

Bhutan's Gross National Happiness Project: Lessons from the East

Geoffrey Lamberton

School of Commerce & Management, Southern Cross University, AUS

The small kingdom of Bhutan nestled in the eastern Himalayas has declared Gross National Happiness (GNH) as its national goal, clearly distinguishing its developmental path from nations fervently pursuing economic growth measured by increases in Gross National Product. Bhutan has a long history of preserving its natural capital, resisting the temptation to exploit rich mineral and forest resources, investing in the preservation of cultural traditions, social welfare and economic independence. Underpinning the Bhutanese objective of GNH is a strong tradition of Buddhist philosophy and practice leading to an alternative economic path which has much to offer the rest of the world in the global search for sustainability. This paper presents a proposal to examine the Buddhist and ethical underpinnings of GNH together with the accounting process of measuring progress towards this objective, leading to a discussion of whether the Western version of sustainability is inherently flawed due to the lack of a virtuous moral basis.

1.0 Gross national happiness in Bhutan

Bhutan, a small Himalayan Kingdom of less than one million people and blessed with abundant natural resources is treading an economic development path which maintains its separateness and independence from the global economy. The Fourth King of Bhutan, His Majesty King Jigme Singye Wangchuck, in the late 1980s declared *Gross National Happiness* (GNH) the national goal of Bhutan, reflecting the prioritisation of social welfare ahead of the accumulation of economic wealth.

Recognising the shortcomings of gross national product as a measure of welfare, GNH proposes a form of economic development which is consistent with values prescribed by the unique Bhutanese culture which is profoundly influenced by Buddhist teachings. The Bhutanese view of *happiness* is that it is much more than material wealth.

"Happiness is not simply sensory pleasure, derived from physical comfort. Rather, happiness is an innate state of mind, which can be cultivated through spiritual practice, overcoming mental and emotional states, which induce suffering" (Tideman, 2004, p 222).

This concept of happiness reflects the essence of Buddhist teachings which connects human suffering with attachment to and grasping for sensory desire caused by greed and selfishness. GNH also displays an equivalent foundation to the multi-dimensional objective of sustainability. The conceptual foundations of GNH are preservation of culture; environmental conservation; good governance; and so-

cio-economic development (Hershock, 2004, p 71), equivalent to the social, environmental and economic dimensions of sustainability.

The similarity between GNH and sustainability forms a central theme to this research, providing an opportunity to compare progress toward GNH within Bhutan, with progress toward sustainability within an economically developed country such as Australia. In light of continuing failure to make genuine progress toward the global objective of sustainability, the relevance of the Buddhist ethical framework which underpins national progress toward GNH is examined and compared to the ethics which underpin market economic systems.

1.1 Buddhist influences over GNH

Bhutanese culture is profoundly influenced and informed by Buddhist tradition, specifically the Tibetan school of Mahayana Buddhism. Buddhist tradition is founded upon the teaching of *Siddhartha Gautama* who, according to earliest Buddhist scripture, lived the affluent life of a young prince, until his observations of human suffering led to disenchantment with his noble life, and he embarked on a spiritual journey ending in a profound experience that led to his awakening as a *Buddha* (Gethin, 1998). Buddhism is often referred to as the *Middle Way*, as Gautama rejected both his affluent life and the extreme fasting and ascetic life that he experienced on the path to enlightenment.

According to Buddhist teachings attachment to sensory indulgence (including material wealth) is the root cause of suffering and is removed by adherence to moral precepts in daily life, as well as meditation and mindfulness practice. Buddhist teachings clearly deny a link between the acquisition of material goods and lasting happiness, which can only be achieved by *the cultivation of values within one's mind, such as insight, compassion, tolerance* (Tideman, 2004, p 224) and equanimity.

The ethical basis underpinning Buddhist teachings is expressed in the doctrine of *causing no harm to other beings*. This principle is applied in various ways across the many different cultural and regional interpretations of Buddhism. Examples of the *no harm doctrine* include adhering strictly to a vegetarian diet, adoption of low environmental impact lifestyles avoiding violence toward people, animals and the natural environment.

Within Christianity,

"The individual is considered to be a totally unique being, possessed of a unique soul, and to be the primary actor...in the drama of his or her own salvation" (Mancall, 2004, p 26).

Reification of each individual influences western views of economic development which based on the principle of self interest, encourage individualistic activities such as wealth creation and consumerism in the false belief these behaviours can be optimal for society as a whole.

Market economics is underpinned by the logic of individual self interest and is inherently unsustainable as it fails to represent its true nature as a mere partial (economic) representation of a complex living reality (Saravanamuthu, 2005). The

neoclassical economic model conflicts inherently with the need to be in equilibrium within *oneself, with other people, with society and with nature* (Tideman, 2004, p 234).

In contrast to Christianity, Buddhism denies the existence of a separate self and enduring soul. This distinction has critical implications for both human relationships and humankind's relationship with the natural environment. Buddhist teachings emphasise the link between internal happiness and contributing directly to the well being of the whole community in recognition that the perceived separateness between humans and other humans (as well as humans and the natural environment including all cohabiting species) is an illusion. Humans only exist in the context of their relationships with the *other*, and it's this *other* that requires nurturing to enable a state of happiness.

2.0 GNH and the path to sustainability

Bhutan's GNH project is underpinned by their strong Buddhist ethic and driven by their observation of environmental and social degradation outside Bhutan. It is also a recognition that gross national product is a crude measure of welfare counting social negatives such as expenditure on environmental disasters, crime, imprisonment to name a few examples as increments to growth (Dixon, 2004, p105), whilst ignoring many indicators of strength within a society (volunteer work, home duties, leisure time, quality of education).

Bhutan's vision is to achieve a high level of welfare for all of its citizens providing inspiration to the rest of the world to find solutions to problems caused by unsustainable lifestyles. GNH includes the elimination of income disparity (Man-call, 2004), as well as the socially debilitating force of unemployment as the State acts as employer of last resort. GNH also requires the control of urbanisation by promoting rural village lifestyles and providing incentives for people to remain in rural villages.

Furthermore a (Buddhist) economic core value recognising global interdependence is built on the concept of mutual help (Van Willensward, 2004), that is the need to contribute to the welfare of the global community through commercial trading activities which benefit all stakeholders.

Recognising and fixing negative environmental and social impacts of economic transactions requires limits to economic growth. One source of unsustainable growth is the creation of excess patterns of demand using creative marketing techniques. Advertising often creates unnecessary demand fuelling unsustainable consumption patterns and attachment to excessive consumption of material goods, leading to restrictions on advertising within Bhutan (McDonald, 2006).

3.0 Measuring progress toward GNH & sustainability

An important aspect of Bhutan's GNH project is measurement of progress toward this objective. The measurement methodology adopted involves a performance indicator based approach. Indicators are being developed which measure progress toward all round wellbeing throughout the Bhutanese society which include measures of the maintenance and enhancement of natural capital, measures of generosity, for example monitoring the strength of the volunteer

sector, as well as measures of security and:

“Education, health care, housing, clothing, food and nutrition, shelter, environmental and habitat protection, parents spending time with and raising children, arts, business practices, infrastructure, legal and regulatory issues, reported levels of happiness...” (Dixon, 2004, p 113).

GNH is not the aggregate of individual happiness (Mancall, 2004), and within the GNH measurement framework there is no attempt to measure individual happiness. Integral to Buddhist philosophy is the interdependence between each subunit and the whole. It is also recognised that accountability requires society’s values to be made explicit.

“Every measure of progress...is based on values...What we...measure...reflects our deepest social values” (Coleman & Sagebien, 2004, p 253)

The measurement of GNH using a broad set of performance indicators has much in common with efforts to measure corporate sustainability using the sustainability accounting guidelines provided by the United Nation’s Global Reporting Initiative (GRI). As with measurement of GNH, the GRI provides an evolutionary step in the identification of indicators relevant to measuring sustainability (Tideman, 2004). The *GRI Sustainability Accounting Guidelines* (GRI, 2002) identify a wide array of indicators relevant to measuring performance toward the goal of sustainability. The Guidelines draw on the three dimensional definition of sustainability using a series of performance indicators to measure each of the economic, environmental and social dimensions.

A common concern amongst critical accounting theorists is a perception that accounting even in its environmental or sustainability forms is incapable of contributing positively to the restoration of the natural environment. Accounting has developed to meet the objectives of capitalism and its obsession with wealth creation and continuing economic growth. Critical accounting theory warns against the potential for accounting processes to subvert attention from the actual goal toward manipulation of the metrics believed to measure progress toward the goal (Cooper 1992; Lehman 1995).

The next section explores a relatively obscure section of the accounting literature which suggests that accounting can be transformed to contribute to spiritual objectives.

3.1 Accounting and spirituality

A question critical to the pursuit of GNH is whether the accounting measurement process can contribute to what is inherently a spiritual path?

Ezzamel (2003) considered the symbolic role of accounting which can emerge out of functional practices such as inventory and expenditure accounts. Ezzamel examined inscriptions made on the walls of Egyptian temples which together with linguistic texts, pictorial scenes and religious monuments produced a powerful discourse connecting the physical and spiritual realms (Ezzamel, 2003, p

6) through the orderly and coherent ritualistic accounting process, including lists of offerings made to the gods.

Gallhofer and Haslam (2004) identify the contribution of accounting to the relentless pursuit of profit and wealth and the consequential loss of spiritual focus and understanding. They envisage accounting in an emancipating role reflecting social community values and environmental stewardship. Exploring different narrative forms (*interviews, oral histories, self-reflection and conversations*, Gallhofer and Haslam, 2004, p 399) combined with images and pictorial forms has potential to reflect a holistic vision which includes the spiritual.

Sustainability accounting attempts a more holistic picture by the separate measurement of specific environmental, social and economic performance indicators. Saravanamuthu (2005) believes that to be in harmony with a holistic vision such as sustainability requires the ability to transcend its perceived separate dimensions, identifying the Vedic approach for individuals *to become sensitive to the needs of the other*.

Linking accounting to spirituality uncovers the potential for accounting to develop as a tool which lays transparent the broader impacts of the global economy's relentless pursuit of material wealth. A more spiritually and less materially focused accounting could be based on values determined by society-at-large, which must necessarily include a cohesive set of social, cultural and environmental values, where economic goals are subsumed within overriding social imperatives. Ultimately the relevance of accounting will depend on whether it contributes to society's broader goals (Funnell, 2004).

To make a positive contribution to a spiritual goal such as GNH the accounting process will need to be underpinned by a broad set of societal values woven into a holistic vision such as sustainability, as well as being equipped with a diverse array of qualitative and quantitative measurement and reporting tools (Hargens, 2002) including narratives in various forms, images and pictorial forms, and sophisticated analysis such as life cycle analysis, together with performance indicator scorecards suggested by GRI and GNH measurement systems.

4.0 Proposed direction of this project

Fundamental to this research is the contrast between the influence of Buddhist values along the path to GNH and the influence of the dominant market economic view that is driving unsustainability.

The primary research objective is to explore the different moral basis underpinning the Bhutanese goal of GNH compared to the Western goal of sustainability, and to determine whether the path to sustainability is blocked by the absence of an appropriate ethical foundation.

This research will continue with a comparison of the Bhutanese Government's energy policy, identifying the role of Buddhist ethics in the formation of policy, with the energy policies of the Australian government. It is anticipated that energy policy will provide a compelling contrast given both countries have extensive mineral reserves, but different sources of generation and patterns of consumption.

The impact of energy policies within Bhutan and Australia on consumption, welfare and the environment will be compared using social, environmental and economic performance indicators relevant to energy management at the national level.

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Geoff Lamberton was a corporate and chartered accountant before entering academia. He teaches ethics and sustainability, business finance and sustainable business management. His research interests include sustainability accounting and the ethical change required for the transition to a sustainable society. His major publications are in the areas of sustainability accounting and the link between sustainability and ethics.