

**Keynote Address by His Excellency Lyonchhen Dasho
Tshering Tobgay, the Hon'ble Prime Minister of
Bhutan***

It is a great pleasure to be present with you here at the International conference on Gross National Happiness. This year, we are celebrating the 60th Birth Anniversary of our beloved Fourth King, His Majesty Jigme Singye Wangchuck who gave us the legacy of Gross National Happiness. This conference is a fitting tribute to the great leader who devoted 34 years of his life in the service of his people and the country. On behalf of the government and people of Bhutan, I would like to warmly welcome you all to this conference, which gathers participants from a record number of forty-eight countries.

* His Excellency Lyonchhen Dasho Tshering Tobgay is the Prime Minister of Bhutan and the leader of the People's Democratic Party (PDP). He was the Leader of the Opposition in the National Assembly from March 2008 to April 2013. He attended secondary schooling at Dr. Graham's Homes School in Kalimpong, India, and received his bachelor of science in mechanical engineering from the University of Pittsburgh's Swanson School of Engineering in 1990. He completed his master's degree in public administration from the John F. Kennedy School of Government at Harvard University in 2004. His Excellency was a civil servant before joining politics, starting his career with the Technical and Vocational Education Section (TVES) of the Education Division in Bhutan in 1991. After working with the TVES from 1991 to 1999, His Excellency established and led the National Technical Training Authority (NTTA) from 1999 to 2003. His Excellency also served from 2003 to 2007 in the Ministry of Labour and Human Resources as the director of the Human Resources department.

Background

Let me begin by looking back. Throughout modern history, societal progress has been measured in terms of GDP. The higher the GDP, the more developed a country, so goes the general belief. There is, thus a mad rush for increasing GDP. Hence, over time, GDP came to be seen as a surrogate for societal wellbeing – something it was never designed to be. We are, as a country and as a planet, facing a number of urgent challenges. The threats of climate change, environmental pollution, social disruption, cultural disintegration, corruption, and political instability are no longer problems of the future.

GNH Concept

We need to draw on our values to develop a vision to define the hallmarks of success, and the benchmarks, a society have to reach.

We need to understand that the notion of progress goes well beyond lack of income or consumption to include non-monetary aspects such as weak social connections, the psychological costs of alienation and isolation, the exposure to risks and the experience of vulnerability.

We need a clear, coherent and compelling complement to the dominance of GDP. We need a new and transformational approach to defining and measuring wellbeing.

Recently the international development community felt towards this need in articulating the Sustainable Development Goals in New York, which resonate deeply with ‘development with values’. Yet even this ambitious list of goals lacks a coherent and compelling account of wellbeing, and it leaves out our culture, relationships, and even details like balanced work life.

The solution clearly lies in changing the very purpose and goal of development. If the basic purpose of development were changed from the pursuit of profit to the pursuit of higher wellbeing in all its dimensions, the true level of happiness on the planet would certainly go

Keynote Address

up. The Stiglitz Sen Fitoussi Commission stated this. The Beyond GDP initiative in Europe recognizes it. The array of new wellbeing initiatives in measurement and action testify to it.

This conference aims to provide an opportunity to learn about alternative developmental approaches wherein the final goal is happiness and wellbeing of people.

It will provide a unique opportunity for political representatives, policy makers, practitioners, faith leaders and academicians to exchange experiences on strategies of translating wellbeing frameworks into practice.

It will help bring about a re-appraisal of what matters. And in time, quietly but surely, it will shift social progress and wellbeing considerations from government departments and academia into mainstream consciousness.

For Bhutan, the drive to glimpse the true nature of development began early under the wise leadership of our kings. We aspired to be a country where progress was holistic, inclusive, equitable and sustainable. Where political and spiritual matters were in balance.

This aspiration was crystallized in the visionary statement, “Gross National Happiness is more important than Gross Domestic Product”; first enunciated by His Majesty the Fourth King of Bhutan in the 1970s.

His Majesty believed that the final goal was the contentment of the people, and that development should enable human beings to unfold their potential of becoming better human beings socially, economically and morally.

Our fifth King has continued this august commitment. On his first state visit to India, His Majesty the 5th King said “I have been inspired in the way I look at things by Bhutan’s development philosophy of GNH and its pioneer, my father His Majesty Jigme Singye Wangchuck. GNH has

come to mean so many things to so many people. But to me, it signifies simply, ‘Development with values’.

GNH – what we call Gross National Happiness - therefore, is what defines us as a nation and still guides us as we move forward as a society.

GNH Policies

Over forty years since its introduction, Bhutan has ensured that GNH has been the unifying force behind all policy formulation, and has shaped the country’s five-year planning cycle.

Some of the greatest milestones Bhutan achieved so far are in culture and in environment.

From a GNH perspective, it is understood that a decline in traditional heritage and cultural wisdom will lead to a general weakening of society. If you look around, many countries have lost much of their culture with the dynamic changing times. Bhutan, despite her lack of military might or economic power, maintains a distinct authority and a special identity of her own.

Likewise, unlike many countries in which the environment has been a low priority for public investment and policy formation, Bhutan maintains a strong commitment towards environmental conservation. Bhutan has 72.5% forest coverage; with more than half of its total land area designated as protected areas.

And so, a very positive state of the natural environment has directed Bhutan to pursue a green economy.

For instance, in 2014, we introduced electric cars.

The fundamental motivation for embarking on this journey was to achieve zero emission in the transport sector. This imperative is driven by our need to depend on renewable clean and cheaper sources of

Keynote Address

electricity while reducing our reliance on imported oil, with its ever-rising prices.

It is also driven by our need to address the global climate change crisis with its disastrous economic, environmental, human health and social impacts. And to adopt innovative technologies to grow new green sectors in the economy as a foundation for the creation of new and decent jobs in the economy.

With the increase in urbanization and a growing middle class in Bhutan, I hope that the demand for modern transportation to support its urban lifestyles can be met by the carbon neutral electric car option.

The green economy also requires us to sustain good practices for example in agriculture. Bhutan's food production has always been primarily organic. Yet unless we consciously recognize and affirm its value to our environment and economy, it may decline. We already see some potatoes being grown with fertilizer. Within the next five years, Bhutan will move to consolidate our sustainable and organic agricultural practices as even more reinforced policy.

And how can our young democracy more deeply internalize, and more creatively promote GNH policies? For what is most pressing varies. Our 9th five-year plan began to decentralize planning, and our 10th began fiscal decentralization. I would like to announce that the next five-year plan process will involve the local levels of government – that we call gewogs – even more deeply. They can develop plans and programmes to advance all GNH domains in their context. I believe this will bring a double benefit: our locally elected leaders will become more conscious of GNH and more confident in building model gewogs where sustainability practices are renewed.

GNH Business

Until this point, almost all the efforts of both implementing policies for GNH and providing better GNH measures in Bhutan have been

confined to the governmental and academic circles, while the business sector has been overlooked.

The current business model, with its over emphasis on profit maximization, on increasing shareholder value at almost any cost to environment and to the community, is unsustainable.

From a GNH standpoint, businesses – whether domestic or foreign – too are a central and vital pillar of our society that share equal responsibilities for improving people's lives and contributing to their wellbeing and happiness.

Businesses must explore fostering happiness and wellbeing as an alternative business purpose. Such a focus requires a paradigm shift in how leaders think about the purpose of business. Only then will business regain its rightful place as one of the important pillars on which we can build personal and societal success.

A recent example of our own efforts to shift the business paradigm is our Economic Stimulus Plan. The Economic Stimulus Plan began with the twin purposes of empowering people and ensuring balanced equitable socio-economic development. It established a Business Opportunity and Information Centre aimed at fostering the growth of cottage and small manufacturing industries in a sustainable manner.

Bhutan will look inwards towards developing and empowering our small businesses, creating a climate that supports small business growth and encouraging citizens and young graduates to create businesses rather than seek employment.

By investing in the growth and development of small businesses across the country, the massive result to be realized from this effort can facilitate economic self-reliance for Bhutan and build GNH business culture from the ground up.

Subjective Happiness

Roughly a decade ago, Bhutan started talking about developing GNH Index to report on our progress. We made a firm commitment then, that whatever we came up with, it would have to be rooted in Bhutanese experience and grounded in the values of GNH. The idea was based on the very astute observation that indicators are powerful. What we count matters. What we count ultimately influences the policy agendas and decisions of governments.

But before I share with you results about Gross National Happiness, let me start with findings on subjective happiness and explain why the GNH indicator is not a subjective happiness indicator.

On subjective happiness, people were asked, ‘taking all things together, how happy would you say that you are’ and also shared their satisfaction levels across domains of life. Overall, in Bhutan, there was a significant increase in the subjective happiness in 2015 as compared to 2010.

Why, you may ask, do we not simply use subjective happiness?

The reason is that happiness indicators measure only a part of GNH. For example, if we look at the people whose subjective happiness was 7 or higher, we might be surprised to find that only half of these people are happy in terms of the GNH Index! Was it a mistake? Looking closer at those who are deeply happy by each indicator, we find that less than one-quarter of them are the same people.

Additionally, the district ranking was also different for overall subjective happiness ratings compared to GNH. For example, Dagana is the happiest district of all according to subjective happiness, but ranked low on GNH, so the two indices clearly measure different things.

Subjective happiness has fascinated many researchers because it adds new quantitative data. But it does not capture altruism or responsibility. It does not reflect care for the environment either – the happiest

countries worldwide include those that are polluting our planet most. So it is not appropriate as a standalone goal for society.

Could people's satisfaction in each of the domains be used instead of the GNH indicators? Well, if we look at people's satisfaction with their health, it decreased – but their objective health improved. Turning to immediate family relationships, satisfaction with these improved but the GNH indicators worsened by a small amount but it is statistically significant. And subjective satisfaction with living conditions went down, while objective levels of income, housing and work each improved.

So there is much still to understand, but what is clear is that subjective data do not proxy objective states, which our policies seek to improve.

GNH values positive subjective states and Buddhist psychology has studied these for centuries. So the GNH index measures psychological wellbeing, using four indicators: evaluative life satisfaction, positive and negative emotions, and spirituality. And it includes psychological wellbeing among the domains of GNH. Subjective happiness is important, but other things are profoundly important as well.

GNH Measures

The GNH Index is guided by a domain-based conceptual framework that shifts the focus solely from the economy alone, or from subjective happiness alone, to include other critical domains of people's lives that lead to enhanced wellbeing.

The nine domains of GNH are, (1) psychological wellbeing, (2) health, (3) education, (4) time use, (5) cultural diversity and resilience, (6) good governance, (7) community vitality, (8) ecological diversity and resilience, and lastly (9) living standards.

When we look one by one at how citizens in Bhutan are faring on these nine domains, we catch a glimpse of their wellbeing. Looking at individual portraits for thousands of Bhutanese provides a snapshot of how our quality of life is, and how it is changing, for better or worse. Its

Keynote Address

simplicity makes it a highly effective communication and evaluation tool.

We had our first national level GNH Index in 2010. This year we have our second.

Allow me to share with you some findings:

Overall, 91.2% of Bhutanese enjoy sufficiency in at least half of the domains. Furthermore, 43.4% are moderately or deeply happy because they have sufficient achievements in two-thirds of the domains.

Among groups; men are happier than women and urban residents are happier than rural ones. All domains contributed in a balanced way to GNH overall.

Looking back at 2010 for comparisons, we find that there has been a significant increase in GNH between 2010 and 2015 from 0.743 to 0.756. Is this fast or slow? We do not yet know. It is our first time to update so we have nothing to compare it to. We are still learning what is a 'good' growth rate of GNH Index!

Also, if we focus on the people who are unhappy or only narrowly happy according to GNH, we find that their achievements also increased by a small amount but it is statistically significant, so they are closer to reaching GNH too.

I am very pleased that our GNH growth pattern is commendable because it has been equalizing. It favoured the less happy groups. Women's GNH Index increased faster than that of men from 2010 to 2015, reducing gender inequality. Happiness among those lacking formal schooling increased faster, reducing inequality. GNH increased more for older persons, 2010-2015, so an equalizing trend.

So, how did GNH rise? We saw some modest gains in areas such as living standards, health and time use. But in other areas such as

community vitality and psychological wellbeing indicators, we actually seem to lose ground.

To be more specific, significant increases in some indicators drove the change:

A massive 20% of Bhutanese saw increases in their access to services: electricity, clean water, hygienic waste disposal, and health care.

Bhutanese have reported that they enjoy a higher number of healthy days in a month, and stay home ill less than before.

Looking into how we spend our time, which is a good way to take the pulse of our values, we see that people spent more time on cultural activities, and 7% more Bhutanese slept enough in 2015 than in 2010 - so we do not have a rise in workaholics!

Other drivers of change were improved housing conditions, which improved for 12% of Bhutanese – plus increases in income per capita and in assets and improvements in environmental issues.

Another positive change for Bhutan regards the serious problem of wildlife like deer, boar, and elephant damaging our crops. Wildlife destruction is less of a complaint now than five years ago.

It is heartening to see the positive changes across so many of the dimensions of our lives. Yet the GNH Index is an honest 360-degree control room, not a fair weather tool. It also holds up a mirror and shows us where we are becoming weaker, which may give a little cause for soul-searching.

In Bhutan, addressing the spiritual dimension of a person's life has been a traditional way of bringing the person's wellbeing to the forefront. Yet in the past 5 years, people's spirituality level has decreased slightly. People are reporting higher prevalence of negative emotions such as anger, frustration and jealousy. I am committed to implementing strategies to protect and promote the emotional, psychological and

Keynote Address

spiritual skills that underpin happiness. We have the wisdom in our Monastic Body to work with the Ministry of Education to renew our values education, so children learn spiritual skills and emotional intelligence early on. We need to establish spiritual centres and request our highly-accomplished lamas and practitioners to help us develop inner peace and wisdom, both in traditional ways and using modern media and English. If others do likewise in our corporations, and businesses, our spirituality will be sustained!

Bhutanese also perceived changes in our culture – 17% more Bhutanese in 2015 felt that our traditional etiquette that we call Driglam Namzha had declined or was not strong enough. To address this, I will revisit dzongkhag and history curriculum for schools and colleges, and require graduates and trainees to take an intensive module on the national language, philosophy, and culture (as done by lawyers at RIM), so that our future leaders of institutions and businesses revisit these topics as they reach adulthood. These and other policies can remind us of our heritage, yet in the end our values have to be renewed with authenticity and from within, in our homes and communities.

In the domain of community, volunteerism and donations isn't growing and most significantly, we find weaker levels of social relationship with family, friends and neighbours. A sense of belongingness to the community declined by 19%. This is a plaintive cry for attention to fight social isolation both among our elders being left behind in rural areas and new urban migrants facing loneliness, and I am committed to raising this point strongly with our local leaders.

The single indicator that had the biggest decline observed in the subjective perception of government performance in employment, equality, education, health, anti-corruption, environment and culture. It is suspected that this came about because of the divisive electoral politics had on people. The people were largely divided into two opposing electoral camps and the voters of opposing party naturally rated the performance of ruling party low.

Additionally, a sharp increase was witnessed with government's actual delivery of services and so it can be said that government performance indicator has been rated independent of service delivery.

This result gives me the chance to open an important discussion. Bhutan has learnt a great deal from older democracies. Yet we may also have learnt some of their less positive habits. We have an opportunity to quickly drop these obstructive behaviours before they become embedded and impossible to change. I will open a discussion of what it would mean to carry out our debates and democratic exchanges, and even our electoral campaigns, with compassion, and wisdom.

From the GNH Indicators I can see clearly that Bhutanese care about how government performs, that they are troubled, and they are keeping track. I hope that in the next GNH index our government improves in their eyes.

The final troubling trend is that the improvement in GNH was strongest in our urban areas and small towns, but not in our fields and valleys and hamlets high up in the mist. We will use our agricultural policies and fast-expanding connectivity to energize GNH in rural areas, so young people build their careers and families in our beautiful villages as mature modern men and women, and don't only yearn for the city lights.

So that is a bit, a taste of our current journey to improve GNH, and a window onto our progress and our challenges in 2015.

As you can imagine, the GNH Index will open the door to a substantive national dialogue where broad based progress and wellbeing considerations will be just as significant and tangible as financial considerations in decision-making. It will confront us with challenges and decisions we should make to optimize wellbeing.

We hope this dialogue will also unleash the imagination, the creativity and the wisdom of Bhutanese women, men and youth in all sectors of

Keynote Address

society. So the growth in GNH will be the work of many hands and hearts and minds.

GNH International

I turn now to this conference, recognizing that for some participants, your focus is outside of Bhutan. GNH has gained momentum in other countries too. At present, there is a groundswell of work addressing this needed change in how we measure progress, from the ‘Beyond GDP’ initiative in Europe, to OECD’s ongoing work on how to ‘Measure what we treasure’, to a plethora of national and subnational initiatives.

Major programs are underway in the United States, United Kingdom, India, Australia, Canada, and Brazil among others. It has varying prominence and political space in those countries. But the combined global effort of official and grass root actions creates a platform from which citizens can pressure decision makers to create policies that honour these values and fulfil the needs of the communities they serve.

In 2012, the United Nations declared March 20th the ‘International Day of Happiness’. Gross National Happiness has also been embraced within the United Nations.

The draft Sustainable Development Goal Indicators agreed last week in Bangkok do not require every country to produce a GNH Index. Which is right – happiness cannot be imposed. But they leave the door open for national governments to experiment and advance along this path, and we have among us some who are doing just that.

The movement for change, the move into the mainstream, the shift of paradigm is underway. But it needs to be carefully nurtured.

Conclusion

This conference is one of the many ways of cultivating GNH activities. And the fact that so many of you are here today also reflects a mutual recognition that this is the moment to create change.

GNH From Philosophy to Praxis

In the 1970s, our fourth King's observation that GNH is more important than GDP crystallized his insight about the balance of priorities that we as a nation should seek to advance. The GNH index now monitors and invites us to reflect deeply upon, to stake our claim on, valuable aspects of life that are under threat. It invites us to nurture them, even as we continue to grow and evolve in other ways. There are plenty of challenges for us here in Bhutan, just as there are for you in your own societies, yet we must each face into the challenges with determination.

Together, we must work to build societies that are sustainable in every way and offer a better quality of life for everyone. We must lead by example. And we must cheer one another when we are tired or discouraged. I am confident that this conference will enable people to find new ways of engaging with each other, having meaningful conversations, asking the right questions and seeking and finding ways to inspire change.

Let me wish you a successful conference that bears much fruit in your lives and the lives of all.