Bhutan shares a dynamic set of issues to resolve. Overall the country has made large steps but new challenges emerge, and must be overcome for Bhutan to continue to develop.

To stem the worldwide trend environmental degradation, Bhutan initiated a series of greening and biodiversity preservation policies. Over a quarter of Bhutan's land is protected as wildlife sanctuaries, and almost three-quarters of the country resides under

forest coverage. It is important to note that these environment-friendly goals have been carried out despite the potential economic opportunities, exemplified by Bhutan prioritizing tree coverage over potential profits in the timber industry. The trend among East Asian LDCs shows an increase in percentage of total land protected, but Bhutan has eclipsed the average substantially (*see Figure 1*).

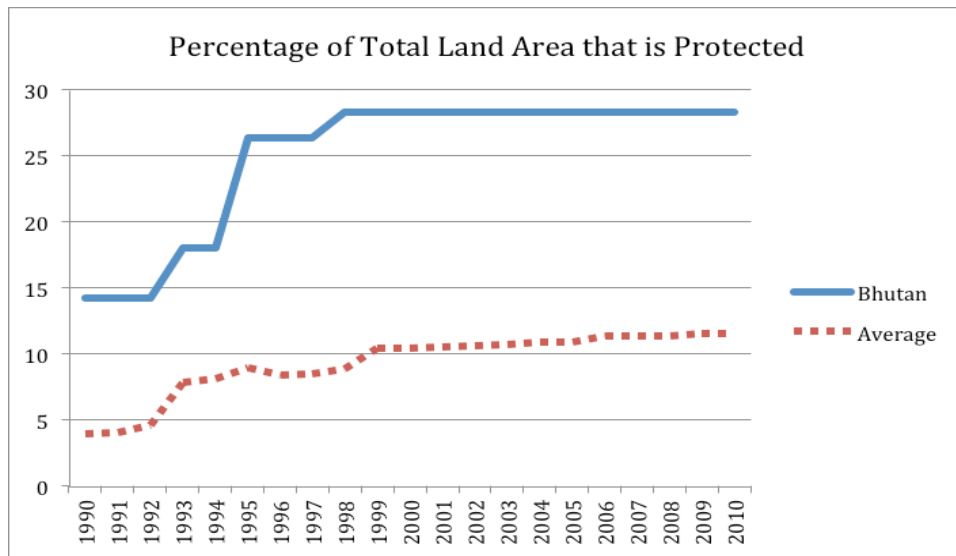


Figure 1²³

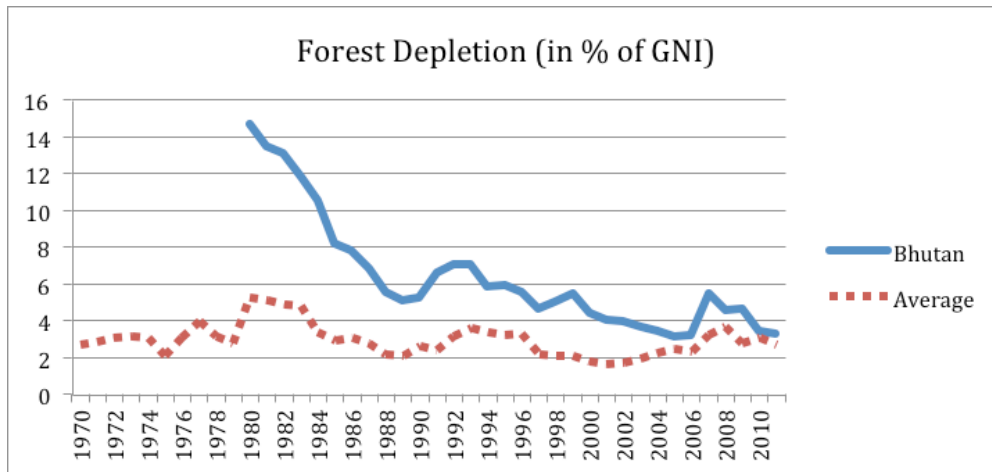
Through several stages of policy implementation, Bhutan has nearly doubled its protected land in two decades, moving from 14.25% of total land to 28.35% from 1990 to 2010. Data kept on this only goes a short distance into history, but the first stage of increased protection shown came from 1992-95, where they moved from 14.25% to 18.11%. This was shortly followed by the largest bump, moving up to 26.38% between 1995 and 1997. In 1998, Bhutan climbed to protecting 28.35% of total land, a figure they have maintained

²³ "Databank." *World Bank* (2013): n.pag. Web. 2 Nov 2013.

since. The overall trend has been an increase in protected land area among East Asian LDCs as a whole, but Bhutan has gone above and beyond the regional average percentage of protected land, showing a wholehearted commitment to protecting wildlife and ecosystems.

One effect of increasing the amount of protected land is a reduction in forest depletion. In Article V of the Bhutanese Constitution, passed in 2008, a clause requires that “a minimum of sixty percent of Bhutan’s total land shall be maintained under forest cover for all time.”²⁴ The law appears not to be out of necessity, but more reflective of the culture, as Bhutan’s forest depletion decreased rapidly prior to the document’s passage. In the early 1980s, Bhutan had a much higher than average forest depletion rate in percentage of Gross National Income at 14.74% compared to the East Asian LDC average of 5.25%(see Figure 2). Throughout the decade, Bhutan rapidly hampered the practice, and in 1990 it was down to 5.33%. As of 2011, Bhutan is nearly on par with average at a forest depletion percentage of 3.37% of GNI compared to the 2.69% average. What began as a country with a booming timber industry, in which massive quantities of lumber were exported to India, has transformed into a place extremely conscience of deforestation.

²⁴ The Kingdom of Bhutan. *Constitution of the Kingdom of Bhutan*. 2008. Print.

Figure 2²⁵

India had previously paid Bhutan heavily for their wood, which came at an enormous environmental cost considering the vast amount of trees that were cleared. Bhutan still exploits their natural resources today, but ensures there is “no concomitant indigenous or environmental degradation.”²⁶ Bhutan has worked hard to reverse the trend, relinquishing a substantial amount of export revenue.

Clear cutting is now a prohibited practice and community forests are prevalent. This change in gears is only one example of many for Bhutan foregoing economic opportunity due to environmental concerns, with others including its agriculture and hydroelectric industries.

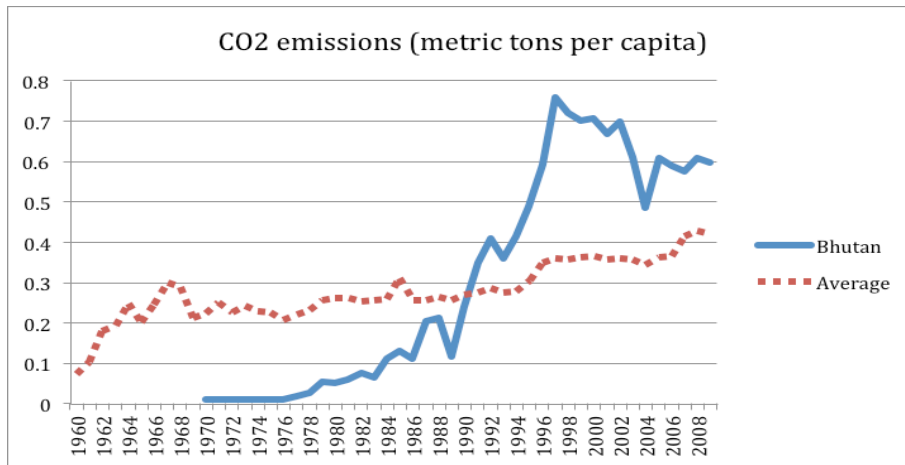
Protecting land and trying to raise the amount of forest coverage can have remarkable benefits for the Himalayan state. For a place with such biodiversity, increasing the amount of protected land will keep wildlife thriving and maintain the many ecosystems Bhutan hosts. Safeguarding land also paves the way for the benefits more forest coverage

²⁵ "Databank," *World Bank*, *ibid*, 2013.

²⁶ Knaster, Mirka. "Bhutan at a Crossroads." *Greater Good*. UC Berkeley, 1 Dec 2008. Web. 21 Nov 2013. <http://greatergood.berkeley.edu/article/item/bhutan_crossroads>.

brings. In addition to increasing wildlife, higher forest density cleans the air and provides timber as a resource that can be used yet not depleted. Although the economic gain of environmental protectionism may not be readily apparent, Bhutan has benefitted greatly from these policies that allow the country to harvest the fruits that come with a healthy habitat.

While it is shown how the environment can be prioritized over economic benefits, the tug-of-war between these two competing interests doesn't always leave the rope pulling in the same direction. As the country moves itself down the path many first world countries have forged, it has begun to encounter first-world problems. One recent issue for Bhutan has been the rise in CO₂ emissions. Prior to the 1980s, the country had negligible emissions, but that number drastically rose throughout the 1990s (*see Figure 3*). Emissions peaked in 1998 at 0.72 metric tons per capita, double the 0.36 East Asian LDC average. There has been improvement, as that number has decreased since, save a spike in 2002. The country appears to have stabilized emissions at roughly 0.60 metric tons per capita, although still higher than a 0.42 average as of 2009.

Figure 3²⁷

Moving forward, Bhutan tried unique methods in attempt to reduce emissions. In 2012, the government declared every Tuesday a Pedestrian Day. The press release from the cabinet stated,

“Tuesdays will be a day when Bhutanese citizens would seize the opportunity to contemplate the fragile nature of our precious Himalayan mountain ecology and make a small contribution. This will also be a day Bhutanese all over will walk for their health and promote joy of walking, together with friends, family and colleagues, and thereby promote interaction and community vitality.”²⁸

The day aimed to turn the main city area of Thimphu into a pedestrian zone, only allowing service vehicles such as ambulances through. While the day has been discontinued by the new administration, policies like these coincide with the culture of the country and their commitment to fostering the healthiest environment possible.

²⁷ "Databank," *World Bank*, *ibid*, 2013.

²⁸ "Time To Reduce Your Carbon Footprint: Bhutan." *Climate Himalaya*. N.p., 05 Jun 2012. Web. 2 Mar 2014.

The increase in carbon dioxide exploits the crutch that a globalizing nation brings. As Bhutan integrates with the rest of the world, they face the unavoidable issue of emissions. More imports and exports necessitate new avenues of transportation while necessary infrastructure requires fuel and other resources to be erected. Bhutan surpasses its neighbors in carbon dioxide emissions, but this is not surprising considering the economic growth that has occurred. Although emissions have increased, the country is taking steps to reduce the amount. Bhutan tries to minimize the amount of CO₂ secreted, while acknowledging it as a necessary byproduct on the path to modernization.

With such an emphasis on the environment, Bhutan has made important strides in protecting resources, all while maintaining an economic balance. The economy is not ignored, but environmental costs are weighed heavily in the decision making process. Because of this, Bhutan has excelled in environmental friendly industries and has been able to keep a remarkable portion of its land area in pristine condition. New problems such as carbon dioxide emissions arise, but have seemingly been handled early as a result of an environmentally conscience culture as levels stabilize and the country finds its balance.

Equitable and Sustainable Development

One might assume that with environmental concerns hampering potential economic opportunities, Bhutan would experience sluggish growth in the economy. Fortunately, this has not been the case. As compared to their similarly situated neighbors, Bhutan has financially expanded greatly while has introducing new technologies into society. Although total GDP values are still relatively minute when compared to more developed countries, the per-capita figures show overall how greatly individuals' lives have improved

monetarily. This is not to say Bhutan has become an economic powerhouse; it makes up an extremely low percentage of the world GDP, even regional GDP, and has been faced with immense challenges. Regardless, the country is far removed from the hermitic situation it was once in, and is rapidly moving out of isolation.

The largest boost to Bhutan's economy has come at the hand of technology. Slowly but surely, Bhutan has incorporated the tech industry into its society. Bhutan does not rely on the traditional power plants that most countries use, and consequentially are 5th in the world in the production of renewable electricity. Bhutan gets 98.9% of its electricity from its hydroelectric power plants, all while exporting excess to India.²⁹ Not only is technology changing the way Bhutan chooses to engage in economic activity, but it also changes the mindset of the citizens, specifically in regards to materialism. Television was brought to the country in 1999.³⁰ The move created a telecommunications industry, but perhaps more impactful is the rising wave of consumerism and globalization. Figure 4 shows that Bhutan still lacks in total GDP in terms of purchasing power parity, but when looked at in terms of per-capita as Figure 5 portrays, it can be seen that the country is soaring above its neighbors.

²⁹ "Bhutan." *CIA World Factbook*. The Central Intelligence Agency. Web. 4 Nov 2013. <<https://www.cia.gov/library/publications/the-world-factbook/geos/bt.html>>.

³⁰ "Bhutan: The Pursuit of Happiness," *ibid*, *The Economist*.

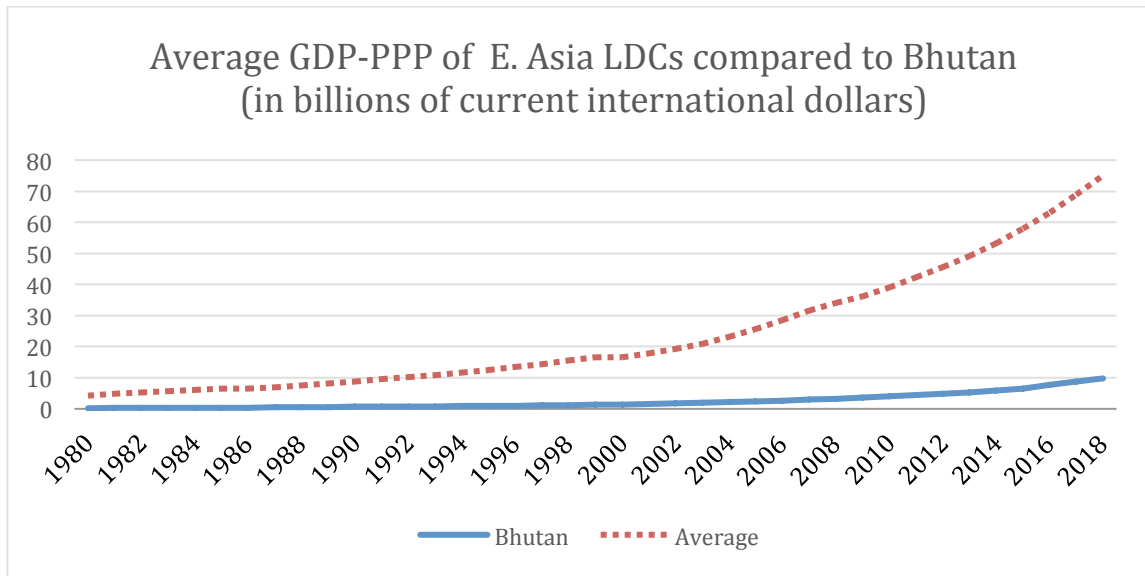


Figure 4³¹

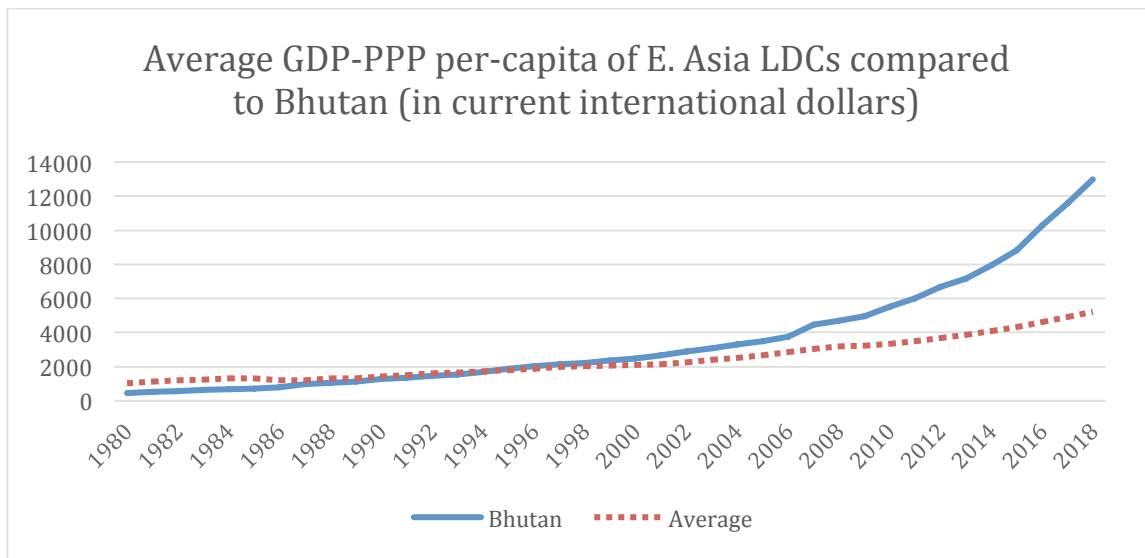


Figure 5³²

³¹ "World Economic Outlook Database." *International Monetary Fund* (2013): n.pag. Database. 2 Nov 2013.

³² "World Economic Outlook Database," *ibid*, 2013.

Bhutanese citizens now have the ability to get news and information at the same time as the majority of the world and are thus more capable in keeping up with trends, allowing them the option to assimilate into modern world culture.

With all the other pillars influencing policy making, it is safe to assume Bhutan is not maximizing monetary gain on all their economic opportunities, but they are growing, and even better is that this growth is on their terms. One of Bhutan's most profitable industries is their series of hydroelectricity plants, which is fitting, bearing in mind their devotion to a flourishing environment. Bhutan's globalization may not come as rapidly as the booms more advanced countries often experience, but that is not their goal. Gross National Happiness entails a slower, more gradual expansion. In order for all pillars to develop fully, a slower growth is necessary. Bhutan is capitalizing on available economic opportunities, all while keeping in mind the many other factors that Gross National Happiness preaches. This allows the country to make monetary gains without compromising the true values that provides the Bhutanese their identity.

Not all is well with regards to the Bhutan economy, some of which can be contributed to the same instances that have spurred growth. With the incorporation of television, there is a risk of compromising their cultural traditions, and according to the Bhutanese administration has even led to a rise in crime and drug use³³. The country also deals with a problem in education. For education spending, Bhutan is currently 83rd in the world, contributing just 4.7% of their GDP to education. Furthermore, Bhutan continues to lag in regards to health. Life expectancy is a mere 68.44 years old, ranking 159th in the

³³ United Nations Office on Drugs and Crime. *South Asia Regional Profile*. Sept. 2005. Print.

world, and there are only 0.074 physicians to every 1000 citizens.³⁴ To make things worse, the country has yet to put the necessary resources to stem the tide, allocating only 4.1% of GDP towards healthcare, 162nd in the world.³⁵ While the unemployment rate is low, there is a major shortage in skilled labor, as the majority of Bhutanese work in manual labor. These problems unquestionably deserve the attention of the government, but comparatively are not as crucial of issues as many underdeveloped countries face.

Potentially full of disaster, however, is a problem Bhutan has no choice but to confront; a strong rise in the inflation rate. Inflation was among the worst in the world in 2012 at 10.9%, and has been trending upward.³⁶ Figure 6 shows just how alarming this is.

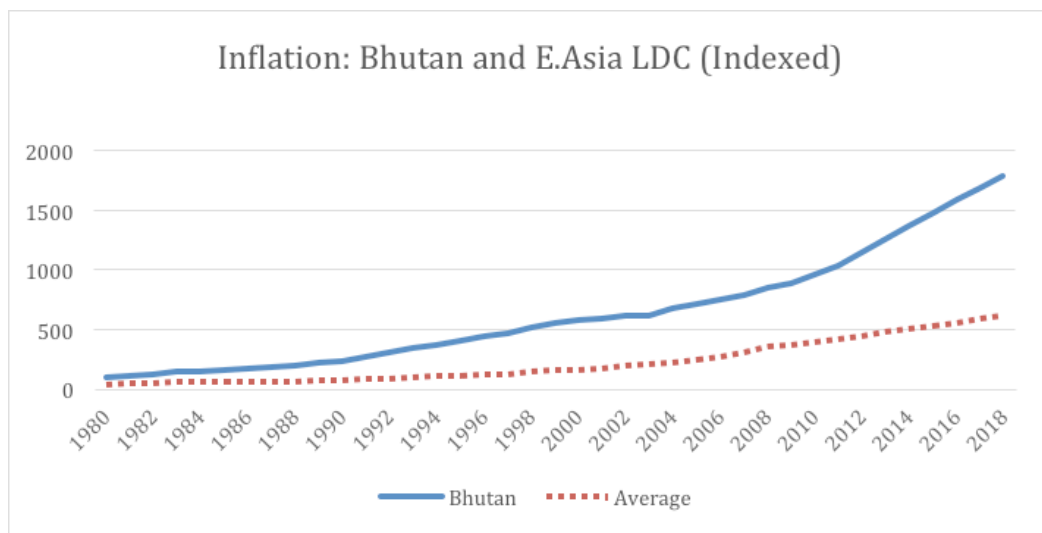


Figure 6³⁷

Using an inflation index, it can be seen that Bhutan's inflation rate is soaring compared to the East Asian LDC average. The trend doesn't show signs of relenting either, as inflation in

³⁴ "Bhutan," *ibid*, *CIA World Factbook*.

³⁵ "Bhutan," *ibid*, *CIA World Factbook*.

³⁶ "Bhutan," *ibid*, *CIA World Factbook*.

³⁷ "World Economic Outlook Database," *ibid*, 2013.

Bhutan is predicted to be more than double the average by 2018, when it was almost on par with the average as early as 1980.

Although a moderate level of inflation is healthy for an economy, the borderline hyperinflation that Bhutan is approaching calls for catastrophe. With increasing inflation comes a reduction in investment, as purchasing power decreases due to increases in prices. In totality, spending is diminished, hindering economic growth. Without being solved, an inflation rate of this capacity could be crippling to Bhutan, and has the potential to plunge them back to a pre-GNH society.

Bhutan remains an underdeveloped country, but compared to its counterparts, the nation has been impressive in the way of development. In per-capita terms, Bhutan has the highest GDP of East Asian LDCs, despite being far below average in the early 1980s. Not only is the Bhutanese economy growing relatively quickly, it is being done in a sustainable way. With a dominating hydroelectric industry, Bhutan not only sustains itself, but also helps other countries by moving their electricity across borders. Despite the positives that have come, Bhutan's growth has invited several new problems. Globalization is rapidly changing the culture, and not always in good ways, as consumerism and crime have been seen to increase. Potentially more destructive is the booming inflation, which could stifle future growth. As with most countries in most areas, the state of Bhutan's economy has pros and cons, and new difficulties emerge as they advance their growth.

Good Governance

The third pillar is one that is a harder to quantify, but is as every bit as important as the others. Having a form of good governance is essential for the GNH system to function, as

a government's ideals must align with goals of happiness. Corruption could be devastating in a system like this, as compromising happiness of society and individuals only back tracks from the Bhutanese ideal. Despite the uniqueness of GNH, Bhutan models good governance off of many existing governments. For the country to achieve happiness, good governance involves embodying the values of all four pillars, and aiding in the overall improvement in the utility of individuals and societies.

Most recently, the move towards improved governance has entailed a shift towards liberal democratic institutions. In 2005, a draft of a constitution circulated, and included the establishment of a parliamentary democracy. In addition to the document, King Jigme Singye Wangchuck made a splash when he announced his intent to abdicate the throne, of which he passed down to his son Jigme Khesar Namgyel Wangchuck in December 2006.³⁸ Speaking on the ties between democratic regimes and good governance, King Jigme Singye Wangchuck said, "Democracy only works in a society which is highly literate, politically conscious, and enjoys a high level of economic well-being and prosperity."³⁹ As Bhutan becomes more adept in each of these areas, they have become increasingly democratic by a similar cadence. Their new constitution passed and in March 2008 the country conducted elections for their first parliament after the document was ratified by the king on July 18, 2008. The new government follows a modern mold, with a three-headed system categorized into executive, legislative, and judicial branches. Despite having a king, the prime minister is considered the head of government, and is the leader of the majority party. The bicameral parliament consists of a National Council of 25 seats and a National Assembly of 47 members. Bhutan's judicial branch is headlined by a five member Supreme

³⁸ "Bhutan," *ibid*, *CIA World Factbook*.

³⁹ Willerton, *ibid*, 2013.

Court, an institution that has sole jurisdiction in constitutional matters. Below the Supreme Court lies the high courts, district courts, and sub-district courts.⁴⁰ In this massive transition from monarchy to democracy, Bhutan has laid the groundwork for checks, balances, and a less corruptible form of government.

Beyond formulating new democratic institutions, Bhutan has also sought greater independent foreign policy, breaking free from prior engagements and becoming increasingly autonomous in their decision-making. In 2007, Bhutan renegotiated its international treaty with India, allowing Bhutan extra freedom in foreign policy making. Additionally, the nation recently pushed for a move towards publicizing information. On February 6, 2014, Bhutan passed the Right to Information Bill that allows citizens to access information held by public authorities. With the passage of the bill, Bhutan moved up to 5th in the world in a Right to Information ranking, developed by the Centre for Law and Democracy and Access Info Europe.⁴¹ The legislation was created to increase transparency, and has helped Bhutan's movement in maintaining a corrupt free government.

To improve good governance, Bhutan decided to work from the ground up. They deconstructed an outdated political system and built one more situated to the modern world. Their constitutional monarchy is representative of the people, allowing outside influence to help determine the best policies for increasing happiness. Bhutan has enacted good governing institutions, but they haven't settled there as they still make good governance an explicit goal. This best allows for a government united with its people. The Right to Information Bill exemplifies this, allowing the Bhutanese citizens easy avenues to

⁴⁰ "Bhutan," *ibid*, *CIA World Factbook*.

⁴¹ "Comments on the Bhutanese draft Right to Information Bill." *Centre for Law and Democracy*. Centre for Law and Democracy, 17 Oct 2013. Web. 4 Dec 2013.

keep an eye on their government. Gross National Happiness has guided the reconstruction of Bhutan's regime; first by completely transforming their governmental organization, then furthermore by allowing for the introduction of new policies to stay on the cutting edge for transparency. Many governments make claims of representing the people and of acting with the purest of intentions, but Bhutan has backed up its rhetoric, completely transforming their government and continuing to strive towards good governance.

In aim of good governance, Bhutan has followed in the footsteps of other successful countries rather than branching out. They have enacted democratic institutions and ideals, replacing an ancient monarchy. Most surprisingly, this was done peacefully. King Jigme Singye Wangchuck voluntarily gave up power, even going as far as his aforementioned abdication of the throne, which put into practice the ideals long advocated for. With this transfer came a similar three-branched government found in today's modern nation-states. While not impenetrable from corruption, checks and balances have been instilled to stem the tide and ensure that a large majority of corruption can be halted in its tracks as no one entity is overwhelmed with power. Because of this, the government can more easily align its views with its citizens and that of GNH. Creating good governance in Bhutan has allowed for the country to pursue happiness on both individual and societal levels.

Preservation of Culture

Bhutan has a rich, Buddhist centric history that stretches back thousands of years, and the fourth pillar, preservation of culture, aims to protect traditional customs and norms. As globalization increases, culture is often pushed to the side. Bhutan is experiencing this more and more as they expand, and have made efforts to prevent the

severing of ties with the past. Some of this has been done through societal shifts in cultural outlook, while other changes have come through law. Whatever method of change, Bhutan still works on balancing globalization with maintaining a relationship to their historical past.

Bhutan has tried to promote culture through “training, conservation, and accessibility.”⁴² One example of this can be seen through Bhutan’s higher education policy. If a student leaves the country for an advanced degree, it is mandated that they enter a two-week cultural reorientation program upon their return.⁴³ Additionally, the government pursued a “one nation one people” ideal in the 1980s that resulted in the inception of dress rules.⁴⁴ The compulsory dress code produced men wearing ghos, a robe like clothing article, and women wearing kiras, a type of dress. The code is still in effect, although with less requirements and now more relaxed as many opt to wear jeans and shirts underneath. Bhutan has attempted to maintain their culture on many levels, but the reality of a globalizing world has made this tougher, and has even brought criticism to the country’s policies.

Bhutan’s cultural policies have been accused of being fraudulent, and even exclusive to many. Some government “traditions” have been invented without much pretense, such as a policy requiring that shawls be worn in governmental offices or temples.⁴⁵ What is more troubling, however, is the history and potential continuance of discrimination against the Nepalese. Between 1988-93, many Nepali speakers in Bhutan had to leave for Nepal

⁴² Knaster, Mirka. "Bhutan at a Crossroads." *Greater Good*. UC Berkeley, 1 Dec 2008. Web. 21 Nov 2013. <http://greatergood.berkeley.edu/article/item/bhutan_crossroads>.

⁴³ Knaster, *ibid*, 2008.

⁴⁴ "Bhutan: The Pursuit of Happiness," *ibid*, *The Economist*.

⁴⁵ "Bhutan: The Pursuit of Happiness," *ibid*, *The Economist*.

refugee camps, resulting in one-eighth of its population in exile.⁴⁶ The truth of the disposition of the approximate 43,000 Bhutanese refugees housed in UN camps remains a mystery,⁴⁷ but the issue was problematic enough to convince the Dutch to withhold aid normally given to Bhutan.⁴⁸ The government has defended itself, stating that many of the refugees were illegal immigrants, and that others forfeit citizenship and left on their own accord. Others believe the government had no choice, as overpopulation was becoming a problem.⁴⁹ It is possible that Nepalese discrimination continues today, and propagated by the coercive adherence to cultural traditions that are not shared between nations.

Gross National Happiness's pillar devoted to culture is often considered the most controversial of the four. At first glance, the principle is sound. Allowing for traditions to stand as respect to the past isn't inherently contentious, but the enactment of such can get murky. Globalization brings in a melting pot of people and cultures, so to force traditions held only by one nation of people poses problems. The country has tried dress codes and cultural observations, but it appears these are relaxing as the government realizes the complexity of the situation it faces. The cause of fleeing Nepalese is not clear, but many feel discriminated against, showing that regardless of the truth, an issue remains unsolved. While the other three pillars of GNH have appeared to be successful overall, this fourth pillar has struggled to make progress, and appears to be the most volatile.

⁴⁶ "Bhutan: The Pursuit of Happiness," *ibid*, *The Economist*.

⁴⁷ "Bhutan," *ibid*, *CIA World Factbook*.

⁴⁸ "Bhutan: The Pursuit of Happiness," *ibid*, *The Economist*.

⁴⁹ "Bhutan: The Pursuit of Happiness," *ibid*, *The Economist*.

Reactions

Overall, both Bhutanese citizens and outsiders are seemingly pleased with the progress Bhutan has made. Its people are happy and the society is beginning to thrive. While the country may seem more authoritative than many developed states, the numbers don't lie. It has a growing economy, a healthy environment, democratic institutions, and for better or worse, somewhat of a preserved culture.

In many polls and studies, Bhutan is ranked as one of the happiest countries in the world. A 2007 research project at the University of Leicester in the U.K. created a world map of happiness, one in which Bhutan fared well. The tiny Himalayan nation ranked first in Asia and eighth in the world, despite having a GDP ranked 137th at the time of the study.⁵⁰ Even the World Bank has taken notice, saying "Bhutan should be one of the few countries where the quality of life of its people is higher than would be expected from traditional development indicators."⁵¹ Bhutan's high level of satisfaction may be surprising to many, but not those living there. Numerous Bhutanese associate happiness with community, family, and self-sufficiency. Bhutan has defied the odds, showing that money does not equal happiness, as many of its citizens are content with a simpler life that factors in more than the national bottom line.

Outsiders may look at the government of Bhutan as an authoritative regime. There is a point to be made, as the country has many restrictions not found elsewhere. Televised wrestling was banned after children began to imitate the moves. Laptops were banned in Parliament after legislators were found to be playing videogames. Tobacco, public smoking, plastic bags, and billboards have also found themselves prohibited by the federal

⁵⁰ Knaster, *ibid*, 2008

⁵¹ Knaster, *ibid*, 2008

government.⁵² While this may be overboard compared to other free countries, it is not necessarily prohibitive for citizens' well being. This kind of authority doesn't outwardly restrict citizens, and there aren't protests against these policies.

As with all other Bhutanese policies, opinions differ on Gross National Happiness. Advocates note its usefulness in allowing Bhutan to slowly modernize in the way it chooses. Critics note the governments remaining authoritative policies, calling the idea utopian and lacking of substantive change. Regardless the view, it cannot be denied that Bhutan has improved greatly over the past several decades. The state excels compared to its neighbors, and the citizens are overall pleased with the change. Countless kinks still sit waiting to be worked out, but these issues pale in comparison to those that would exist had the country not progressed. It is certainly too early to tell if Gross National Happiness is worthy of being adopted by other countries, but there is no question it has worked for Bhutan.

Looking Ahead in Bhutan

So what is next for Bhutan? Do they aim to continue along this path, or do they switch gears? New problems have emerged, many of which Gross National Happiness does not take into account. Globalization creates new needs for transportation and infrastructure, as the country will look to increase development with growth. Additionally, the Bhutanese have become more aware of the outside world, creating a desire to move out of an agriculturally based community and into more alluring careers. Bhutan is also facing some uncertainty when it comes to the future of Gross National Happiness and policy making. Current prime minister Tshering Tobgay of the new majority Peoples Democratic

⁵² Knaster, *ibid*, 2008.

Party has moved away from GNH; not completely, as the ideals remain, but not as the pioneering force it was once viewed as. However, even the most advanced countries find themselves reaching into darkness when trying to forecast what comes next. The future of Bhutan is uncertain, yet not any more unique than other states around the globe.

With all the fruits a growing economy bears comes new need to be fulfilled. At the moment, Bhutan's major priority is its roads. Globalization has brought the need for connectivity, a capacity Bhutan lacks.⁵³ With the amount of rural land in the country, the government is looking to make transportation easier and more efficient to all corners of the land. They continue to export more and more hydroelectricity to India, and continue to rely on tourism. With a high demand to visit Bhutan, the government has been able to charge thousands of dollars for tourist permits.⁵⁴

For Bhutan, the continued development is a necessity, as it could use the extra cash. External debt is roughly 90% of GDP, and youth unemployment hovers over 7%.⁵⁵ The unemployment problem is expected, as young adults have been exposed to a global perspective, tarnishing the appeal of working traditional jobs. As royal family member and advisor to the former king Paljor Dorji put it, "Who wants to do subsistence farming and get up at four in the morning and carry water if you don't have to? Once you educate the people, nobody is going to live the same miserable life their parents did."⁵⁶ The lack of employment has had an adverse effect on Bhutan's crime rates, as young adults have settled for drug use, gangs, and crimes. Primary drug use in Bhutan has come in the form of

⁵³ "Bhutan: The Pursuit of Happiness," *ibid*, *The Economist*.

⁵⁴ "Bhutan: The Pursuit of Happiness," *ibid*, *The Economist*.

⁵⁵ Harris, Gardiner. "Index of Happiness? Bhutan's New Leader Prefers More Concrete Goals." *New York Times* 04 Oct 2013, n. pag. Print.

⁵⁶ Harris, *ibid*, 2013.

sniffing correction fluid or popping pills from India and has resulted in one overdose per month on average.⁵⁷ These problems illustrate the downside of globalization, as being exposed to the outside world brings both blessings and perils.

One of the most startling changes for Bhutan was a distancing from Gross National Happiness in 2013 following the country's second set of national elections. In 2008 with an approximate 80% voter turnout rate, the Peace and Prosperity Party won Bhutan's first election in a landslide, taking 44 out of 47 parliamentary seats with the opponent's leader Sangay Ngedup losing his own constituency.⁵⁸ In 2013, the voting lines switched dramatically, as the People's Democratic Party took 32 seats in parliament with the Peace and Prosperity Party picking up the remaining 15.⁵⁹ One peculiar incident leading into the 2013 elections was India's cutting of a gas and kerosene subsidy to Bhutan. Early that June, India discontinued the aid, and with only weeks leading into the election, the event became a major policy issue.⁶⁰ Some say it may have been political, as the subsidy was reinstated a month after its cancellation, when the elections had concluded. The Indian government denies this skepticism, as sources in the Ministry of Affairs said "there was no political consideration," and that it was a mistake in import-export figures.⁶¹ Despite the incident, many contribute the victory to Prime Minister Tobgay. He has been praised as a vocal, energetic leader for the opposition in years past, and was looked to by many for guidance

⁵⁷ Knaster, *ibid*, 2008.

⁵⁸ Sengupta, Somini. "Heavy Turnout in First Bhutan Election." *The New York Times* 25 Mar. 2008: n. pag. Print.

⁵⁹ Suta Dogra, Chander. "Opposition scores handsome win in Bhutan." *The Hindu* 14 July 2013, sec. International News: n. pag. Print.

⁶⁰ Dikshit, Sandeep. "India to restore gas, kerosene subsidy for Bhutan ." *The Hindu* 31 July 2013, sec. National News: n. pag. Print.

⁶¹ Dikshit, *ibid*, 2013.

in critique of the previous majority party.⁶² Tobgay favors a more mainstream approach, and is looking towards more quantifiable goals. His political party, the center-left People's Democratic Party took over power from the center-right Peace and Prosperity Party in Bhutan's second national election, and has taken the country in a slightly different direction. The dress code requiring ghos for men is no more, as is the occasional vehicle traffic bans.⁶³ This doesn't mean that a goal of happiness has fallen by the wayside, only that a new way to approach it has emerged. "Rather than talking about happiness, we want to work on reducing the obstacles to happiness," Tobgay said.⁶⁴ Additionally, he has kept a hard stance against political corruption, making it a major piece of his platform. The People's Democratic Party may move in a different direction than the specific implementation of Gross National Happiness, the ideals have remained, and the essence continues to be pursued.

Gross National Happiness was a major change for Bhutan, and change is continuing to occur. New problems are emerging, but will be dealt with just like those in the past have. As a new party takes control in the Bhutanese government, adjustments will most certainly take place. By being a holistic measure with no set of metrics, GNH will continue to adapt and be influenced by new regimes, ideas, and societies. It is dynamic in nature, adjusting for what the world brings. Even though lack of certainty exists, it is not uncommon. No matter how hard states may wish, there is no crystal ball into the future. The Bhutanese do not know what will come next, nor does Gross National Happiness, or any other country on the planet for that matter. All that can be known for sure is what GNH has already done for

⁶² Suta Dogra, *ibid*, 2013.

⁶³ Harris, *ibid*, 2013

⁶⁴ Harris, *ibid*, 2013

Bhutan. Gross National Happiness is not a perfect progress indicator, but it is more comprehensive than most, and has brought Bhutan a vast number of successes despite being in such a youthful stage of development.

PART II: PRINCIPLES OF GROSS NATIONAL HAPPINESS CATCHING ON GLOBALLY

Who Is Taking Notice

Bhutan's recent successes have garnered plenty of attention. Countries around the world are taking notice of Gross National Happiness, and some of its elements have spread overseas. In the case of some states, the move has come organically, as many naturally align their goals with a promotion of happiness. In other cases, countries have explicitly taken the thriving policies out of Bhutan's handbook. Regardless of the source, the ideas have permeated modern culture and are beginning to take hold worldwide.

Tim Kasser, an associate professor of psychology at Knox College, acknowledges just how powerful Gross National Happiness can be:

"By setting up GNH and working hard to establish policies that help achieve it, Bhutan is offering a whole different set of values as to what's important," Kasser said. "It's not trying to pursue American corporate capitalism. Imagine if we lived in a country where we saw indicators of GNH—literacy, ecological sustainability, and equality—appear in the newspaper every day, rather than the Dow Jones average. That would promote a different mindset among citizens."⁶⁵

He continues, commenting on the harms of focusing on financial worth and instead advocating a more holistic approach to satisfaction.

"People who pursue extrinsic materialistic goals tend to be less happy, less likely to contribute positively to society, and more likely to be competitive

⁶⁵ Knaster, Mirka. "Bhutan at a Crossroads."

and ecologically destructive,” Kasser said. “People who pursue intrinsic values—self-acceptance, affiliation, community feeling—tend to be happier, to contribute more to society, to be more cooperative, and to live more lightly on the earth. While government probably can’t legislate happiness, what it can do is pass legislation that removes the social and economic barriers to happiness, and that promotes situations that are likely to provide happiness. We can start measuring happiness or well-being and get that information out there so people can see that promoting well-being is not the same thing as economic growth. It all depends on what values we want to organize our society around.”⁶⁶

The most effective part of Gross National Happiness may not be the policies it creates, but the social norms it changes. Bhutan has been able to orient the minds of its society towards a different ideal than the western world. Instead of focusing on accumulating wealth, the Bhutanese focus on a variety of avenues that all merge towards the greatest utility. As this spreads globally, more and more countries start to realize its merits, and have slowly but surely began to alter their policies accordingly.

Elements of GNH Implemented Elsewhere

While Gross National Happiness remains unique to Bhutan as an all-encompassing political philosophy, there have been many replications (e.g. Nova Scotia, Vermont, and Maryland). Many have built of the premise of GNH while trying to satisfy the quantitative demands of society. This kind of economic modeling started in 1972 by William Nordhaus and James Tobin, who estimated the Measure of Economic Welfare (MEW).⁶⁷ This research continued to improve under Herman Daly and John Cobb, who developed the Index of

⁶⁶ Knaster, Mirka. "Bhutan at a Crossroads."

⁶⁷ Erickson, Jon, Eric Zencey, Matthew Burke, Sam Carlson, and Zachary Zimmerman. "Vermont Genuine Progress Indicator: Findings and Recommendations." *Gund Institute for Ecological Economics: University of Vermont*. (2013): n. page. Print.

Sustainable Economic Welfare (ISEW) in 1989.⁶⁸ Most predominant however, is the Genuine Progress Indicator (GPI), developed in Nova Scotia by three California researchers in 1995 to provide “full-cost accounting.”⁶⁹ GPI incorporates both MEW and ISEW modeling, and like GNH it accounts for the things GDP does not, including unpaid household labor, philanthropy, and a clean environment.⁷⁰ This indicator advances the path blazed by GNH by adding the quantifiable element. The goal of GPI was to come up with a figure that represents a country’s true worth. This fills a void left by GNH, and brings a compromise to many number-obsessed societies throughout the world.

GPI begins with national income accounting, starting with personal consumption and then adjusting for income distribution before factoring in ignored or miscounted costs of economic activity and non-market environments.⁷¹ The indicator is not fully standardized, and does have some variation among those who use it. Figure 7 provides a detailed account of Nova Scotia’s GPI components, and is broken into 5 main categories: Time Use, Living Standards, Natural Capital, Human Impact on the Environment, and Human and Social Capital.

⁶⁸ Erickson, *ibid*, 2013.

⁶⁹ "The Genuine Progress Index. A better set of tools." *GPI Atlantic*. GPI Atlantic. Web. 8 Dec 2013.

⁷⁰ "The Genuine Progress Index. A better set of tools," *ibid*, 2013.

⁷¹ Erickson, *ibid*, 2013.

Nova Scotia GPI Components

Time Use

- Value of Civic and Voluntary Work
- Value of Unpaid Housework and Child Care
- Value of Leisure Time
- Paid Work Hours

Living Standards

- Income and its Distribution
- Financial Security - Debt and Assets
- Economic Security Index

Natural Capital

- Soils & Agriculture
- Forests
- Fisheries and Marine Resources
- Energy
- Air
- Water

Human Impact on the Environment

- Solid Waste
- Ecological Footprint
- Greenhouse Gas Emissions
- Transportation

Human and Social Capital

- Population Health
- Costs of Crime
- Educational Attainment

Figure 7⁷²

This measure has enormous effects in showing how well off a country is, and varies greatly from a country's GDP. GPIAtlantic's research found that volunteerism in Nova Scotia adds about \$1.9 billion to their economy annually, while obesity and poor dieting is an annual expense of \$250 million through healthcare costs and productivity loss.⁷³

Both ISEW and GPI have been estimated in over 20 countries, and are gaining traction in the United States. In 2004, Vermont became the first state to look at the metric,

⁷² "The Genuine Progress Index. A better set of tools," *ibid*, 2013.

⁷³ "The Genuine Progress Index. A better set of tools," *ibid*, 2013.

laying the groundwork for others such as Maryland, Ohio, Utah, Hawaii, Massachusetts, and Oregon.⁷⁴ GPI functions similarly on the state level, focusing on areas ignored by Gross State Product, a relative to GDP. Figure 8 provides a full-cost account for Vermont, looking at the state's GSP compared to its GPI, in total terms as well as per capita.

Vermont Genuine Progress Indicator, Total and Per Capita, 2011

	Total 2000\$ (billions)	Per Capita 2000\$	% of GPI
Gross State Product	20.274	32,364	
Genuine Progress Indicator	11.588	18,499	100.00%
Economic			
Personal Consumption Expenditures	16.064	25,644	138.63%
Income Inequality Adjustment	-3.181	-5,078	-27.45%
Services of Consumer Durables	2.928	4,674	25.27%
Cost of Consumer Durables	-1.716	-2,740	-14.81%
Cost of Underemployment	-0.549	-876	-4.74%
Net Capital Investment	0.400	639	3.46%
Environmental			
Cost of Water Pollution	-0.038	-61	-0.33%
Cost of Air Pollution	-0.025	-39	-0.21%
Cost of Noise Pollution	-0.021	-33	-0.18%
Cost of Net Wetland Change	-0.051	-81	-0.44%
Cost of Net Farmland Change	-1.367	-2,183	-11.80%
Cost of Net Forest Cover Change	0.136	217	1.18%
Cost of Climate Change	-0.798	-1,274	-6.88%
Cost of Ozone Depletion	-0.963	-1,537	-8.31%
Cost of Nonrenewable Energy Depletion	-3.627	-5,790	-31.30%
Social			
Value of Housework	3.488	5,569	30.10%
Cost of Family Changes	-0.140	-223	-1.21%
Cost of Crime	-0.041	-66	-0.36%
Cost of Personal Pollution Abatement	-0.099	-159	-0.86%
Value of Volunteer Work	0.251	401	2.17%
Cost of Lost Leisure Time	-1.123	-1,793	-9.69%
Value of Higher Education	2.301	3,672	19.85%
Services of Highways and Streets	0.621	991	5.36%
Cost of Commuting	-0.583	-931	-5.03%
Cost of Motor Vehicle Crashes	-0.279	-445	-2.41%

Figure 8⁷⁵

⁷⁴ Erickson, *ibid*, 2013.

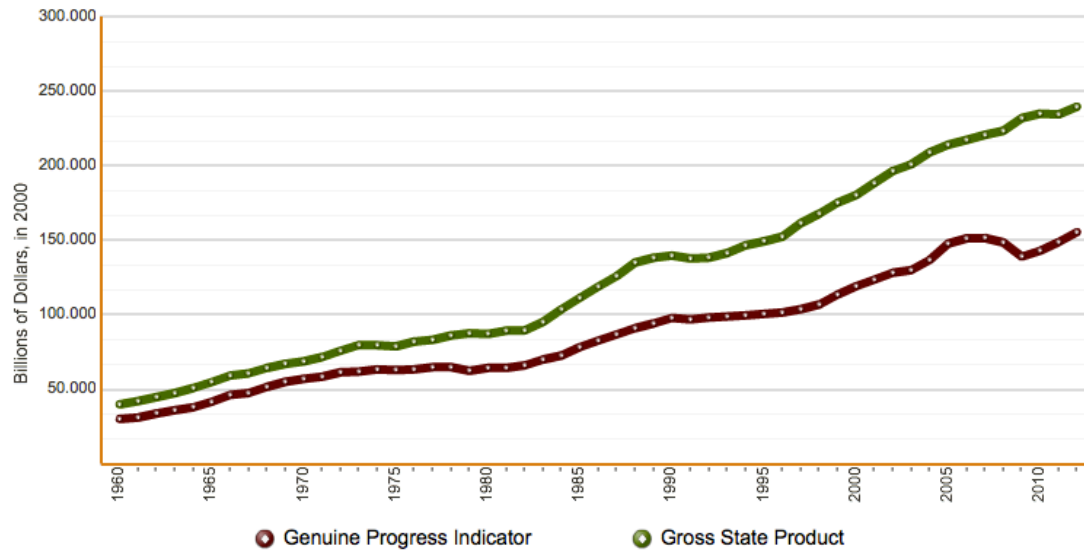
⁷⁵ Erickson, *ibid*, 2013.

The data from Figure 8 shows important results. 2011 per capita GPI in Vermont was 42.8% less than per capita GSP. Gross State Product per capita has almost recovered to pre-recession levels, but per capita GPI lags, partly due to unequal distribution of growth. Some have concerns that the estimate may be leveling off.⁷⁶ In sum, environmental costs account for a -60.63% impact on GPI, through effects such as the depletion of fossil fuels, emission of greenhouse gases, and pollution of fresh water sources. On the contrary, a sum of social factors such as higher education, increased volunteer work and housework combined with low crime rate costs have resulted in a boost to GPI of 37.92%. For states like Vermont, GPI tells a vastly different story from GDP, painting a different picture that highlights economic activity typically ignored.

While Vermont has used independent agencies to track GPI and create reports, Maryland has committed to the indicator in the state government, as the Department of Natural Resources maintains a growth model. This has made them the first state government in the United States to create a model, using 26 indicators.⁷⁷ Their growth in both GSP and GPI is shown in Figure 9.

⁷⁶ Erickson, *ibid*, 2013.

⁷⁷ "Maryland Genuine Progress Indicator." *Maryland: Smart, Green & Growing*. Maryland State Department of Natural Resources. Web. 8 Dec 2013.
<<http://www.dnr.maryland.gov/mdgpi/index.asp>>.

Figure 9⁷⁸

It can be seen that GPI and GSP were close until the 1980s until they started to diverge. This continued until the early 2000s, when GPI began to catch up to GSP. However, the closing of the gap was hampered during the 2008 financial crisis, and is only beginning to get back on track.

John Talberth, President and Senior Economist for the Center for Sustainable Economy believes that GPI could potentially become a “headline indicator for the new economy.”⁷⁹ As the rest of the world realizes that money does not buy happiness, metrics like a Genuine Progress Indicator may prove more and more valuable. GPI is able to expand upon the measures illuminated by Gross National Happiness to give valuable insights. Being able to quantify these ideals, something GNH does not, allows states to set benchmarks, crunch numbers, and come up with cost effective ways of making lives better.

⁷⁸ "Maryland Genuine Progress Indicator," *ibid*, 2013.

⁷⁹ Erickson, *ibid*, 2013.

A foundation for GPI is being built in countries across the world as well as in several U.S. states, proving its worth and showing just how much attention alternative progress indicators are garnering.

Conclusion

What started as a set of paragon in a country roughly the size of Maryland, housing a population well under one million, has transformed into a measure noticed by many countries across the world, and is only beginning to gain traction. It is fitting that Gross National Happiness started in a place with such a compatible history. Bhutan's rich tradition in Buddhism preaches the same values, with the society only just emerging out of simpler times where money was not a primary focus. The nation modernizes on its own terms, making careful calculations that expand beyond a traditional bottom-line. A four-pillar system guides policy making to examine outside forces and promote things often overshadowed by economic growth, such as the environment, culture, and anti-corruption. This approach allows for careful consideration of every decision, while maintaining focus on the upmost important goal of maximizing happiness on the individual and societal levels.

The success Bhutan has earned is unquestioned. They've advanced past their similarly situated neighbors in a variety of metrics. In per capita terms, their economy is growing the fastest out of all other East Asian LDCs. Additionally, the environment is thriving, a remembrance of traditional culture exists, and anti-corruption measures for the government have been enacted. While it cannot be clear exactly how much of this Gross National Happiness is responsible for, Bhutan has had unmistakably positive results since

its inception. This is not to say the Bhutanese are problem free. It has been seen that many problems continue to exist, while new problems emerge. Regardless, increased growth has come along all while maintaining core values. This simple concept is ventured by many but achieved by few.

The global impact of GNH has manifested into other indicators, most predominantly GPI. The Genuine Progress Indicator considers many of the same values as GNH, but takes it a step further to quantify results into numbers that can effect policy. Its scope of influence is widening, as more and more governments implement the indicator. It is too early to tell how GPI has faired; it has only recently been introduced and still not used as an absolute goal. Its expansion is promising, and the success of GNH could potentially forecast the same.

Gross National Happiness has had its impact. It revolutionized a country, raising them above their peers in broad ranges of metrics. For a concept concocted by one of the smallest, least populous states in the world, GNH is proving to be extremely significant. It is not a refined product, nor does it claim to be. However, it has sparked a transition of social norms. What may be GNH's greatest trait is the ability to mobilize the masses towards more intrinsic happiness, rather than external outlets such as money. GPI could emerge as the next revolutionary metric, with Gross National Happiness motivating it towards prominence. Starting in the 1970s, before the neoclassic economic era began, GNH already constituted what "happiness" entails. If the modern world builds off its incipient start down the path of achieving happiness, the change could be monumental, which isn't too shabby for a tiny, isolated Himalayan country.

APPENDIX**Chart Data****Figure 1: Percentage of Total Land Area Protected**

Year	Bangladesh	Bhutan	Cambodia	Kiribati	Lao PDR	Myanmar	Nepal	Samoa	Solomon Islands	Tuvalu	Vanuatu	Average
1990	1.71	14.25	0.03	5.03	1.49	3.14	7.69	2.40	0.05		3.73	3.95
1991	1.71	14.25	0.03	5.03	1.49	3.14	8.70	2.40	0.05		3.74	4.05
1992	1.71	14.25	0.03	5.03	1.49	3.14	14.02	2.40	0.05		3.74	4.59
1993	1.71	18.11	15.49	5.03	14.77	3.14	14.02	2.40	0.05		3.74	7.85
1994	1.71	18.11	17.39	5.03	15.39	3.37	14.02	2.42	0.09		3.98	8.15
1995	1.71	26.38	17.49	5.03	15.39	3.37	14.02	2.42	0.09		4.22	9.01
1996	1.77	26.38	17.49	5.03	16.29	4.00	14.54	2.42	0.09	0.44	4.22	8.42
1997	1.77	26.38	17.54	5.03	16.29	4.35	14.71	2.42	0.09	0.44	4.22	8.48
1998	1.77	28.35	17.54	5.03	16.29	4.36	17.00	2.51	0.09	0.44	4.22	8.87
1999	1.77	28.35	22.89	16.81	16.31	4.47	17.00	2.51	0.09	0.44	4.22	10.44
2000	1.77	28.35	22.89	16.81	16.62	4.47	17.00	2.51	0.09	0.44	4.22	10.47
2001	1.81	28.35	22.89	16.81	16.62	5.30	17.00	2.51	0.09	0.44	4.26	10.55
2002	1.81	28.35	22.89	16.81	16.62	6.33	17.00	2.51	0.09	0.44	4.26	10.65
2003	1.81	28.35	22.89	16.81	16.62	6.33	17.00	3.41	0.09	0.44	4.26	10.73
2004	1.81	28.35	25.21	16.81	16.62	6.33	17.00	3.41	0.09	0.44	4.26	10.94
2005	1.81	28.35	25.21	16.81	16.62	6.33	17.00	3.41	0.09	0.44	4.26	10.94
2006	1.81	28.35	25.21	22.04	16.62	6.33	17.00	3.41	0.09	0.44	4.26	11.41
2007	1.81	28.35	25.25	22.04	16.62	6.33	17.00	3.41	0.09	0.44	4.26	11.42
2008	1.81	28.35	25.25	22.04	16.62	6.33	17.00	3.41	0.09	0.44	4.26	11.42
2009	1.81	28.35	25.77	23.23	16.62	6.33	17.00	3.41	0.09	0.44	4.26	11.57
2010	1.81	28.35	25.77	23.23	16.62	6.33	17.00	3.41	0.09	0.44	4.26	11.57

Figure 2: Forest Depletion (in % of Gross National Income)

Year	Bangladesh	Bhutan	Cambodia	Kiribati	Lao PDR	Myanmar	Nepal	Samoa	Solomon Islands	Tuvalu	Vanuatu	Average
1970			2.19				3.20					2.69
1971			1.77				3.86					2.82
1972			3.87				3.59		1.61			3.02
1973	1.77		3.56				4.27		2.82			3.11
1974	1.46		5.32				4.31		1.22			3.08
1975	1.07						3.85		1.32			2.08
1976	2.06						4.06		2.98			3.03
1977	2.71						5.38		3.72			3.93
1978	2.10						5.18		2.15			3.14
1979	1.98						4.90		4.05		0.13	2.77
1980	2.07	14.74					5.52		3.80		0.10	5.25
1981	1.76	13.56					4.56		5.60		0.00	5.09
1982	1.82	13.13					4.10	2.69	7.60		0.00	4.89
1983	1.78	11.84					3.95	2.81	8.43		0.00	4.80
1984	1.58	10.58			0.00		3.63	2.63	4.85		0.00	3.32

1985	1.28	8.21		0.00		3.20	2.76	5.00	0.00	2.92
1986	1.51	7.84		0.00		3.45	2.62	6.01	0.00	3.06
1987	1.55	6.90	2.78	0.00		4.10	2.88	4.04	0.00	2.78
1988	1.48	5.62	1.57	0.00		3.50	2.16	3.12	0.00	2.18
1989	1.36	5.14	1.90	0.00		3.31	2.17	2.95	0.00	2.11
1990	1.33	5.33	2.09	0.00		3.66	2.23	6.08	0.00	2.59
1991	1.31	6.66	1.66	0.00		3.50	2.21	3.59	0.00	2.37
1992	1.28	7.07	1.44	0.00		4.11	2.32	8.52	0.00	3.09
1993	1.20	7.10		0.00		3.72	3.09	10.22	0.00	3.62
1994	1.16	5.89		0.00		3.26	2.68	10.47	0.00	3.35
1995	1.13	5.98	1.35	0.00		3.42	2.60	11.30	0.00	3.22
1996	1.02	5.58	1.26	0.00		3.23	2.19	12.76	0.00	3.26
1997	0.95	4.68	1.21	0.00		3.07	1.76	5.21	0.00	2.11
1998	0.87	5.04	1.13	0.00		3.59	1.46	4.29	0.00	2.05
1999	0.82	5.51	0.89	0.00		3.46	1.57	4.55	0.00	2.10
2000	0.78	4.49	0.42	0.00		3.17	0.74	4.56	0.00	1.77
2001	0.74	4.07	0.32	0.00		2.75	0.72	4.17	0.00	1.60
2002	0.70	4.03	0.28	0.00		3.23	0.66	4.81	0.00	1.71
2003	0.67	3.68	0.26	0.00		2.90	0.55	7.56	0.00	1.95
2004	0.66	3.48	0.23	0.00		2.44	0.44	10.81	0.00	2.26
2005	0.64	3.17	0.19	0.00		2.26	0.49	12.64	0.00	2.42
2006	0.64	3.24	0.16	0.00		2.51	0.34	11.55	0.00	2.31
2007	0.69	5.56	0.13	0.00		4.42	0.33	14.31	0.00	3.18
2008	0.60	4.60	0.11	0.00		3.20	0.31	20.29	0.00	3.64
2009	0.54	4.68	0.09	0.00		4.07	0.30	12.51	0.00	2.78
2010	0.46	3.48	0.07	0.00		2.54	0.27	17.80	0.00	3.08
2011	0.45	3.37	0.09	0.00		2.24	0.29	15.13	0.00	2.69

Figure 3: CO2 Emissions per capita (in metric tons)

Year	Bangladesh	Bhutan	Cambodia	Kiribati	Lao PDR	Myanmar	Nepal	Samoa	Solomon Islands	Tuvalu	Vanuatu	Average
1960			0.04		0.04	0.13	0.01	0.14	0.09			0.07
1961			0.05	0.22	0.05	0.12	0.01	0.16	0.12			0.10
1962			0.05	0.32	0.06	0.13	0.01	0.16	0.12		0.59	0.18
1963			0.06	0.51	0.06	0.11	0.01	0.18	0.11		0.47	0.19
1964			0.05	0.50	0.07	0.12	0.01	0.21	0.14		0.86	0.25
1965			0.06	0.29	0.08	0.11	0.02	0.23	0.19		0.64	0.20
1966			0.07	0.28	0.10	0.11	0.02	0.20	0.18		1.01	0.25
1967			0.06	0.55	0.13	0.14	0.02	0.19	0.23		1.07	0.30
1968			0.07	0.79	0.07	0.11	0.02	0.21	0.24		0.77	0.29
1969			0.20	0.26	0.12	0.12	0.04	0.21	0.24		0.53	0.21
1970		0.01	0.17	0.50	0.21	0.17	0.02	0.20	0.25		0.47	0.22
1971		0.01	0.03	0.65	0.15	0.18	0.02	0.25	0.29		0.67	0.25
1972	0.05	0.01	0.02	0.56	0.17	0.17	0.02	0.25	0.32		0.69	0.23
1973	0.07	0.01	0.02	0.79	0.18	0.14	0.03	0.25	0.37		0.59	0.24
1974	0.07	0.01	0.01	0.70	0.10	0.16	0.03	0.22	0.35		0.64	0.23

1975	0.07	0.01	0.01	0.68	0.08	0.15	0.03	0.39	0.30	0.55	0.23
1976	0.08	0.01	0.01	0.67	0.07	0.16	0.02	0.31	0.31	0.43	0.21
1977	0.08	0.02	0.01	0.43	0.07	0.16	0.03	0.53	0.39	0.48	0.22
1978	0.08	0.03	0.01	0.42	0.07	0.16	0.02	0.69	0.29	0.54	0.23
1979	0.08	0.05	0.00	0.48	0.07	0.15	0.04	0.62	0.49	0.55	0.25
1980	0.09	0.05	0.04	0.54	0.06	0.16	0.04	0.64	0.45	0.54	0.26
1981	0.09	0.06	0.04	0.52	0.05	0.16	0.03	0.66	0.57	0.43	0.26
1982	0.10	0.08	0.05	0.45	0.05	0.16	0.03	0.72	0.49	0.42	0.25
1983	0.09	0.07	0.05	0.37	0.05	0.16	0.03	0.72	0.56	0.44	0.25
1984	0.10	0.11	0.05	0.36	0.05	0.17	0.04	0.71	0.54	0.43	0.26
1985	0.11	0.13	0.05	0.35	0.05	0.17	0.04	0.71	0.56	0.93	0.31
1986	0.12	0.11	0.05	0.29	0.06	0.17	0.04	0.71	0.55	0.44	0.25
1987	0.12	0.20	0.05	0.33	0.05	0.12	0.05	0.71	0.56	0.35	0.26
1988	0.13	0.21	0.05	0.32	0.05	0.10	0.06	0.70	0.53	0.47	0.26
1989	0.13	0.12	0.05	0.32	0.06	0.11	0.05	0.75	0.53	0.44	0.25
1990	0.14	0.24	0.05	0.31	0.06	0.10	0.04	0.77	0.52	0.48	0.27
1991	0.14	0.35	0.05	0.30	0.06	0.10	0.05	0.76	0.50	0.44	0.28
1992	0.16	0.41	0.05	0.30	0.06	0.11	0.07	0.78	0.49	0.43	0.28
1993	0.15	0.36	0.05	0.30	0.06	0.12	0.08	0.77	0.46	0.41	0.28
1994	0.16	0.42	0.05	0.29	0.06	0.14	0.08	0.72	0.44	0.40	0.28
1995	0.19	0.49	0.13	0.29	0.08	0.15	0.10	0.78	0.45	0.39	0.30
1996	0.20	0.59	0.15	0.47	0.10	0.16	0.12	0.77	0.44	0.49	0.35
1997	0.20	0.76	0.17	0.37	0.13	0.16	0.13	0.77	0.42	0.50	0.36
1998	0.19	0.72	0.19	0.41	0.14	0.17	0.10	0.76	0.41	0.47	0.36
1999	0.19	0.70	0.18	0.36	0.18	0.18	0.14	0.80	0.41	0.47	0.36
2000	0.21	0.71	0.18	0.40	0.18	0.18	0.14	0.80	0.40	0.44	0.36
2001	0.24	0.67	0.21	0.30	0.16	0.15	0.15	0.81	0.41	0.46	0.36
2002	0.25	0.70	0.23	0.30	0.21	0.17	0.11	0.81	0.40	0.43	0.36
2003	0.24	0.61	0.24	0.29	0.20	0.19	0.12	0.85	0.40	0.41	0.36
2004	0.28	0.49	0.27	0.29	0.25	0.23	0.11	0.86	0.39	0.27	0.34
2005	0.26	0.61	0.28	0.28	0.25	0.29	0.13	0.88	0.38	0.26	0.36
2006	0.33	0.59	0.30	0.32	0.27	0.26	0.10	0.87	0.37	0.22	0.36
2007	0.33	0.58	0.32	0.55	0.28	0.26	0.10	0.89	0.40	0.43	0.41
2008	0.31	0.61	0.36	0.54	0.28	0.25	0.12	0.88	0.39	0.54	0.43
2009	0.34	0.60	0.33	0.53	0.29	0.22	0.13	0.87	0.38	0.51	0.42

Figure 4: GDP Purchasing Power Parity (in billions of current international dollars)

Year	Bangladesh	Bhutan	Cambodia	Kiribati	Lao P.D.R.	Myanmar	Nepal	Samoa	Solomon Islands	Tuvalu	Vanuatu	Average
1980	27.282	0.189	n/a	0.153	1.107	n/a	4.024	0.238	0.33	n/a	0.211	4.19175
1981	30.756	0.234	n/a	0.161	1.397	n/a	4.768	0.237	0.355	n/a	0.241	4.768625
1982	33.679	0.257	n/a	0.182	1.552	n/a	5.251	0.249	0.37	n/a	0.261	5.225125
1983	36.624	0.297	n/a	0.188	1.662	n/a	5.296	0.26	0.4	n/a	0.279	5.62575
1984	39.587	0.322	n/a	0.205	1.835	n/a	6.027	0.275	0.415	n/a	0.317	6.122875
1985	42.313	0.346	n/a	0.197	2.063	n/a	6.591	0.3	0.414	n/a	0.33	6.56925
1986	44.972	0.394	2.99	0.199	2.211	n/a	7.044	0.321	0.423	n/a	0.337	6.543444444

1987	47.633	0.519	3.739	0.186	2.253	n/a	7.371	0.332	0.472	n/a	0.337	6.982444444
1988	50.446	0.564	4.239	0.228	2.282	n/a	8.211	0.354	0.494	n/a	0.343	7.462333333
1989	54.602	0.628	4.545	0.216	2.602	n/a	8.89	0.388	0.535	n/a	0.361	8.085222222
1990	59.319	0.722	4.774	0.229	2.883	n/a	9.661	0.377	0.567	n/a	0.419	8.772333333
1991	64.003	0.745	5.318	0.252	3.105	n/a	10.641	0.381	0.623	n/a	0.447	9.501666667
1992	68.666	0.798	5.829	0.267	3.401	n/a	11.34	0.406	0.718	n/a	0.47	10.21055556
1993	73.218	0.831	6.199	0.28	3.68	n/a	12.037	0.422	0.764	n/a	0.484	10.87944444
1994	78.135	0.891	6.847	0.3	4.064	n/a	13.301	0.459	0.843	n/a	0.539	11.70877778
1995	83.567	0.973	7.44	0.302	4.441	n/a	14.049	0.499	0.947	n/a	0.555	12.53033333
1996	89.428	1.046	7.992	0.327	4.837	n/a	15.081	0.545	0.981	n/a	0.579	13.424
1997	95.834	1.121	8.59	0.351	5.263	n/a	16.154	0.56	0.989	n/a	0.618	14.38666667
1998	101.805	1.2	9.123	0.393	5.555	17.582	16.817	0.572	1.013	n/a	0.633	15.4693
1999	108.903	1.313	10.359	0.405	5.87	19.794	17.83	0.577	1.023	n/a	0.644	16.6718
2000	117.49	1.411	11.511	0.434	6.376	23.002	19.33	0.618	0.896	0.025	0.697	16.52636364
2001	125.953	1.561	12.731	0.429	6.822	26.19	20.879	0.682	0.843	0.026	0.689	17.89136364
2002	134.193	1.757	13.788	0.465	7.408	29.815	21.243	0.736	0.833	0.029	0.663	19.17545455
2003	144.929	1.931	15.275	0.495	8.034	34.656	22.545	0.781	0.906	0.028	0.706	20.93509091
2004	158.475	2.116	17.211	0.493	8.823	40.159	24.055	0.836	1.014	0.029	0.753	23.08763636
2005	173.643	2.294	20.143	0.528	9.687	47.593	26.022	0.917	1.153	0.029	0.804	25.71027273
2006	190.951	2.531	23.034	0.552	10.864	55.555	27.766	0.966	1.238	0.03	0.9	28.58063636
2007	208.881	3.071	26.123	0.57	12.056	64.022	29.547	1.012	1.355	0.033	0.974	31.604
2008	226.237	3.286	28.489	0.569	13.283	67.797	32.046	1.079	1.483	0.036	1.06	34.12409091
2009	241.696	3.537	28.763	0.561	14.404	71.906	33.79	1.032	1.425	0.036	1.104	36.20490909
2010	260.596	4.003	30.924	0.576	15.783	76.761	35.891	1.05	1.558	0.035	1.137	38.93763636
2011	283.469	4.437	33.819	0.6	17.415	82.678	38.08	1.094	1.761	0.036	1.178	42.23336364
2012	306	4.955	36.645	0.626	19.2	89.461	40.557	1.127	1.891	0.037	1.231	45.61181818
2013	329.712	5.354	39.734	0.652	21.083	96.812	42.466	1.156	2	0.039	1.305	49.11936364
2014	357.633	5.932	43.458	0.678	23.165	105.221	45.041	1.215	2.117	0.04	1.388	53.26254545
2015	388.931	6.589	47.601	0.706	25.469	114.554	47.803	1.271	2.24	0.041	1.473	57.87981818
2016	424.04	7.699	52.187	0.735	28.054	124.95	50.79	1.33	2.368	0.042	1.563	63.06890909
2017	463.259	8.704	57.31	0.765	30.891	136.404	54.002	1.392	2.505	0.044	1.661	68.81245455
2018	506.929	9.776	62.92	0.797	33.943	148.978	57.405	1.457	2.645	0.045	1.764	75.15081818

Figure 5: GDP per Capita Purchasing Power Parity (in current international dollars)

Year	Bangladesh	Bhutan	Cambodia	Kiribati	Lao P.D.R.	Myanmar	Nepal	Samoa	Solomon Islands	Tuvalu	Vanuatu	Average
1980	338.381	438.026	n/a	2,542.35	342.018	n/a	265.402	n/a	1,435.68	n/a	1,835.82	1028.239571
1981	371.078	529.406	n/a	2,683.76	423.316	n/a	307.394	n/a	1,542.00	n/a	2,025.27	1126.032
1982	395.491	566.788	n/a	3,040.84	459.726	n/a	330.802	n/a	1,541.72	n/a	2,120.10	1207.923857
1983	418.756	639.044	n/a	3,032.23	479.878	n/a	326.055	n/a	1,598.44	n/a	2,216.22	1244.374714
1984	440.7	675.315	n/a	3,238.95	515.955	n/a	362.607	n/a	1,597.41	n/a	2,442.15	1324.726714
1985	458.509	705.03	n/a	3,089.98	564.509	n/a	387.609	n/a	1,535.17	n/a	2,447.14	1312.563857
1986	474.257	778.373	398.246	3,043.67	588.272	n/a	404.851	n/a	1,510.01	n/a	2,425.64	1202.914875
1987	488.903	990.77	482.992	2,776.81	582.939	n/a	414.056	n/a	1,626.60	n/a	2,389.43	1219.0625
1988	504.15	1,042.34	531.075	3,343.52	573.823	n/a	450.672	n/a	1,646.73	n/a	2,362.60	1306.86375
1989	531.756	1,135.63	552.257	3,100.66	636.163	n/a	476.529	n/a	1,721.54	n/a	2,472.36	1328.361875

1990	563.567	1,293.35	562.453	3,201.51	687.671	n/a	505.457	n/a	1,765.33	n/a	2,829.36	1426.08725
1991	593.891	1,340.97	607.666	3,440.79	719.919	n/a	543.037	n/a	1,874.02	n/a	2,961.79	1510.260375
1992	622.961	1,459.69	645.923	3,583.74	766.841	n/a	564.314	n/a	2,092.82	n/a	3,049.79	1598.259875
1993	649.988	1,555.90	666.123	3,705.93	807.437	n/a	583.91	n/a	2,156.16	n/a	3,080.13	1650.69725
1994	679.086	1,702.85	613.503	3,915.19	868.705	n/a	629.04	n/a	2,251.28	n/a	3,279.18	1742.35425
1995	711.291	1,876.38	646.964	3,890.87	926.091	n/a	647.945	n/a	2,463.71	n/a	3,295.47	1807.340125
1996	745.68	2,009.59	676.185	4,135.25	985.58	n/a	678.506	n/a	2,485.64	n/a	3,349.34	1883.221375
1997	783.15	2,122.22	711.713	4,364.37	1,049.04	n/a	709.258	n/a	2,557.06	n/a	3,485.11	1972.740125
1998	815.726	2,219.47	743.401	4,815.78	1,084.81	365.083	720.875	3,328.27	2,550.84	n/a	3,475.55	2011.9805
1999	856.058	2,364.01	830.413	4,871.89	1,124.31	402.887	746.598	3,324.81	2,501.54	n/a	3,450.06	2047.2576
2000	917.751	2,470.10	907.827	5,132.99	1,199.21	458.847	791.212	3,527.11	2,140.56	n/a	3,650.13	2119.5737
2001	966.313	2,655.11	987.723	4,986.98	1,261.21	522.339	835.998	3,859.80	1,968.56	n/a	3,525.20	2156.9233
2002	1,011.73	2,898.94	1,052.19	5,311.69	1,347.74	571.49	832.551	4,154.23	1,899.82	n/a	3,320.16	2240.0541
2003	1,074.68	3,092.83	1,146.25	5,547.21	1,439.20	651.06	865.361	4,392.26	2,018.92	2,819.82	3,456.35	2409.449182
2004	1,157.16	3,293.35	1,270.19	5,428.90	1,556.89	739.58	904.612	4,689.92	2,206.56	2,776.13	3,600.56	2511.259273
2005	1,250.29	3,480.17	1,456.70	5,706.02	1,683.66	859.211	969.134	5,128.87	2,452.05	2,725.22	3,759.07	2679.126818
2006	1,357.86	3,751.14	1,626.35	5,855.82	1,859.79	983.193	997.58	5,388.17	2,571.98	2,689.40	4,114.80	2836.007545
2007	1,468.82	4,460.03	1,823.75	5,944.00	2,032.58	1,110.71	1,041.34	5,621.58	2,751.11	2,963.01	4,353.73	3051.878182
2008	1,574.23	4,684.86	1,956.42	5,825.65	2,205.71	1,153.03	1,108.64	5,967.37	2,942.88	3,252.41	4,631.57	3209.342727
2009	1,664.04	4,956.71	1,942.74	5,634.97	2,356.57	1,198.80	1,148.06	5,690.52	2,763.01	3,262.94	4,718.47	3212.439091
2010	1,774.11	5,514.57	2,068.02	5,685.90	2,545.28	1,254.53	1,198.00	5,767.88	2,894.28	3,162.08	4,751.07	3328.701818
2011	1,909.46	6,009.46	2,239.24	5,816.54	2,769.60	1,324.61	1,249.11	5,989.75	3,188.88	3,252.77	4,811.64	3505.550909
2012	2,039.48	6,664.71	2,402.33	5,973.05	3,011.21	1,405.03	1,308.07	6,148.96	3,345.35	3,338.15	4,916.21	3686.595455
2013	2,174.32	7,187.72	2,579.06	6,125.06	3,260.59	1,490.53	1,347.62	6,282.41	3,458.50	3,423.06	5,093.80	3856.606364
2014	2,333.56	7,947.74	2,792.82	6,268.94	3,532.94	1,588.07	1,407.11	6,581.58	3,578.55	3,519.83	5,297.33	4077.133636
2015	2,510.99	8,810.45	3,028.82	6,417.92	3,830.53	1,694.86	1,470.92	6,863.27	3,704.64	3,618.09	5,494.63	4313.192727
2016	2,708.76	10,274.36	3,287.73	6,574.77	4,160.90	1,812.24	1,540.08	7,154.52	3,831.84	3,723.05	5,703.03	4615.570909
2017	2,928.06	11,592.34	3,574.70	6,739.79	4,518.24	1,939.38	1,613.66	7,464.72	3,966.63	3,826.11	5,923.15	4916.98
2018	3,170.26	12,994.88	3,885.77	6,907.05	4,895.88	2,076.43	1,690.42	7,783.21	4,097.72	3,932.11	6,150.07	5234.890909

Figure 6: Inflation (indexed)

Year	Bangladesh	Bhutan	Cambodia	Kiribati	Lao P.D.R.	Myanmar	Nepal	Samoa	Solomon Islands	Tuvalu	Vanuatu	Average
1980	26.318	100	n/a	51.583	0.365	n/a	11.76	39.018	7.905	n/a	34.558	33.938375
1981	30.146	109.933	n/a	55.555	0.488	n/a	13.342	47.021	8.945	n/a	43.835	38.658125
1982	34.027	120.821	n/a	58.603	0.831	n/a	14.727	55.626	10.107	n/a	46.76	42.68775
1983	37.27	142.598	n/a	62.302	1.35	n/a	16.817	64.782	10.81	n/a	47.533	47.93275
1984	41.151	152.627	n/a	65.692	1.717	n/a	17.862	72.465	11.99	n/a	50.155	51.707375
1985	45.458	155.492	n/a	68.642	3.687	n/a	18.6	49.252	13.118	n/a	50.69	50.617375
1986	50.084	170.965	1.379	73.177	4.977	n/a	21.548	50.573	14.837	n/a	53.106	48.96066667
1987	55.507	181.853	0.948	65.705	5.282	n/a	24.411	56.218	16.542	n/a	61.624	52.01
1988	60.877	200.191	1.166	67.282	6.063	n/a	27.102	58.012	19.323	n/a	67.022	56.33755556
1989	66.193	217.765	1.911	71.386	9.683	n/a	29.291	65.119	22.209	n/a	72.215	61.75244444
1990	73.158	239.542	4.62	74.242	7.135	n/a	31.906	70.643	24.142	n/a	75.652	66.78222222
1991	79.219	268.959	13.444	78.771	8.093	n/a	34.44	69.357	27.763	n/a	80.546	73.39911111
1992	82.09	311.939	23.526	82.079	8.89	n/a	41.694	75.624	30.761	n/a	83.815	82.26866667

1993	84.536	346.896	50.421	87.086	9.393	n/a	45.392	76.916	33.591	n/a	86.803	91.226
1994	89.735	371.156	55.685	90.569	10.113	n/a	49.455	86.213	38.057	n/a	88.802	97.75388889
1995	98.813	406.399	61.297	94.283	12.042	n/a	53.251	83.69	41.715	n/a	90.782	104.6968889
1996	101.239	442.12	65.678	92.868	14.348	n/a	57.074	88.225	46.626	n/a	91.623	111.089
1997	106.26	470.917	72.576	94.912	17.152	n/a	61.698	94.312	50.386	n/a	94.201	118.046
1998	115.449	520.726	81.937	98.39	32.613	239.555	66.835	99.405	56.611	n/a	96.392	140.7913
1999	122.583	556.017	83.573	100.125	74.492	265.665	74.44	100.2	61.113	n/a	99.504	153.7712
2000	125.627	578.319	82.883	100.5	91.81	261.086	76.966	100	65.347	100	101.035	153.0520909
2001	128.024	598.042	82.786	106.535	98.983	351.17	78.84	101.9	70.332	101.531	105.402	165.7768182
2002	132.785	612.894	82.756	109.935	109.52	555.212	81.123	109.441	76.92	106.659	107.175	189.4927273
2003	139.903	622.493	83.606	111.977	126.469	693.726	84.97	114.147	84.671	109.767	110.517	207.4769091
2004	148.441	681.092	86.887	110.925	139.693	719.793	88.338	123.103	90.527	112.368	112.335	219.4092727
2005	158.892	717.268	92.404	110.541	149.707	797.107	92.347	132.724	97.342	115.988	113.548	234.3516364
2006	169.648	753.123	98.08	108.829	159.888	1,006.97	99.7	137.346	108.268	120.847	115.858	261.687
2007	185.102	792.059	105.601	113.414	167.121	1,338.53	105.884	143.826	116.566	123.609	120.227	301.0853636
2008	201.576	858.033	131.999	125.84	179.869	1,639.70	112.965	152.831	136.758	136.518	125.248	345.5760909
2009	212.514	895.453	131.124	136.868	179.931	1,773.68	127.223	175.209	146.484	136.131	131.797	367.8558182
2010	229.784	958.46	136.365	133.017	190.696	1,918.65	139.339	174.857	147.871	133.609	135.415	390.733
2011	254.378	1,043.34	143.835	134.613	205.132	1,994.98	152.733	179.884	158.867	134.278	136.422	412.5874545
2012	276.556	1,144.40	148.042	137.305	213.868	2,116.67	165.425	191.021	166.953	136.181	138.298	439.5199091
2013	294.648	1,261.25	152.594	140.738	229.511	2,254.27	181.33	194.841	176.04	139.798	140.64	469.6054545
2014	312.944	1,375.68	159.144	144.256	240.408	2,369.83	196.391	197.764	183.783	143.512	143.69	497.0365455
2015	331.317	1,489.01	164.471	147.863	251.655	2,488.20	210.717	205.675	191.439	147.324	147.968	525.0580909
2016	349.685	1,593.61	169.473	151.559	262.413	2,612.48	225.282	213.902	199.655	151.238	152.374	552.8791818
2017	368.918	1,691.99	174.628	155.348	273.435	2,742.97	239.073	222.458	208.439	155.255	156.91	580.8567273
2018	389.208	1,792.68	179.867	159.232	284.508	2,875.93	252.184	231.356	219.231	159.38	161.582	609.5598182

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