GNH of Business

Proceedings of the Seventh International Conference on Gross National Happiness

7-9 November, 2017
Thimphu, Bhutan

Edited by Dasho Karma Ura and Sangay Chophel

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The Centre for Bhutan Studies & GNH

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Introduction

One of the key outputs of any conference is its proceedings. This book is an edited compilation of selected papers presented at the seventh international conference on Gross National Happiness held from 7 to 9 November 2017, in Thimphu. It was held to commemorate the 62nd Birth Anniversary of the Fourth King of Bhutan, His Majesty Jigme Singye Wangchuck, the author of Gross National Happiness.

The theme of the conference was GNH of Business. Gross National Happiness has been operationalized at governmental level but not at business level in Bhutan. Therefore, it was felt necessary to have business aligned towards GNH. This idea was proposed by His Excellency Lyonchhen Dasho Tshering Tobgay, the Hon'ble Prime Minister of Bhutan, in his opening address at the sixth international conference on Gross National Happiness held in 2015, Paro. The Hon'ble Prime Minister stated that current business practices should not over-emphasize profit and share value with little concern for the health of local environment and community wellbeing. His Excellency urged companies to take GNH seriously to make their business respectful and add value to the society.

The conference was organized to identify conditions conducive for inculcating GNH values in business and to provide a platform for developing policies, frameworks and measures to promote GNH as a value in companies. Challenges and issues faced in implementing GNH across the business sector were discussed during the conference. Feedbacks and suggestions were received on the preliminary GNH certification tool for businesses developed by the Centre for Bhutan Studies & GNH; these are mentioned in this book.

To orient readers, the papers in this book are structured around five parts: theoretical foundation and concept of GNH of business, GNH of business in enterprise, GNH and corporate social responsibility, GNH and workers' wellbeing, and GNH and spirituality.

The Centre for Bhutan Studies is grateful to His Excellency Lyonchhen Dasho Tshering Tobgay for extending his unstinted support and the Royal Government of Bhutan for funding the conference. The Centre would like to thank all the participants for their valuable contributions. Over 170 international participants attended the conference. The Centre would like to acknowledge the substantial logistical support provided by the young Bhutanese volunteers.

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

On behalf of the Government and the people of Bhutan, it is my pleasure to welcome you all to the 7th International Conference on Gross National Happiness.

I am delighted to see that the conference has attracted speakers, delegates and participants from several countries around the world. We have with us today 177 participants from 29 countries. This is excluding Bhutan. Some of you have travelled half the world to be with us today and brought your invaluable experience, expertise and insights to share with all of us.

I am delighted to announce that the University Technology MARA, Malaysia, will be the host of the next international conference on Gross National Happiness in 2018. The representatives of the host are here with us today - Margaret Chan and Ling Siew Eng.

The conference theme

The theme for this year's GNH conference is "GNH of Business". This is a relevant and timely theme. As some of you may recall, I first made a proposal to integrate GNH values into business at the 6th International Conference on Gross National Happiness held in Paro, in 2015. I then called on the business sector to shift its thinking about the purpose of business. This conference should be understood as implementation of that proposal.

Why GNH of Business

GNH has been the guiding philosophy in Bhutan ever since it was first propounded by our beloved Fourth King in 1979. Since then, it has influenced Bhutan's development policy and direction. And the GNH index has been developed to provide an accurate picture of wellbeing and happiness in the country.

GNH is not opposed to material and economic progress, but it rejects the idea of pursuing economic prosperity as the only goal. Instead, it proposes that the government should promote 'conditions' for the wellbeing of its citizens. So far, GNH has been confined largely to government and to the bureaucracy. There is neither any major interest from the business sector nor concrete effort by the government to reach out to them. This needs to change in Bhutan, and hopefully in the rest of the world.

Integrating GNH will essentially require businesses to value societal wellbeing over profit and orient its businesses towards responsible behavior. This would in essence represent the core values of GNH.

From a GNH standpoint, business is a vital pillar of our society, one, that must make equal contribution, if not more, to improve people's happiness. For this to happen, business will have to integrate GNH values not only to operate responsibly to address social and environmental concerns, but also to make itself sustainable and profitable.

After the 2015 conference, I have thought hard about the government's role in applying GNH in business. Since the consequences of business are public policy matters that require political decisions, the government has a role in transforming business to support socio-economic and other development goals. In keeping with history and tradition in Bhutan, it will be the government's responsibility to promote GNH in business for the collective wellbeing.

Problems of the current business model

I need not tell this gathering the inadequacy and problems of the present business model, one that is based on a principle of privatizing profit and socializing loss. Even at the risk of being redundant, let me share with you some of the problems and urgency to have a new business model.

Sixty-nine of top 100 economies of the world listed in *Fortune Global 500* are multi-national corporations. In the top ten is Walmart, a multinational retail chain that beats the economies

of some even developed countries like Australia and South Korea. This is the power of the corporate world.

As we know, throughout the corporate world, the overarching propose of business is to make profit for shareholders. But, should this be the only responsibility? Should business work solely for profit? Or should they also bear social and ethical responsibility?

Though, the responses for these questions have been fiercely debated in both corporate and academic forums, the fact of the matter is that the magnitude of impact of business engagements is felt in spheres beyond its traditional spheres.

We observe that economic benefits of this model are often concentrated on a limited section of society, causing high inequalities. Income inequality levels have remained at historically high levels. According to the Nobel Laureate Joseph Stiglitz, the top one percent of the population own 40 percent of the wealth in the US.

It is sad to note that businesses remain insufficiently aware of the real issues surrounding their operations. In most cases, the impacts are often unaccounted since the assessment is based solely on financial considerations.

Businesses will have to understand that prosperity at the expense of environment and community is not sustainable. Their inclination towards the inefficient use of human and ecological capital may give rise to social conflict and turmoil as vital stakeholders are shut out from sharing the fruits of growth.

The business world holds tremendous power with huge impacts, and it has become critical for it to change its vision by embracing societal wellbeing, in addition to profit making.

For this to occur, business first need to take the interests of stakeholders, stakeholders like workers, communities, customers and suppliers involved, not just the shareholders. Engaging stakeholders will be a good starting point for building a social consensus about where businesses are heading.

Next, we need to start evaluating businesses by their ability to promote the health and happiness of the communities. We

need to accurately measure the business outcomes in terms of its broader responsibilities.

We need a better reporting system to fix broader accountability and an assessment that can capture holistically the business's shortcoming and achievements.

Traditionally, Corporate Social Responsibility (CSR) with its triple bottom line of people, planet and profit, is a common assessment tool. Pursuing CSR or philanthropic activities is not equal to incorporating GNH into businesses. Generous business or philanthropy is not a substitute for running a business in a culturally, socially and environmentally responsible way. In fact, CSR initiatives are too often used to boost brand value rather than to deliver real change. Some so-called CSR companies are being criticized for "green washing" by spending millions on advertising and marketing to make more green claims than they actually are. So, CSR is increasingly seen as a marketing strategy that misleads consumers. For Bhutan, the wisdom of GNH is the solution.

Applying GNH in business will require the business to move from a donation mindset to an operation mindset, and to go beyond philanthropic action. It will require the business to invest in risk mitigating activities in community and find innovative operations to improve societal wellbeing. Integrating GNH will require businesses to be assessed based on a holistic GNH framework.

Proposed GNH of Business

The case for engaging in GNH business is clear and it is unmistakable. It is for this reason that I have requested the Centre for Bhutan Studies to develop an assessment framework to certify Bhutanese businesses. The proposed GNH of Business that has been developed and presented to this conference will be used to transform the contents and landscape of the businesses in Bhutan.

What is a Proposed GNH of Business? It is simply a euphemism for a GNH Certification Tool for Business.

It is a tool for systematic assessment of businesses using the GNH framework. The objective is to certify business

establishments based on their scoring across a range of GNH indicators. It evaluates 49 indicators at two levels: 'worker happiness' and 'organizational conditions for happiness'.

The tool will require the business to account for non-financial aspects, along with financial matters, in corporate strategies and decisions, and develop a GNH-integrated reporting. The tool will allow business to provide tangible social and economic outcomes of what it really means for business to integrate GNH-based indicators.

Overall, the tool will try to involve business for common good and to share a common value. The process will provide a platform for interested business establishments to be certified by going through a rigorous certification process to receive a GNH certificate. But certification is not its main purpose. We want to witness changes in business values and objectives.

What are its benefits?

In the current businesses model, if an arrow hits the bulls eye of the target (the bulls eye represents the profit), it is considered as a success. That is the end goal. The GNH certification will shift the business to a new model in which the arrow will hit not necessarily the bulls eye, but many different parts if the target.

Second, to integrate GNH is to make the business holistic by integrating GNH indicators, thereby increasing worker's happiness and improving organizational conditions for happiness.

Third, GNH business will attract investment, employers and customers who value GNH values, and make businesses more sustainable and profitable.

Today's consumers in increasing number hold companies to a higher standard and look for more than just material products or quality services when choosing a company to work with.

Nine in 10 consumers expect companies to not only make a profit, but also to operate responsibly to address social and environmental issues. Eighty-four percent of global consumers seek responsible products whenever possible.

Fourth, GNH certification is a branding process. A GNH certified business is a brand that may save some advertising and marketing.

Fifth, it is an individual or business's contribution, even if it is a drop in the ocean, but knowing that ocean is an accumulation of drops, to address the global climate change and poverty issues.

Sixth, it will make the business more stable and profitable in the long run as it gets established on core values.

And finally, the business will support the government's socio-economic goals, and help improve the wellbeing and happiness our people.

Results of the pilot survey

We conducted a pilot survey. In the pilot survey, the certification tool was administered to 540 workers and 41 business establishments based in five districts in Bhutan: Thimphu, Chukha, Paro, Wangduephodrang and Punakha. The businesses ranged from small-scale enterprises to large companies; 50 percent of them were from the service sector and the rest was from the production sector.

The objective of this pilot survey was to test the rigour and relevance of the assessment methodology and indicators, and to get a picture of the business environment from the happiness standpoint.

So, what is the picture?

Not a single business establishment managed to earn the GNH certificate. The Centre for Bhutan Studies has set a threshold, a sufficiency threshold for each indicator and a qualifying threshold for certification. You can see that the threshold set by the Center for Bhutan Studies has a stream of high standard for not a single business establishment has been certified as GNH friendly. Yet, I agree with him that we should set even higher thresholds so that we create more rooms for improvement.

The way forward

In absence of an accreditation body, the Royal Government is pleased to appoint the Centre for Bhutan Studies as a certification agency.

In the next few months, CBS will improve the certification tool based on the inputs and feedback of this conference, and in discussion with stakeholders. The tool will have to be continuously reviewed and refined to test its validity, reliability and relevance.

We will start by assessing the public corporations under Druk Holding and Investments, and identify areas of improvements so that all of have them pass the GNH certification process. Once this is done, it is our hope that private companies and businesses will follow suit. If there is a credible evidence of certification process improves worker happiness and organizational conditions for happiness, the government can link the certification to fiscal incentives and subsidies in future.

Challenge

We expect the whole certification process to be quite challenging, but we are committed to making it a success.

The first challenge, I think, will be from the businesses since it is easy to misunderstand the process as an imposition of new conditions that will affect their profitability and balance sheet. This misunderstanding needs to be corrected.

The second challenge is technical, as the CBS researchers must have faced in developing the framework. It is a near impossible to develop 'one-size-fits-all' tool to assess the whole range of businesses from a family-run business to large companies.

The third challenge is the holistic nature of GNH with hundreds of indicators that have to be promoted in a GNH business. Businesses might find it challenging to fulfill all these conditions.

However, these challenges must not deter our efforts. We should not undermine the importance of cultivating an attitude

and commitment amongst businesses to create resources that will lead to societal wellbeing and happiness.

Conclusions

I believe that success in integrating values like GNH into business will depend on three conditions: leadership, education, and framework.

I can say with certainty that there is no shortage of leadership who embraces GNH values and principles at the national level in Bhutan. However, there might be a short leadership gap in the business world as they are mostly run on the old business model.

We need to change that. The government is committed to changing the old business model.

We expect the Royal University of Bhutan to develop a curriculum on GNH business for its affiliated college and train a generations of young Bhutanese leadership with GNH values. Similarly, we need to introduce GNH values into national curriculum so that we not only produce GNH leaders, GNH workers and consumers, but also more importantly GNH citizens.

As for the framework, we have the first version of 'GNH Certification Tool for Business'. This is the first step towards incorporating GNH into business. I request all of you to help us improve it.

I urge every business in the country to join us in this initiative. It is only by joining forces that we will succeed in achieving happiness for all our people.

In thinking about business one tends to think of big companies with thousand of employees. We have to be mindful of the big businesses of small companies. Small companies form the vast majority of businesses in most countries and employ a significant percentage of the global workforce. The World Bank estimates that Small and Medium Enterprises forms around 95 percent of the businesses and employ 60 percent of private sector workers. Hence, the business establishments of every size and kind are a powerful force that ought to be mobilized to effect the change.

I understand that integrating GNH into business will be a long-term endeavour but we will have to make a start now. I am hopeful that a few years from now, GNH of Business will no longer be discussed by academics alone but will be a topic for boardroom decision-makers.

I am glad to observe that the conference has brought together government, civil society, and members of the business sector under a single umbrella. It is in this space that collaboration can be initiated to explore solutions to our many challenges.

I want to thank all the participants for joining us in this important conference to discuss and share your experience. I look forward to the learning and to the recommendations from the conference.

In conclusion, I want to thank the researchers of the Centre for Bhutan Studies, led by Dasho Karma Ura, for organizing this conference. More importantly, I want to thank them for developing the GNH Certification Tool for Business within a short notice.

Thank you all and Tashi Delek!

Theoretical Foundation and Concept of GNH of Business

Using Employee Involvement Teams to Achieve GNH in Business

Clair Brown[1]

Abstract

This paper proposes an existing tool for integrating Gross National Happiness in business practices: *Employee Involvement (EI) teams*, where employees work in teams to solve operational problems, to design better products, to promote employee health and training, and to contribute to community and environmental wellbeing. Workers are trained to work in an EI team to undertake the six-step EI process that identifies a specific goal and then designs and implements a successful solution. Japan's use of EI teams in the automobile industry demonstrated how EI teams can increase worker voice, engagement and initiative, so that workers use their knowledge, skills and experience to advance their companies and to improve working conditions (Brown et al., 1997; Nonaka & Takeuchi, 1995). This paper draws upon a large literature on employment involvement, which has been implemented in different types of companies in many industrialized countries, and uses prior results on how to set up EI teams and on the impact of EI teams on company performance (Appelbaum &

[1] Clair Brown is grateful to the many people around the world who have sent ideas and feedback on her book *Buddhist Economics*. She is especially grateful to Della Duncan and Julia Kim for suggestions that greatly improved this paper. Clair thanks archery experts Bob Hoffman, Richard Katz and Thinlay Penjore for their archery advice. Her earlier work on Employee Involvement teams at the workplace was done with her co-authors David Stern and Michael Reich along with Japanese colleagues. Clair appreciates the support for her work on Buddhist economics and on employee involvement teams that was provided by the Institute for Labor and Employment Research at the University of California, Berkeley. All errors in this paper belong to her. Email: cbrown@econ.berkeley.edu

Batt, 1994; Baron & Kreps, 1997; Black & Lynch, 2002; Nonaka & Takeuchi, 1995). EI teams can follow Theory U, where workers have the opportunity to expand their creativity and let go of the past to move into the future (Scharmer, 2008; Senge et al., 2004). Two hypothetical examples of EI team projects are presented: one focuses on improving the company's product, and one focuses on improving work-life balance. Then ways government might support GNH in business are briefly discussed. The paper concludes that companies and the government should experiment to see if EI teams are a useful tool for integrating GNH into business practices and the Bhutanese economy.

Introduction

This paper responds to Hon'ble Prime Minister's exhortation for companies to integrate Gross National Happiness (GNH) into their business practices to ensure they support the health of the local environment and enhance community wellbeing. In order to transform business practices from over-emphasizing profit maximization to incorporating GNH values, this paper suggests a potential tool, Employee Involvement (EI) teams, which train workers to use their knowledge and skills to improve business operations to effectively design and produce products or services that serve customer needs and also support the wellbeing of workers, the community, and the environment (Appelbaum & Batt, 1994; Baron & Kreps, 1999; Black & Lynch, 2002; Konrad, 2006; Osterman, 1995).

The paper explores how a company might implement EI teams to fulfill both GNH and market goals over time. In the first section, Employee Involvement teams are described and the six steps used by teams to define and solve specific goals are explained. Next the process of setting up Employee Involvement teams in a business, along with the required company culture and support, is discussed. The training of workers, which is a critical part of the EI team process, is explained. Then two hypothetical examples of projects that an EI team might work on are provided: one is to improve the product, and the other is to improve work hours. Then how EI

teams might help companies integrate GNH both directly and indirectly into business practices are explored. The paper also briefly considers how Employee Involvement teams might help invigorate Bhutan's economy.

Literature review

The author draws upon her Buddhist economic framework that integrates the interconnectedness of people with each other and the planet to maximize the happiness and to reduce suffering of all people (Brown, 2017). Once we assume that people are altruistic and happiness comes from living a meaningful, worthy life, then the economic system moves from a materialistic, egotistical orientation to providing a comfortable life for all people in a sustainable world, where people can live meaningful lives as they care for the environment.

This paper draws from the large literature on employee involvement. The discussion of how to implement a successful EI team system is based on research on the Japanese work organization and job design that was a major determinant of the high level of innovation, quality improvement and worker satisfaction that characterized Japanese firms (Brown, Reich, & Stern, 1993; Koike, 1996; Nonaka & Takeuchi 1995; Osterman, 1995). Here is a brief summary of what previous research shows: Top management must play a role in ensuring EI teams are successful by promoting the culture, overseeing the training, guiding the EI team process and protecting worker's jobs. As workers gain experience on their EI teams, their problem-solving skills increase, their contributions to the business and community become more valuable, and workers become happier, more productive and creative and more satisfied with work. Employee involvement teams can be used to great effect in both start-ups and mature companies, from small to large.

More experienced Employee Involvement teams can hopefully help manifest an emerging future. Following Theory Q (Scharmer, 2008; Senge et al., 2004), EI team members practice mindfully observing and listening more carefully (sensing), then they retreat and reflect to allow their inner knowing to

emerge (presencing), so they can make a plan of action to move forward (realizing).

What are EI teams?

Employee Involvement teams are a critical part of a decision-making system that utilizes workers' knowledge, skills and insights while increasing worker voice, involvement and initiative. These human resources practices are also called employee engagement and high involvement. Implementing successful employee involvement into a business results in better company performance (Appelbaum & Batt, 1994; Black & Lynch, 2002; Koike, 1996; Konrad, 2006).

Employee EI teams undertake a six-step process, with direction from their manager, who plans a critical leadership role (Nonaka & Takeuchi, 1995):

1) set the goal (for example, improve a specific product to meet customer needs, or improve a GNH indicator such as cultural participation or time use);
2) break down the "goal" to its root cause (for example, solve a specific problem in production or a quality problem; reorganize work time to allow time for community events and family activities; redesign a product to meet specific customer needs);
3) brainstorm ideas on how to reach goal (with a specific target), and set up benchmarks with a timeline for solving and implementing a solution;
4) choose one idea and develop a prototype or plan for pilot test (a team might choose two ideas to test simultaneously);
5) monitor and evaluate the results, and improve the prototype or plan (or discard it and try another idea) until a satisfactory solution is found; and
6) once a pilot test is successfully implemented locally, then fully integrate the improvement in company operations.

Brainstorming and contemplating the root cause is a critical step of the process, because it allows members to draw on their

mindfulness-based practices, and to use their senses, experience and insights to go beyond past practices in order to envision the future. Members retreat and reflect, and then brainstorm together.

EI teams usually have three to five members, whose skills are complementary and represent the diversity of the workplace. If the team needs additional skills or knowledge in designing or implementing a solution, they can draw upon the expertise of managers, other employees, or even outsiders. An important part of the EI process is on-the-job training of workers, as they jointly work on how to achieve their goal. Workers can also improve their knowledge by consulting materials on a specific topic during the problem-solving process. Once a company has integrated EI teams into their business practices, then experienced workers mentor and train new hires in an on-going system.

EI teams can work on any goal that improves company performance holistically defined, including promoting employee health and training, improving worker happiness skills that are similar to emotional intelligence (Goleman, 1995), advancing community wellbeing, helping the environment and bringing contemplative practices into business operations. The way the members of the EI team work together is critical to successful team outcomes. The members practice generosity, patience and compassion in their interactions at team meetings. The EI team meetings must ensure communication that emphasizes active listening to each other and understanding what other members are feeling as well as thinking (empathy), and being constructive in their brainstorming by building on each other's suggestions (communication). As members draw upon their experiences and inner knowledge, they work to become more aware of their personal talents, strengths and limitations (self-awareness). EI teams teach members how to think creatively as well as critically, and then to decide on a plan of action. An important part of EI team training is to ensure that the team's critical thinking, creativity and action planning deepens over time.

On-going training with EI team

The key to implementing a successful EI team program is teaching each EI work team the six-step EI process, and then having their manager help them to apply the process to address and solve a specific goal (two examples below). Once a team has shown their capability to use the six-step process to reach a target, then top management helps to integrate it into the business operations.

Early on, an EI team can focus on short-term solutions to a specific goal. Then as this short-term solution is implemented, a more experienced team can focus on a more creative long-term solution that possibly takes the company in a new direction. However both short- and long-term solutions are valuable, and a manager makes sure the EI team understands that the short-term solution may help create the eventual long-term solution. The manager also ensures that the EI team does not confuse short-term and long-term approaches, and the EI team focuses on a goal that is important. An important part of the EI team's work is to make sure their co-workers understand their proposed solution and embrace the idea rather than resist change.

Top management plays a leadership role in guiding and supporting EI teams. The company culture creates an atmosphere where workers expect to work in EI teams and to be part of the decision-making process. As EI teams become more self-sufficient and independent, they become more efficient over time and learn to navigate their responsibilities with minimal reliance on managerial staff for direction. This allows managers more time to attend to responsibilities other than handing out and monitoring assignments. Management now has time to focus on broader company activities to help the company grow and prosper.

EI teams become the nexus for training workers, with worker acquisition of need-to-know skills and knowledge within work process, plus specific training of workers as part of team assignments. This continuous training is one of the foundations of successful EI teams, and is the reason why

involving employees in decision making improves company performance in many areas. As workers take the initiative to solve problems, make product improvements, or integrate GNH goals into their work process, they realize when new knowledge or skills are required, and they figure out how to learn what is needed (Brown, 2006; Osterman, 1995). Drawing on the skills and experience of workers can take the business into new markets and expand the company's contributions to the community.

Employee involvement teams help develop shared goals among workers and managers. As EI team members work together, they integrate new ways of thinking and working to move the business forward. In this way, gross national happiness values become part of business practices as EI teams work on specific GNH indicators, such as improving training, decreasing accidents or sick days, providing time for community events and political participation, or improving happiness skills. The main benefits of employee involvement and empowerment are enhanced morale, more productivity, healthier coworker relationships and creative thinking. Overall worker satisfaction increases for members of successful EI teams, and this satisfaction increases a worker's happiness as positive emotions increase and negative emotions decrease (Appelbaum & Batt, 1994; Black & Lynch, 1997; Konrad, 2006).

Attainment of specific cost-reduction targets and quality improvement benchmarks are one type of EI team project. Management must also assure EI teams that improvements in worker wellbeing and in community vitality are equally important EI goals. If management encourages employees to use their skills and knowledge in a meaningful way, then workers feel that their contributions to the company are an important part of the company's success.

An experienced EI team does not require constant oversight and help from their manager. The EI team can ask for help or input from the manager as the need arises, and report to the manager on their progress on their EI activities. Because each specific EI goal has set targets or benchmarks with a timeline, the team can plot how well they are progressing. The on-going

evaluation of EI activities is important to helping the team know if it is on-track, or when it needs to adjust its timeline and goals. The team can celebrate reaching certain benchmarks, such as a successful test of a prototype, with a "team party" with beer or dessert hosted by the business. This type of celebration provides a time for all members to be proud of their EI team's improvements, and management toasts the entire team in recognition of the team's successes.

Other human resource practices are critical to successful use of EI teams to improve business practices. Employees must be guaranteed their jobs, so improving output or productivity does not put anyone's job at risk. Also workers must be assured that suggesting ways to make work more worthwhile or ways to improved worker wellbeing in health and safety or ergonomics will not result in employees being punished in any way (Brown, Reich & Stern, 1993; Koike, 1996).

How EI can help companies integrate GNH into business

We turn to the 2015 Gross National Happiness survey and report (Centre for Bhutan Studies and GNH Research, 2014, 2016) to explore how an EI team might work on integrating specific GNH indicators into their company's practices. First we discuss indicators that might be improved directly by modifying business practices. Then we discuss indicators that might be supported indirectly by the business or government.

The 2015 Gross National Happiness report (Centre for Bhutan Studies and GNH Research, 2016, Fig. 4) shows the percentage of people enjoying sufficiency (and thus the percentage suffering insufficiency) in the 33 indicators. Urban and rural people often have stark differences in their happiness (Fig. 12). Therefore how a business in Bhutan might improve GNH of its workers would vary by its urban or rural location. When we look at the GNH indicators with 50% or more suffering insufficiency (in 2015) to ask which ones a Bhutanese company might focus on, two areas jump out - knowledge and schooling, and work time.

As discussed above, training is integrated into the EI team process. Workplace training is an important way to improve

people's skills and knowledge, especially when education is less than sufficient. EI team training can supplement a member's level of schooling (63% report insufficiency) and literacy (48% report insufficiency). Rural dwellers report much lower levels of sufficiency in schooling and literacy compared to urban dwellers, and people across the country report about equally low sufficiency in knowledge (92% report insufficiency).

When training, both on-the-job and assigned materials, is integrated into the problem-solving process being done by the EI team, the training is tailored to the specific person with her or his literacy and schooling, so that the person can learn the required skills and do them well, without feeling inadequate.

If a team needs to learn more about a specific topic, then they can talk to their manager about what they need to know and ask for suggestions of what to read. One team member can do the reading and summarize it for the other team members. Then they can discuss the information as a team, and brainstorm how to apply it to their problem. For example the outreach to learn a new topic or read written materials may become important when the team is working on how to develop a new product.

People often learn hands-on skills while doing their work, and do not even realize how much skill they have. People with "insufficient" levels of literacy, schooling and knowledge have usually upgraded their knowledge and skills at the workplace. Then their skills are recognized when they use them to help solve problems and implement solutions. Workers become more confident in what they know and are more aware of their skills. Hopefully they will report more happiness with regards to their schooling and knowledge.

EI example: Making arrows

Here we present a hypothetical example of an EI team working on how to improve the bamboo arrows produced by their company. The EI team members shoot archery, and want to see if they can improve the performance of their popular handmade feather arrows. Their manager helps the team set up

the goal (improve the performance of their handmade feather arrows).

After brainstorming, the team decides that the root cause of performance might be the shape of feather vanes. The EI team brainstorms about how to modify the vanes, and this leads to many ideas about how to reshape the feather vanes, or even to use cheaper non-feather plastic vanes. Their discussions have led the team to two possible goals: improve their archery scores by 5% or to reduce production costs by 5%. They set up a three month time line: develop a prototype (one month), test the prototype (two weeks), improve and test revised prototype (one month), evaluate the pilot test with co-workers (two weeks).

The four team members vary in their expertise and schooling, and one member Jigme does not feel competent to participate in problem solving because she has not completed secondary school. However, she is an excellent archer and also makes outstanding bamboo arrows. Jigme has valuable hands-on experience, also called tacit knowledge (Nonaka & Takeuchi, 1995). In brainstorming how to create an improved arrow, Jigme suggests that they try shooting arrows with different fletching shapes (vanes), including plastic vanes. Although Jigme does not state this in a formal way, her suggestion is exactly the way to develop a prototype—experimenting to see how different fletchings affect the outcome.

Three team members are excited about trying plastic vanes, because they might perform well and provide a lower cost bamboo arrow to their customers. One team member wants to stick with feathers, but try some new designs that might be popular. The team wants to draw upon the knowledge and experience of all members in designing prototype arrows to test. They decide the best way to do this is for each person to retreat and use their senses and insights to create a prototype. Then each member makes eight copies of their best prototype to be tested by the team. So far the EI team is meeting their timeline date of developing a prototype (one month).

To test the four prototypes, each team member repeatedly shoots two arrows of each prototype. The team takes turns, and the same number of arrows is shot for each prototype. One

team member Sonam knows statistics, and he records the data. Once the team has decided that their test shooting has provided adequate information about the prototypes, the archery experiment is completed, Sonam plots the numerous data points for each arrow. These plots are easy to read: one plastic vane prototype stands out; and one prototype feather vane has excellent performance. Now the team is energized. They discuss how the plastic vane prototype and the feather prototype might be improved further, and then make eight more prototype arrows for each of the modified fletchings. Now each team member shoots two arrows with the plastic vanes, two with the modified feather vanes, and two with the feather vanes of their best-selling arrow, again taking turns until Sonam declares he has enough data for analysis. The data plots for the three types of arrows are plotted, and the results are promising. Both the plastic vane and the modified feather vane perform as well as the popular feather vane currently for sale. At this point the EI team is ahead of their timeline by a week, having tested and improved the prototype in five weeks instead of six.

Now the EI team has two solutions to try out with their co-workers. The team makes more prototypes and invites their co-workers to a "shoot off" using the two prototypes and the original arrow. Some of their co-workers do not like the idea of using plastic vanes, but they are persuaded to try them out. Once everyone has shot and the data plotted, the results support the EI team's results. The shoot off also showed the company how the two new prototype arrows can provide the company with two new products—a less expensive bamboo arrow with plastic vanes, and a new design for feather vanes that allows for more decorative options. Both models perform well. Now everyone is excited about the new product line of arrows that the company produces, and many cannot wait to use them for their own shooting.

With the two successful prototype arrows, the EI team's work is completed and successful. They completed their team project within the timeframe. They exceeded their goal of cutting costs by 5% with the plastic vane that costs 10% less. The goal of improving performance by 5% was not met,

although they developed a new feather vane that offered more decorative options.

The managers are pleased with the new products, and plan revisions in company operations to produce and market arrows with the plastic and decorative feather fletchings. Much to the delight of the company, the plastic fletched arrows performed so much better during the rainy season that the company's sales rose 20%, and the company hired two more employees.

EI example: Time spent at work

Our next hypothetical example is based on how the EI team might improve the GNH indicator of time use (Galay, 2008). We focus on time spent at work, because 56% of Bhutanese report suffering insufficiency. To modify work time can take several approaches, depending on company needs and on worker desires. In this example, top management has decided that the goal is *two hours less work each week (or equivalent per month or year)* in order to improve happiness of workers without hurting company performance.

A special EI team is set up, with two or three members from each of the company's three divisions. This larger company-wide team is carefully chosen to have members from different age, gender and occupational backgrounds. In a small company, the team might be all employees.

Based upon the company's needs for scheduling delivery of services, management presents three options for reducing work time:

1. Friday workday ends at 3 pm (instead of 5 pm).
2. Workers can take 8 hours each month for community or cultural activities (planned with manager).
3. Company has 12 additional days off per year, six as planned company "holidays" and six as vacation days (planned with manager).

The EI team decides to take a worker survey to gather information about worker needs to determine root cause and employee needs. Two team members draft a short survey

(response time five to ten minutes) for the EI team to discuss and improve. The survey asks workers how they would prefer to have less work time, with workers ranking each variation from 1-poor to 4-excellent (with no 'middle point'). Importantly this time off is paid, and so workers do not have to consider if they need the pay more than the time off.

Once the team has a draft survey, each member tests it on a co-worker. Based on the co-workers' feedback on what was confusing or what was left out, the EI team revises the survey. When the team thinks the survey is ready, the managers assign all workers to take it, with a specified time at work to fill out the survey and return it to a designated person.

The survey results let the EI team break down the reasons that workers want reduced work hours, which indicate how the extra time off helps the workers live a more balanced life. On the basis of the survey results, the EI team devises a pilot plan to reduce work hours. In our example, many workers liked option (2), and the pilot plan is: Workers can take eight hours each month for community or cultural activities, planned with their manager and co-workers. This advance planning is critical to ensuring that the time off does not hurt company performance, because workers already know how to cover for each other when people are absent.

Once the pilot plan has been in effect for a few months, the EI team evaluates it. Each EI team member talks to a few co-workers and records how the co-workers are using their time off, and if the time off is making them happier. They ask if the worker would mind returning to the old work hours, or if they would like to use the reduced work hours differently. The EI team uses co-worker feedback, as well as their own experiences, to evaluate the pilot plan. If they think the plan can be improved, then they return to the step of developing, implementing, and evaluating a pilot plan. Once the EI team and managers decide that a specific work-hours plan fits the company and workers well, this plan becomes the standard work-hours plan.

Company support of other GNH indicators

Next we turn to discuss how companies can support GNH indicators more broadly, and again focus on indicators where over half the people suffer insufficiency.

In the example of EI team revising the work-hours plan, we saw how business practices can support community and cultural participation by providing planned time off for specific activities. Workers might participate in a community activity that helps children or elders or one that improves the area by removing waste or repairing structures. When co-workers take over the absent worker's tasks during the hours she or he is away, then the output for the company does not go down, and co-workers are helping each other build community relationships.

Companies can support another indicator, donations of time and money. Some of the community activities discussed above count as donations of time. The company might also consider matching donations of money made by their employees to religious or charity groups. The match can range from 10% to 100%, and these matches have been shown to be effective in other countries.

Many of these company policies would not cost much, and would support important GNH values both for the workers and for the business. The company can set a target of how many resources to devote to policies related to GNH indicators, and then implement the policies as pilots to try them out. Over time the policies that work best to improve the targeted indicators can become standard policies. The company can check with their workers to see if their sufficiency in the indicator has increased, and compare this outcome to the company's costs.

Discussion

The goal of this paper is to show how Employee Involvement teams might help private businesses perform better by integrating Gross National Happiness values into their practices, and also help the company grow successfully over time. Bhutan wants the private sector to provide jobs, and the

need for new jobs is especially acute in rural areas along with jobs for unemployed youth in cities. In rural villages the opportunity exists for small businesses to serve local needs by providing simple health care and educational services, as well as daily food products and other necessities. A local business might begin as a family enterprise that expands as the local market for their product or service expands. Once a family business expands to more than a few paid workers, then EI teams might play a role in utilizing workers' knowledge and skills to make GNH values part of business practice and to improve the services or products provided to customers. Then business can grow more quickly, with high worker morale and loyalty.

One example presented used a worker survey to diagnose root cause. A business could also have EI team members contact customers to discuss possible problems and improvements. User input is critical in improving a product or a making new product, and discussions with customers open the door to new ways of thinking. We already saw that team members act as customers during the testing of a prototype. However "experiencing as a customer" should be on-going in order for workers to gain appreciation for how their product or service is delivered and how well it performs.

As discussed above, EI teams supplement worker's education by teaching skills on the job, and workers have the opportunity to apply their experience and knowledge learned outside of school. Often workers are not aware of how much they actually know. Their EI teamwork provides them with the opportunity to apply their knowledge in a useful way at work, as well as the opportunity to train hands-on skills to other workers. While schooling for young people expands across the country, business can use EI teams to expand the skills of those who have completed school and have jobs.

The GNH indicator Government Performance (66% suffer insufficiency) could also be improved, especially on policies to reduce the gap between the rich and poor, creating jobs and fighting corruption. In contrast, people rated government performance in providing health service and educational

services, in preserving culture, and in protecting the environment very highly (76% to 81% enjoyed sufficiency). Government EI teams might focus on fighting corruption (46% enjoy sufficiency), which relates to how people experience the government and how people perceive the political process to operate. Also government programs are used to reduce the gaps between the rich and poor (37% enjoy sufficiency), and EI teams might work on how to make a specific program that helps the poor become even more effective.

The government can lead the way in exploring if, and how, EI teams might support GNH in business. The government might set up its own EI teams to experiment with how Bhutanese customs and mindfulness skills can be used to design EI teams. If experiments with EI teams prove beneficial for business performance, then government could help business set up EI teams. For example, the government could support or directly provide training on the EI team process.

This paper has discussed how eight of the 10 GNH indicators with over half of the people suffering insufficiency might improve with employee involvement being practiced by business as well as government. The two indicators not addressed are spirituality and Driglam Namzha, which reflect personal values and behavior.

Conclusion

Bhutan's goal is to have businesses use Gross National Happiness indicators to guide their operations to ensure that companies are contributing to the wellbeing of workers, the community and the environment, while succeeding in the marketplace over time.

This paper proposes that Employee Involvement teams can be an effective tool to help companies integrate Gross National Happiness into their practices. EI teams use a six-step procedure to solve operational problems, to design better products, and to promote wellbeing of employees, the community and the environment. A business might use EI teams to promote practices that support GNH values, as well as providing useful products or services for customers. In EI

teams, workers use their experience and skills to advance their companies by helping the business reach specific targets. EI teams can increase worker voice, engagement and initiative; the workers' experience and skills complement the knowledge and activities of managers, who will have more time to devote to long-term management goals.

To implement a successful EI program, the company must devote the time and resources to train the EI teams in the six-step EI process, and the manager helps the EI team to apply the process to address and solve a specific goal. The company culture must support employee involvement and value the work of EI teams. The company sets up ways to recognize and celebrate when an EI team reaches a benchmark.

EI team training is an important foundation of a successful EI team, and is the reason why involving employees in decision making improves company performance in many areas. Team training passes along tacit knowledge as workers learn-by-doing from each other. Workers expand their way of thinking as the team works on a specific problem, with worker combining their tacit knowledge with their insights and awareness. Members also acquire new skills and knowledge within the work process. Workers learn hands-on tacit knowledge from each other, and also learn explicit knowledge from written materials. In a successful EI team, members use their senses, experience and insights to find a creative solution. The team suspends judgment in their observations and discussions. Workers take the initiative to reach team goals, with the willingness to try ideas that may not work. Members understand when new knowledge or skills are required, and they figure out how to learn what is needed in creating a transformative solution. Ideally as workers gain experience on their EI teams, their cycle of awareness and enactment improves their problem-solving skills, and their contributions to the business and community become more valuable.

Successful EI teams can help employee communication and promote working in harmony, when EI teams help develop shared goals among workers and managers. As the EI team works together, they integrate new ways of thinking and

working to move the business forward. Potential benefits of employee involvement and empowerment are enhanced morale, more productivity, healthier coworker relationships and creative thinking. Drawing on the skills and experience of workers can take the business into new markets and expand the company's contributions to the community.

This paper proposes that the government and business experiment with how to make EI teams compatible with Bhutan customs, and to see to what extent EI teams are useful for improving business performance based on GHN values. EI teams might work on specific domain indicators, such as improving training, providing time for community events and political participation, or balancing work and family time. EI teams could help the company expand by creating new or improved products. If EI teams are successful and beneficial to the company over time, workers become happier, more productive and creative, and more satisfied with work.

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Re-Thinking Entrepreneurship through the Lens of Culture: Snapshots from Indonesia and Bhutan and their Implications for Sustainability

Kent Schroeder

Introduction

Fostering entrepreneurship is an important vehicle to promote more diverse and inclusive economic growth. Yet certain characteristics of national cultures have been identified as barriers to entrepreneurship that effectively drives such growth. This paper argues, in contrast, that thinking differently about the role of national cultures in entrepreneurship can provide a meaningful perspective on business and its connections to sustainability. Based on research from Indonesia and Bhutan, it explores alternative conceptualizations of entrepreneurship among entrepreneurs themselves that re-define the nature of business based on national cultural values. The paper examines what these culturally driven re-conceptualizations mean for sustainability and provides some modest recommendations for Bhutan as it moves forward with operationalizing Gross National Happiness (GNH) in the private sector.

Culture and entrepreneurship

Entrepreneurship is broadly defined as new business creation that provides self-employment, is focused on growth and usually creates jobs (Hayton, George & Zahra, 2002, p. 33). Empirical evidence suggests there is a link between greater entrepreneurial activity and economic growth, both regionally and nationally (Acs & Armington, 2004; Audretsch and Keilbach, 2008; Berkowitz & DeJon, 2005; Foelster, 2000; Robbins et al., 2000; World Bank, 2016). As an engine for economic growth, entrepreneurship drives innovation, enhances competition, boosts employment and creates new

products and markets (Fernandez-Serrano & Romero, 2013; Thornton et al., 2011; Wennekes et al., 2002; Tambunan, 2007). At the same time, the level of entrepreneurship activity itself differs across countries (Kelley, Singer & Herrington, 2012; Peterson & Valliere, 2008). Previous research points to a number of variables that attempt to explain this difference. Some point to a relationship between the level of economic development, usually measured in per capita income, and entrepreneurship activity. This research suggests there is a U-shaped relationship, where entrepreneurial activity is higher in countries with lower and higher levels of economic development while subsiding in between (Fritsch & Schroeter, 2011; Wennekers et al., 2005). Others point to the process of economic development as having a relationship to entrepreneurship. In this case, lower entrepreneurship activity is seen as a function of economic development processes that emphasize large firms or mass production (Chinitz, 1961; Stuetzer et al., 2016). Still others explore the role of the location of economic development, arguing that urban-focused development strategies generate greater entrepreneurship (Acs & Armington, 2006).

While each of these explanations provides important insights, they are not sufficient to explain country differences in entrepreneurial activity (Liñàn & Fernandez-Serrano, 2014). In this context, the role of national culture has received considerable attention (Hayton, George & Zahra, 2002; Herbig, 1994; Liñàn & Fernandez-Serrano, 2014; Mueller & Thomas, 2000; Shane, 1992, 1993; Valliere, 2014; Wennekers et al., 2001). This body of research generally argues that national cultural values that emphasize risk-taking and competition are associated with entrepreneurial behavior while cultural values that emphasize collectivity and conformity are less likely to promote entrepreneurial behavior (Hayton, George & Zahra, 2002, p. 33). Cultural values can therefore influence, positively or negatively, individuals' attitudes towards entrepreneurship, society's demand for entrepreneurs and the attraction of entrepreneurship as a vehicle for self-employment. Indeed, the Global Entrepreneurship Monitor, an on-going multi-country study, identifies social and cultural norms as a key part of its

framework that defines the multifaceted nature of entrepreneurship (Kelley, Singer & Herrington, 2016).

Culture is defined as "the collective programming of the mind which distinguishes the members of one human group from another and includes systems and values" (Hofstede, 1980, p. 25). This conceptualization understands culture to be complex. Several characterizations of culture involving multiple dimensions have been developed to recognize this complexity (Hofstede, 1980; Hofstede et al., 2010; House et al. 2001; Schwartz, 1994, 1999). While there are challenges with each of these, Hofstede's dimensions of culture have been the most influential (Puumalainen et al., 2015, p. 278). These dimensions address the basic issues faced by any society, including relations to authority, the conception of self, and ways of dealing with conflict (Hofstede et al., 2010, pp. 29-31). Hofstede's six cultural dimensions include the following:

i. Power distance: the degree to which people in a society accept hierarchy and unequal distributions of power as normal.
ii. Individualism versus collectivism: the degree to which people in a society prefer a framework of loosely knit individuals who take care of themselves versus a tightly knit collective that is interconnected.
iii. Masculinity versus femininity: the degree to which people in a society are motivated by achievement, competition, assertiveness and quantity versus cooperation, caring and quality.
iv. Uncertainty avoidance: the degree to which people in a society are comfortable with uncertain or ambiguous situations.
v. Long-term versus short-term orientation: how members of a society prioritize maintaining links to their past while preparing for the challenges of the future.
vi. Indulgence versus restraint: the degree to which members of a society prioritize the gratification of human desires versus the suppression of these desires.

Each national culture is characterized by where it falls on an index of 100 points for each of these six dimensions (Hofstede & Minkov, 2013). Using the national level as a unit of analysis to study culture has faced criticisms given the existence of subcultures and within-nation variance (Peterson & Smith, 2012; Tung, 2008). Yet focusing on national culture remains a meaningful category that can provide insights into patterns of entrepreneurship as basic cultural values cluster at the national level (Liñàn & Fernandez-Serrano, 2014, p. 97; Minkov & Hofstede, 2012). In general, according to Hayton, George and Zahra (2002), past studies have hypothesized that low power distance, high individualism, high masculinity and low uncertainty avoidance contribute to a more entrepreneurial national culture. The literature suggests these relationships do not always hold, including across all levels of economic development, the entrepreneurial cycle or over time (Baum et al., 1993; Pinillos & Reyes, 2011; Tiessen, 1997) but they generally are consistent with a national culture that promotes entrepreneurial motivation and activity. What, then, are the implications of this conceptualization of the dimensions of culture for entrepreneurship in Indonesia and Bhutan?

Two snapshots: Indonesia and Bhutan

Two separate studies were undertaken that provide overlapping data on the conceptualization of entrepreneurship by entrepreneurs themselves in Indonesia and Bhutan, and the connection of these conceptualizations to national culture. The Indonesian study focused on the nature and impact of entrepreneurship activities among new entrepreneurs who had completed entrepreneurship education (Schroeder, 2017) while the Bhutanese study analyzed the broader governance dynamics surrounding the implementation of Gross National Happiness policies (Schroeder, 2018). The governance focus of the latter was larger than entrepreneurship but it involved an exploration of the role of entrepreneurs in GNH implementation, including their conceptualization of entrepreneurship in a GNH society. This section will draw on the findings of these two studies. Given that the studies had

somewhat different intentions despite the overlapping data, the current paper will refer to the two cases as "snapshots" as they are primarily exploratory when used comparatively. In both cases, semi-structured interviews were undertaken with entrepreneurs. Fifty-six entrepreneurs took part in the Indonesian study and 25 in the Bhutanese study[1]. Drawing on these interviews as well as available data on Hofstede's dimensions as applied to Indonesia and Bhutan, the next two sub-sections explore how cultural values influence the understanding of entrepreneurship by those directly engaged in it in Indonesia and Bhutan respectively.

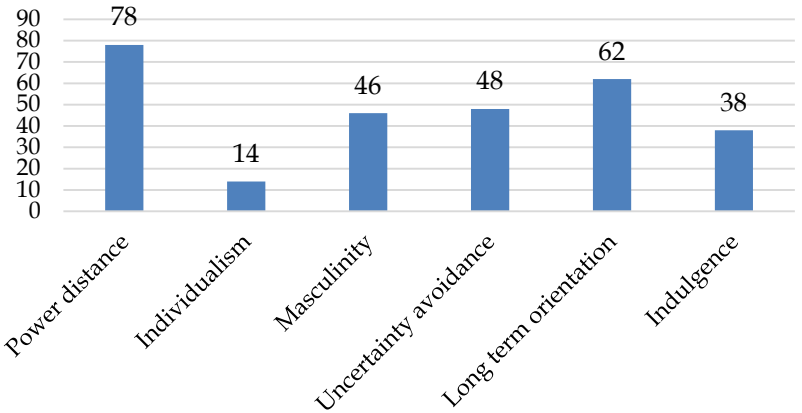
Snapshot 1: Indonesia - Entrepreneurship as a collective social good

Indonesia is a country with significant entrepreneurial potential. Approximately 60% of Indonesians are confident they have the skills needed to start a microenteprise (Nawangpalupi et al., 2016, p. 31). Moreover, 90% of Indonesian businesses outside of the agricultural sector are microenterprises that provide half of the country's employment (Vial, 2011; Tambunan, 2007). The success in generating employment is not matched, however, by the contributions of these enterprises to national economic growth (Tambunan, 2007). This is a reflection of the nature of micro and small enterprises in the country. They tend to lack innovation, are risk averse, have low productivity and experience little growth (Widyarim et al., 2016; Tambunan, 2007, p. 99; Vial, 2011). Applying Hofstede's dimensions of national culture to Indonesia would seem to help explain this situation. While low power distance, high individualism, high masculinity and low uncertainty avoidance are generally hypothesized as contributing to a more entrepreneurial culture, Indonesia's national culture is

[1] The 25 interviews used here are respondents from the private sector that took part in the larger GNH study. The larger study itself involved 157 respondents from the public sector, civil society organizations, international donors and the private sector (see Schroeder, 2018).

characterized by high power distance, extremely low individualism, medium masculinity and medium uncertainty avoidance (figure 1).

Figure 1. Cultural dimensions - Indonesia



Source: https://www.hofstede-insights.com/country-comparison/indonesia/

According to Reisinger and Turner (1997, pp. 141-143), this cultural character of Indonesia means risk is to be avoided and stability sought; hierarchy, obedience and conformity are valued; and harmonious collective relations fostered. The implications for entrepreneurship are clear. Cole (2007, p. 470) states that these Indonesian cultural values are "inhibitors" to economic development as "high power distance, uncertainty avoidance and collectivism all hinder entrepreneurship." This represents a significant challenge for Indonesian policy that strives to promote entrepreneurship to spur economic growth (see Mirzanti, Simatupang & Larso, 2015). National culture is a barrier to fostering such entrepreneurship. Yet it is only a barrier when entrepreneurship is defined in economically deterministic terms. Moving to a more integrated and sustainable understanding of entrepreneurship changes how Indonesia's national culture should be perceived in its entrepreneurial role. The culture then becomes not a barrier but

a potential contributor to sustainable business. This is very evident when interviewed Indonesian entrepreneurs discussed their own understanding of entrepreneurship. Many of the businesses started by these entrepreneurs were still young but they were often successful in generating profit. This is a positive development for entrepreneurship as a vehicle for increasing individual incomes and promoting economic growth. Most respondents themselves, however, viewed entrepreneurship in much broader terms. They conceptualized the concept rooted directly to their collectivist culture. Entrepreneurship is as much about contributing to collective social good as it is about personal wealth building. This is no mere focus on corporate social responsibility or social entrepreneurship. Enhancing collective bonds and wellbeing is a foundational and inherent part of entrepreneurship, as respondents understood it, which exists in parallel to its economic function. These entrepreneurs are not "choosing" to be socially responsible or to focus on social entrepreneurship; it is their default understanding and practice. "Our collective values," according to one respondent, "mean entrepreneurship is about strengthening social bonds and harmony." Profit is not unimportant but it is paralleled by an equally important, and sometimes more important, need to promote collective social good.

Creating employment was a frequent issue raised as a core function of Indonesian entrepreneurship. "The biggest happiness in my life is when I pay my employees," said one respondent. Another stated, "It's not about the money but how we help people, how people can be supported through the business." In many cases, respondents outlined how they specifically provide jobs for people who are marginalized. Respondents' businesses employ poor students, orphans, people from broken homes and a people with disabilities. Respondents pointed to other ways their businesses fostered a larger social good. Those with culinary businesses frequently outlined their focus on providing healthy food options to promote better health in their communities as obesity rises in the country. Others spoke of using their business to support their families, particularly through providing tuition money for

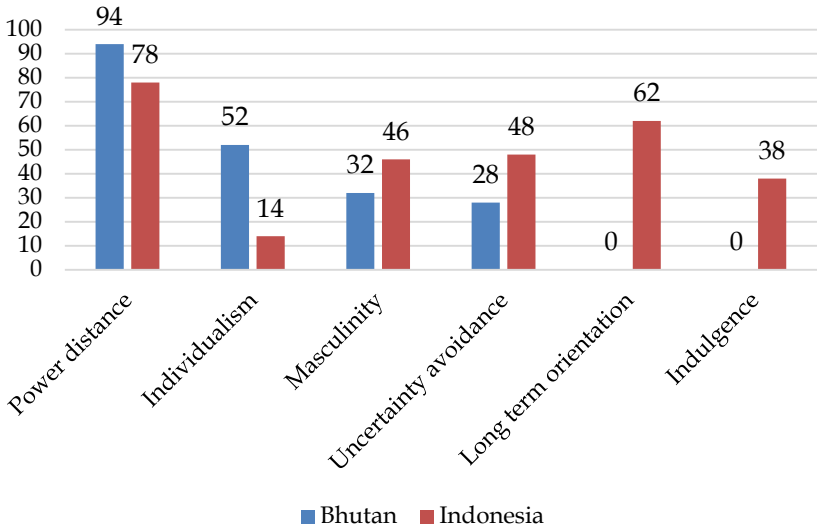
siblings. This snapshot does not suggest that these Indonesian entrepreneurs are more compassionate than entrepreneurs from other cultures. It suggests their collectivist cultural values direct them away from an economically deterministic understanding of entrepreneurship to one that is culturally relevant, prioritizing social and economic systems as equally consequential in business.

Snapshot 2: Bhutan - Entrepreneurship as interdependence

The private sector in Bhutan has been identified as a key player to help drive the country's Gross National Happiness strategy (Planning Commission 1999b, p. 52; Royal Government of Bhutan, 2005, p. 3). At the same time, it has also historically been small. A glance through Bhutanese policy documents over the last few decades bears this out. The *Fifth Five Year Plan* (1981-1987) states "the private sector is still very weak" (Planning Commission, 1981, p. 58). *Bhutan 2020*, the country's long-term development vision published in 1999, concurs in its claim that "the pace of private sector development… continues to lag behind expectations (Planning Commission, 1999a, pp. 33-34). More recently, the *Tenth Five Year Plan* (2008-2013) continues this theme, stating "the small and underdeveloped private sector … has been unable to fulfill the potential of becoming the engine of growth and provider of employment" (Gross National Happiness Commission, 2009, p. 79). The government of Bhutan has, in response, made significant efforts to promote private sector development and entrepreneurship. The *Economic Development Policy* of 2010 (Royal Government of Bhutan, 2010) sets out to promote a private sector enabling environment that restructures the macro-economic base of the country. The *Cottage, Small and Medium Industry Policy* of 2012 further prioritizes the development of an entrepreneurial culture as one of its six strategic areas of focus (Royal Government of Bhutan, 2012). A look at where Bhutan falls on Hofstede's dimensions of culture, however, suggests there may be challenges for developing such an entrepreneurial spirit. Again, low power distance, high individualism, high masculinity and low uncertainty avoidance are generally

hypothesized as contributing to a more entrepreneurial culture. Bhutan's national culture is characterized by very high power distance, medium individualism, low masculinity and low uncertainty avoidance (figure 2). While the latter bodes well for an entrepreneurship culture, the other three are less promising.

Figure 2. Cultural dimensions - Bhutan & Indonesia



Note. Long-term orientation and indulgence figures are not available for Bhutan
Source: https://www.hofstede-insights.com/country-comparison/bhutan,indonesia/

The implications for entrepreneurship in Bhutan, like in Indonesia, are potentially challenging. While relatively little research on entrepreneurship in Bhutan exists, Valliere (2014) provides intriguing insights into what this character of Bhutanese national culture means for entrepreneurship. Villiere's study uses a number of additional dimensions beyond Hofstede and he finds a higher degree of masculinity than above, but he reaches a similar conclusion about the entrepreneurship challenge as it relates to Bhutanese youth: Bhutan's national culture provides mostly negative signals to

youth about the attractiveness of entrepreneurship as a career path. Ultimately, Valliere (2014, p. 141) concludes: "The development of effective national entrepreneurship programs in Bhutan will face significant challenges from adverse cultural factors." Vallier's findings are significant for fostering the entrepreneurial culture envisioned by Bhutan's *Cottage, Small and Medium Industry Policy*. They illustrate that Bhutan's national culture may act as a brake on the pursuit of economic growth through entrepreneurship. But, again, a more positive picture emerges for the role of cultural values if the concept of entrepreneurship itself is re-framed in Bhutanese cultural terms. As was the case with Indonesian respondents, Bhutanese entrepreneurs re-defined the concept beyond economics. Where Indonesian respondents re-defined it in terms of collective social good in parallel with economic growth, Bhutanese respondents re-defined entrepreneurship in terms of interdependence. For them, a tight and inherent interdependence exists across economic, cultural and environmental systems. Entrepreneurship is about a holistic interlinkage across all of them rather than each as connected yet stand-alone components. Again, profit is not absent in this equation but it is inextricably linked to cultural and ecological concerns. According to one business owner in the tourism sector: "Profit is not everything. Our philosophy and belief is if we are profitable as a society, as a community, as a tour company, we need to take care of [cultural and ecological] things. If not we will kill the golden goose." The notion of interdependence is at the heart of this statement. The relationship between economic, cultural and ecological concerns is not viewed as a struggle among competing issues but as an integrated whole where each is mutually beneficial to the others in a virtuous circle. In contrast, killing cultural and ecological integrity kills the golden economic goose. Moving to this more interdependent conceptualization of entrepreneurship re-positions the role of Bhutan's national culture from one of a brake on entrepreneurship to one of a facilitator.

The re-conceptualization of entrepreneurship as interdependence by Bhutanese respondents demonstrates a clear connection to GNH. The focus on the interrelationship across economic, cultural and ecological concerns directly represents dimensions of both the original four-pillar approach to GNH and the more recent nine-domains. Moreover, the cultural values that underlie the re-conceptualization of entrepreneurship include balance, harmony among all living things and interconnectedness across the past and present. These Buddhist-inspired cultural values are the same values that are the foundation of GNH as Bhutan's multidimensional development model (Givel, 2015; Planning Commission, 1999a, p. 19; Rinzin, 2006). Indeed, a number of respondents explicitly referred to the cultural values that underlie their understanding of entrepreneurship as GNH values. Interestingly, however, most respondents did not. In these cases, the values were described as "Bhutanese values" "Buddhist values" or "Buddhist-Hindu values". The GNH connection, in many cases, was lost or misunderstood. According to one business person involved with a civil society organization representing the private sector: "GNH is too complicated for [business people]…. It is a good philosophical guide but I don't really understand it." This snapshot suggests, therefore, that even when Bhutanese entrepreneurs do not understand GNH and its potential connection to business, their cultural values fill the void, driving a re-conceptualization of entrepreneurship that is entirely consistent with GNH.

Fostering sustainable entrepreneurship through the lens of culture

An emerging picture arises from these two snapshots from Indonesia and Bhutan. While the national cultures of both countries may inhibit entrepreneurship when defined solely as an economic phenomenon, those same cultures, in contrast, likely contribute positively to fostering a more *sustainable* entrepreneurship. If entrepreneurship is to be a meaningful vehicle for sustainability, the cultural values of Indonesia and Bhutan are not barriers; they are part of the answer. The parallel

prioritizing of social and economic issues in the Indonesian conceptualization of entrepreneurship and the interdependence across economic, culture and ecological concerns in the Bhutanese conceptualization direct entrepreneurship in a more integrated and holistic direction. Culture becomes a springboard on which to effectively build a more sustainable private sector in both countries. In the case of Bhutan, it means that national cultural values - GNH values – are a central ingredient for infusing GNH and its integrated notion of sustainability into business.

What practical applications emerge from this discussion? How can a more sustainable notion of entrepreneurship be fostered that is rooted to the national cultures of countries like Indonesia and Bhutan? For Bhutan in particular, how might the role of national cultural values contribute to putting a GNH-infused culture of entrepreneurship and business into action? To start at the broadest level, the design and implementation of policies and programs directed at developing a sustainable private sector, whether implemented by the government or the private sector itself, need to be *explicitly* grounded in national cultural values. Cultural values direct attention to what is most valued in the sustainability equation and what, conversely, is less emphasized. The case of Indonesia, for example, demonstrated the cultural value placed on understanding Indonesian entrepreneurship as a combination of individual economic and collective social concerns. At the same time, Indonesian respondents placed very little emphasis on ecological issues. Explicitly rooting sustainable business policies and programs within a culturally contextualized framework gives direction to strengths that can be consolidated and weaknesses that need to be addressed. Welter (2011, p.165) argues that a "contextualized view of entrepreneurship contributes to our understanding of the phenomenon." It also enables us to diagnose where attention needs to be paid to promote sustainable entrepreneurship effectively. While there are many areas of private sector development that would benefit from this, such as reforming the regulatory environment and improving access

to capital, two areas will be briefly addressed here: entrepreneurship education and sustainable business measurement tools.

Entrepreneurship education and training

Entrepreneurship education assumes it is a phenomenon with skills that can be learned (Fretschner & Weber, 2013; Nabi, Holden, & Walmsley, 2010). An applied and mixed pedagogical approach is important in the learning process as it builds both practical skills and entrepreneurial motivation (Draycott & Rae, 2011; Lourenço, Taylor, & Taylor, 2013). Just as importantly, applied entrepreneurship curriculum and teaching methods need to reflect their cultural and social environments (Jones & Iredale, 2014). Nonetheless, many entrepreneurship education programs are primarily located in Business Schools and take one-size-fits all approach (Lourenço, Taylor, & Taylor, 2013, p. 506) which is rooted in the western experience. The two snapshots in this study indicate that this is a mistake. Grounding entrepreneurship education in national cultures within the Global South means not simply replicating western curriculum. Doing so will miss the richness of culturally appropriate conceptualizations of entrepreneurship which may, in the cases of Indonesia and Bhutan, help foster a more sustainable approach to business. The Indonesian case is again instructive. One of the respondents was highly critical of his entrepreneurship education, which occurred through a partnership of Canadian and Indonesian institutions that drew on Canadian curricular expertise. He stated: "The class focused on entrepreneurship as a concept related to profit. The curriculum forces students to run after money. Entrepreneurship is not just about money here but how to benefit people. The curriculum misses this." Another respondent simply stated, "we sometimes get trapped in a western model."For Bhutan, this suggests that entrepreneurship education should ensure the country's cultural values are the foundation of curriculum; it should ensure that a culturally appropriate understanding of entrepreneurship as economic-cultural-ecological interdependence is the core of how

entrepreneurship is taught. It should not be merely a focus on corporate social responsibility or social entrepreneurship as sub-themes within a larger, economic-centric entrepreneurship curriculum. In essence, this means Bhutan should ensure to "GNH" entrepreneurship curriculum, whether this is within formal public education programs or short-term private sector training. Bhutan has a history of infusing GNH into curriculum (Gyamtso, Sherab, & Maxwell, 2017). Ensuring this extends to both public and private entrepreneurship education and training will help foster a distinctly 'Bhutanese' entrepreneurial spirit that is culturally relevant in its connection to the interdependence at the core of meaningful sustainability.

Measuring sustainable business

Bhutan has taken significant steps in developing a set of public sector policy tools and structures to implement GNH as a national development strategy. These tools, such as the GNH policy screening tool and GNH Index, attempt to infuse GNH into public policy, planning and programming. Doing so promotes the integration of the multiple dimensions of GNH and the cultural values that underlie them into all policy and programs regardless of sector or focus; it promotes the institutionalization of GNH in the public sector. Previous research illustrates that effectively operationalizing GNH would benefit from moving even further in institutionalizing these kinds of policy instruments (Schroeder, 2018, chapter 8). The recent decision to develop and implement a GNH certification framework for business, to be unveiled during this conference, is a step in the right direction[2]. It will help better infuse GNH into business that, in turn, will better incorporate the private sector as a key vehicle for realizing GNH as a sustainable national project.

The tool will potentially serve two purposes related to the issue of national culture's role in entrepreneurship and business. First, it will explicitly ground the cultural values at the

[2] A draft version of the GNH certification framework was viewed by the author prior to the conference.

core of GNH into measuring the activities of individual businesses, thereby encouraging greater sustainability in the private sector. Business will be measured as more than economic activity. It will be measured as a multidimensional concept rooted in interdependent socio-economic, cultural, ecological and governance concerns. As such, the GNH tool will measure and certify business activity in the way Bhutanese entrepreneurs in this study already understand its culturally defined interdependent nature. This leads to the second purpose. As the Bhutanese snapshot in this study illustrates, Bhutanese respondents conceptualize entrepreneurship based on the same cultural values that are the heart of GNH, yet are often doing so without recognizing this connection to GNH. The certification framework can therefore play an important educational role. It will promote a better understanding among entrepreneurs of what GNH is as a national development strategy. Lack of understanding of GNH within Bhutan is an Achilles heel for its effective operationalization despite the fact that Bhutanese entrepreneurs and others are driven by the same set of cultural values as those that underlie GNH (Schroeder, 2018, chapter 8). The GNH certification framework for business, in concert with the public sector GNH tools, will help address this by directing both private and public sector actors towards a more unified understanding and pursuit of GNH.

A notable complication, however, exists. Culture is not static. It is socially constructed through shared meaning-making where language, historical circumstances and power relations continually shape a common understanding of the world (Ross, 2009; Wedeen, 2002). Culture can both act on and be acted upon. The larger GNH study upon which this current paper draws found that there may indeed by an evolution in Bhutanese cultural values driven by such things as international media exposure, the consolidation of democracy and emerging ecological threats to rural livelihoods (Schroeder, 2018). In the face of cultural evolution, GNH must tread a fine line between reinforcing the cultural values at its core and adapting these same values to remain meaningful as Bhutanese culture evolves. Gross National Happiness has always been open to

evolution and change (Planning Commission, 1999b, p.53; Upreti, 2005, p. 6). Indeed, the expansion of the four pillars to nine domains and the introduction of policy tools demonstrate this in practice. For the GNH certification framework for business, a similar openness to evolution is necessary. This is particularly important as cultural value shifts may occur more quickly in a private sector that increasingly engages with the global economy. One the one hand, the certification tool can reinforce existing cultural values that underpin "GNH" business through its consistent and explicit use, drawing the private sector into directly engaging with GNH dimensions and values in an on-going manner. On the other hand, the tool also needs to be sensitive to cultural evolution to maintain a *relevant* notion of business sustainability.

Two modest and related methodological suggestions can assist in walking this balance between consolidating cultural values while remaining open to cultural change. First, the framework should be as broadly participatory as possible. It might engage not only business owners and employees, for example, but consumers and other societal stakeholders as well. Doing so will provide insight into the impact of potential cultural changes not only on business practices but also on consumption patterns among consumers and their (shifting) perspectives on sustainability. A policy response, where necessary, can then result. For example, how can existing GNH values be further consolidated to strengthen a sustainable private sector and dissuade a potential culture of overconsumption from taking root? Or how might a specific evolution in cultural values be positively harnessed to further a profitable notion of sustainability? A broadly participatory framework will generate information to help identify and address such issues. Second, a broadly participatory approach should be paired with the collection of qualitative data in addition to the quantitative focus that currently makes up the framework. Incorporating qualitative data will enable the framework to dive more deeply not only into the 'what' of cultural change but the 'how' and 'why' of business and consumer behavior in response to such change, again allowing

a more accurate response by both the private and public sectors. Overall, these two suggestions for the GNH framework for business are clearly very modest. Nevertheless, they will contribute to a framework more attuned to the influence of potential cultural changes that may strengthen or weaken GNH in the private sector. This, in turn, will enable a policy response that strengthens the infusion of GNH into the private sector in a meaningful and culturally appropriate manner.

Conclusion

A focus on which cultural values promote or inhibit an economic-centric view of entrepreneurship provides only part of the sustainability picture. Thinking differently about the role of national cultures in conceptualizing entrepreneurship and private sector development enables a deeper exploration of how to promote a sustainable private sector within individual cultures. As the two snapshots from Indonesia and Bhutan suggest, their national cultures are not barriers to entrepreneurship; they are a different entry point into a meaningful understanding and operationalization of sustainable business in their cultural contexts. Explicitly using cultural values – GNH values in Bhutan's case – can be a foundation for fostering sustainable entrepreneurship that recognizes the centrality of socio-economic, cultural and ecological interdependence as its core.

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Business for the Greater Good: GNH Rating for Enterprises

Laszlo Zsolnai and Zoltan Valcsicsak

Abstract

Today's business employs a materialistic and individualistic model of man. Human beings are reduced to materialistic, pleasure-seeking creatures who are only interested in material utility of their own. The materialistic business model uses money-driven extrinsic motivation and measures success in generated cash-flow.

Gross National Happiness (GNH) provides an alternative framework that can help enterprises to develop broader, more inclusive business models that aim to serve the greater good of society. The four pillars of GNH may be used to develop a holistic, multidimensional scheme to measure the environmental, social, cultural and governance performance of business enterprises. An operational model will be presented which suggests rating companies according to their performances in pillars defined by GNH.

The underlying logic of the suggested rating scheme is as follows: GNH* rating means that the given enterprise satisfies basic criteria of environmental conservation. GNH** rating means that the given enterprise satisfies the basic criteria of environmental conservation and equitable socio-economic development. GNH*** rating means that the given enterprise satisfies the basic criteria of environmental conservation, equitable socio-economic development and good governance. Finally, GNH**** rating means that the given enterprise satisfies the basic criteria of environmental conservation, equitable socio-economic development, good governance and cultural preservation. Some practical examples will be presented to illustrate the suggested rating scheme. It is proposed that individual ratings would be determined by a representative

stakeholder group that includes members of the public and private sectors as well as of the community.

Finally, the paper argues that Buddhist values like compassion, care, mindfulness and generosity can help entrepreneurs develop businesses where profit and growth are not final ends but only elements of a broader set of material and non-material goals.

Introduction

The Gross National Happiness (GNH) is a *macro level socio-economic framework* that addresses the problems of environmental sustainability, social wellbeing, good governance and cultural preservation. To be effective it should be translated into the *micro level* of *organizations* including business enterprises. The more than 50 years of experience with business ethics and corporate social responsibility in the Western world (mostly in North America and Europe) is instructive for this translation. Also, Buddhist economics can help to realize the basic Buddhist precept "Cease to do evil, try to do good" in business context.

The Materialistic Management Model

The dominant model of mainstream Western business is based on a materialistic and individualistic conception of man. Human beings are considered as body-mind encapsulated egos with only materialistic desires and motivation. This kind of creature is modeled as 'Homo Oeconomicus' in economics and business.

Homo Oeconomicus represents an individual being which seeks to maximize his or her self-interest. He or she is interested only in material utility defined in terms of money. The Materialistic Management Model assumes money-driven extrinsic motivation and measures success according to profits generated (Zsolnai, 2014).

There are two distinct but interrelated problems with the underlying assumptions of the materialistic management model. One relates to profit as the sole measure of success of

economic activities, while the other deals with money as the main motivation for economic activities (Zsolnai, 2011).

Profit is inadequate for being used as the sole measure of the success of economic activities. Profit provides an incomplete and not unbiased evaluation of economic activities. It reflects the values of the strongest stakeholders, favours preferences in the here and now, and presupposes that all kinds of values can be reduced to monetary value.

The market as a mechanism of evaluation has its inherent deficiencies. First of all, there are *stakeholders* that are simply *non-represented* in the determination of market values. Natural beings and future generations do not have the opportunity to vote on the marketplace. Secondly, the preferences of human individuals count rather unequally; that is, in proportion to their purchasing power. Accordingly, the interests of the poor and disadvantaged are necessarily *underrepresented* in free market settings. Thirdly, the actual preferences of the market players are rather *self-centered* and *myopic*; that is, economic agents make their own decisions only regarding short-term consequences.

To use the profit that can be generated as the sole criterion for judging the success of economic activities implies *strong commensurability* which means that there must exist a common measure of different values based on a cardinal scale of measurement. Mainstream economics suggests that values external to the market should be calculated by using shadow prices and other market-based evaluation techniques. In this way externalities can be "internalized" and full cost pricing of activities can be undertaken.

However, ecological economists have demonstrated that the strong comparability of values is not possible in economics. The value of natural assets cannot adequately be expressed in monetary terms (McDaniel & Gowdy, 2000). Similar arguments can be developed for important human and social values such as health and safety, ethics and aesthetics.

Profit is an indicator of the *financial viability* of economic projects but cannot be used as an exclusive criterion for the success of economic activities. To judge the overall value of

economic activities we should use a number of non-financial value-criteria in addition to profit.

Considering money to be the main motivation for economic activities is dangerous. It decreases the intrinsic motivation of economic actors, which leads to decrease in the quality of their output. Also, it cultivates a self-centered value orientation, which results in socially insensitive and ethically irresponsible behaviour.

Bruno Frey's "crowding out" theory shows why profit motivation may be counter-productive. A monetary reward offered or expected tends to crowd out an agent's willingness to perform the task for its own sake (i.e. based on intrinsic motivation) if the agent's sense of recognition, fairness or self-determination are thereby negatively affected. The *crowding-out effect* of pricing may also spill over into sectors where no pricing is applied ("spillover effect") if the persons affected find it costly to distinguish their motivations according to sectors. Motivation crowding-out and spillover narrow the scope for successfully applying monetary rewards (Frey, 1997).

Social psychologist Gian-Vittorio Caprara and his colleagues show empirically that cultivating greed leads to the manipulation of others and oneself. They start with the observation that a division between thought and action takes place when people break the rules or get involved in dirty business. What is most surprising in rule violation and misconduct is that people are not bothered by their consciences, do not fear any sanction and do not feel obliged to make reparations (Caprara & Campana, 2006).

Caprara and his team developed a scale to assess civic moral disengagement (CMD). Their empirical findings suggest that the more people are concerned with *self-enhancement goals*, the more they are inclined to resort to mechanisms that permit them to *disengage* from the duties and obligations of civic life and to justify transgressions when their self-interest is at stake (Camprara & Campana, 2006).

This finding has significant consequences for the naive belief in the beneficial impact of the "Invisible hand" of the market. If economic agents become self-concerned, then it is likely that -

by employing moral disengagement mechanisms - their self-exonerative maneuvers will do *harm* to *others*.

American psychologist Tim Kasser states that a *materialistic value orientation* reflects the priority that individuals give to goals such as money, possessions, image and status. Confirming the concerns of many spiritual traditions, empirical research supports the idea that materialistic and spiritual value orientations are relatively incompatible. Psychological research shows that the more people focus on materialistic goals, the less they tend to care about spiritual goals. Further, while most spiritual traditions aim to reduce personal suffering and to encourage compassionate behaviours, numerous studies document that the more people prioritize materialistic goals, the *lower their personal wellbeing* and the more likely they are to engage in manipulative, competitive and ecologically-degrading behaviors (Kasser, 2011).

The materialistic management model does not produce true and sustainable wellbeing for people but actually undermines it. By advocating economic action on the basis of money-making, and by justifying success in terms of profits made, the materialistic management model encourages the irresponsible behaviour of economic actors, contributes to ecological destruction and disregards the interests of future generations. (Zsolnai, 2014)

Lessons from Business Ethics and Corporate Social Responsibility

The business ethics (BE) and corporate social responsibility (CSR) movement are supposed to cure the malfunctions of mainstream Western business. However, the lessons learnt in the last decades in North America and Europe are instructive.

The limited success or even the failure of improving the ethicality of mainstream Western business lay in some deeply rooted features of today's corporation-ruled business world. BE and CSR targeted corporations as the main actors in the globalized economy and aimed at making them responsible. This effort failed because corporations and, more generally, the mainstream business world dominated by global corporations

cannot become truly ethical in any deep sense (Boda & Zsolnai, 2016)

"Cannibals with forks" is a good metaphor which can describe the mission of business ethics in the past decades (Elkington, 1997). Business ethics aimed at teaching corporations to behave more civilized, that is, eating their "victims" in a nicer and ethical way. Most of the corporations tried to accept that ethical advise to some degree but they did not become vegetarian at all.

There are powerful mechanisms which make the ethical efforts of corporations ineffective or even counterproductive. One mechanism is described as the *ethics management paradox* while the other can be understood as by the phenomenon of *moral disengagement strategies*.

Leuven-based philosopher Luk Bouckaert discovered the so-called "paradox of ethics management" (Bouckaert, 2006). He warns about the danger to reduce ethics to a management tool. Instrumental use of ethics may crowd out moral feelings and commitments of managers which in turn may result in more opportunistic behaviour in business.

According to Bouckaert (2006, pp. 201-202.) the paradox is the following:

> By creating new regulations to temper opportunistic behaviour in and among organizations, we may temper the symptoms but often reinforce the underlying roots of opportunism. We introduce economic incentives like benefits, such as premiums or tax relief for those who respect the new regulations, but by doing this, we substitute moral feelings for economic calculations. Preaching moral concepts such as trust, responsibility or democracy on the basis of calculative self-interest or as conditions of systemic functionality is not wrong but ambiguous. It opens the door for suspicion and distrust because calculations and systemic conditions can easily be manipulated. When the fox preaches, guard your geese.

Stanford psychologist Albert Bandura (1999) described how corporations make dirty things and at the same time disengage themselves from the unethical consequences of their conduct. The mechanisms of moral disengagement enable people and organizations to commit transgressive acts and live with themselves without experiencing distress or moral shame.

A detrimental corporate act can be morally justified if it is connected with valuable social or moral purpose. Reprehensible corporate activities are masked by euphemistic labeling. Injurious corporate conduct may appear tolerable if it is contrasted with more scandalous activities of other companies. Corporations and executives displace their own responsibility viewing their actions as a result of social pressures or as dictated by others. Personal responsibility for harm caused by an organization can be diffused by attributing the harm largely to the behaviour of other members of the organization. Organizations disregard or distort the consequences of their actions when they avoid facing the harm caused by them or try to minimize it through misrepresentation. Corporations may dehumanize hostile stakeholders by divesting their human qualities or attributing bestial qualities to them. By attribution of blame organizations their leaders view themselves as faultless victims driven to injurious conduct by forcible provocation of others or by compelling circumstances.

The selective use of the mechanisms of moral disengagement is documented in famous business ethic cases such as the Ford Pinto Case, the Nestle Baby Formula Case, the Three Mile Island Accident Case, the Bhopal Disaster Case (Bandura et al., 2000). In his recent book Bandura (2015) extensively documented that moral disengagement relates to almost every major industry in the USA such as the gun, entertainment, tobacco and financial industries.

Facing the pressures of the stock exchange, fierce international competition and the current corporate governance systems there is little chance for whatever sophisticated business ethics and corporate social responsibility proposals and programs to be effective and beneficial in today's corporate world (Boda & Zsolnai. 2016)

The GNH framework

As a holistic, multi-dimensional development framework that goes beyond GDP, Gross National Happiness (GNH) in Bhutan is designed and applied to measure the wellbeing and happiness of the country's citizens, as well as to help enhance them over time. As part of the official policy tools, GNH is intended to go beyond standard economic and material dimensions and it also includes spiritual, cultural, environmental and psychological terms. Hence, GNH attempts to balance the economic dimension of development with other human development parameters while focusing on genuine wellbeing progress of the citizens to be achieved in harmony with the natural environment.

Currently, the Bhutanese GNH system may be described as an integrated set of three interrelated tools:

1. GNH as a holistic *development and leadership philosophy* that inspires long-term development goals;
2. GNH as a *wellbeing survey and indicator* that informs public policy;
3. GNH as a *public policy screening and decision-making tool* that is supported by regular survey results with the aim of reaching key GNH development goals.

The term 'Gross National Happiness' itself was first attributed to His Majesty Jigme Singye Wangchuck, the fourth King of Bhutan in the 1970s. The Kingdom at that time sought a measure of growth that reflected the country's commitment to maintaining high cultural, spiritual and environmental-sustainability standards. Over decades, however, GNH remained an overall value compass in decision making for the King, the government, and civil servants – without any coordinated attempts to institutionalize, structure or quantify the unique development concept. In the late 1990s, the Centre for Bhutan Studies (CBS) was mandated to create an alternative development measurement tool to measure the progress of

Bhutan. As part of the process, they introduced four focus pillars of GNH:

(1) Equitable Socio-economic Development
(2) Environmental Conservation
(3) Cultural Preservation
(4) Good Governance

Further research and consultation led CBS to identify the nine broad areas encompassing different aspects of life and to measure the progress of the Bhutanese society within these well-defined areas. Around that time, the Dzongkha term for GNH 'Gyalyong Gaki Pelzom' was also born to bring the concept closer to the larger Bhutanese public. Since GNH was born in a country of Buddhist traditions and spirituality, it is essentially rooted in Buddhist values such as compassion for all sentient beings, harmony in society and with nature, or non-harming. However, its universal value system may be well adapted to other countries or specifically to certain segments of society such as businesses or NGO's.

According to the Centre for Bhutan Studies & GNH Research (2016), the current nine domains of GNH are: psychological wellbeing, health, time use, education, cultural diversity and resilience, community vitality, good governance, ecological diversity and resilience, and living standard.

As a wellbeing survey and indicator, GNH primarily serves to gather and compare comprehensive happiness data among citizens in the above-mentioned nine domains in order to feed and inform planning, policy-making and program development at different levels of the government. To date, the CBS has conducted three rounds of GNH surveys including a pilot survey in 2006/2007. The second, nationwide survey was conducted in 2010, and the latest one in 2015. The last two surveys were conducted with a sample size of 8510 and 8871 Bhutanese, respectively, who were 15 years and above.

According to the surveys, there was increase in GNH in Bhutan between 2010 and 2015 since the GNH Index increased by 1.3 percent, from 0.743 in 2010 to 0.756 in 2015. In the 2015

survey, 43.4% of Bhutanese were considered to be deeply or extensively happy.

Due to increasing interest in alternative measurement systems of genuine human development as well as in new, more sustainable ways of organizing our global economy, the 21st century has witnessed growing number of projects across the globe with the aim of enhancing happiness and wellbeing of the citizens while minimizing harm and destruction in nature. This trend has resulted in high number of research papers and conferences on happiness and wellbeing, and encouraged federal and regional governments to discuss and consider happiness and wellbeing at the policy level. In addition, in 2012, GNH as a new global economic paradigm was discussed at the United Nations, and, following the initiative of Bhutan, the UN declared March 20th the "International Day of Happiness".

GNH provides an alternative framework that can also help economic actors to develop broader, more inclusive business models that aim to serve the greater good of society and nature. The four pillars of GNH may be used to develop a holistic, multidimensional scheme to measure the environmental, social, cultural and governance performance of business enterprises.

On the following pages, an operational model will be presented which suggests rating companies according to their performances in all key pillars defined by Gross National Happiness.

Rating for GNH performance of enterprises

For translating GNH for enterprises we suggest using the logic and methodology of rating. *Rating* is a well-known practice in variety of industries including hotels, restaurants and banking. Ratings show the relative goodness of performance by organizations measured on ordinal scales. It means that if certain performance of a company is rated by level A and the performance of another company is rated by level B then the performance of the former company is better and the performance of the latter company holding that A > B.

The underlying logic of our proposed rating scheme is as follows: GNH* rating means that the given enterprise satisfies

basic criteria of environmental conservation. GNH** rating means that the given enterprise satisfies the basic criteria of environmental conservation and equitable socio-economic development. GNH*** rating means that the given enterprise satisfies the basic criteria of environmental conservation, equitable socio-economic development and good governance. Finally, GNH**** rating means that the given enterprise satisfies the basic criteria of environmental conservation, equitable socio-economic development, good governance and cultural preservation.

The proposed rating scheme can be operationalized in the following way:

The activities of an organization can be evaluated against *sustainability indicators* that operationalize the notion of environmental conservation.

Let **A** be activities of an organization. Let **E1,...,Ei,...,Em** be sustainability indicators (**m > 1**)

Ei( ) is an ecological value function which is defined as follows:

(1)	**Ei(A)=**	**1**	if activities **A** are good regarding sustainability indicator **Ei**;
		0	if activities **A** are neutral regarding sustainability indicator **Ei**;
		-2	if activities **A** are bad regarding sustainability indicator **Ei**;

Ei(A) reflects the environmental conservation value of activities **A** regarding sustainability indicator **Ei**.

The following vector represents the environmental conservation value of activities **A** regarding all the sustainability indicators **E1,...,Ei,...,Em**.

(2) $\underline{E}$**(A) = [E1(A),...,Ei(A),...,Em(A)]**

To obtain an aggregate picture about the environmental conservation value of activities, we should define weights that reflect the relative importance of the sustainability indicators. Let **w1,...,wi,...,wm** be such weights.

It is required that:

(3) $\sum \mathbf{wi} = \mathbf{1}$

The aggregate environmental conservation value of activities **A** can be calculated as follows:

(4) $\mathbf{E(A)} = \sum \mathbf{wi\ Ei(A)}$

E(A) reflects the aggregate environmental conservation value of activities **A** (**1 ≥ E(A) ≥ -2**)

An enterprise can be considered sustainable and rated as GNH* if its aggregate environmental conservation value is positive. That is, if:

(5) $\mathbf{E(A) > 0}$

The activities of an organization can be evaluated against *socio-economic indicators* that operationalize the notion of equitable socio-economic development.

Let **C1,...,Cj,...,Cn** be socio-economic indicators indicators against which the activities of an organization can be evaluated: (**j > 1**)

Let **Cj ( )** – the socio-economic value function – be defined as follows:

(6)	**Cj(A)=**	1	if activities **A** are is good regarding socio-economic indicator **Cj**
		0	if activities **A** are neutral regarding socio-economic indicator **Cj**
		-2	if activities **A** are bad regarding socio-economic indicator **Cj**

Cj(A) reflects the value of activities **A** regarding socio-economic indicator **Cj**.

The following vector represents the value of activities **A** regarding all the socio-economic indicators **C1,...,Cj,...,Cn**.

(7) $\underline{C}(A) = [C1(A),...,Cj(A),...,Cn(A)]$

To obtain an aggregate picture about the socio-economic value of activities **A,** we should introduce weights that reflect the relative importance of the socio-economic indicators. Let **u1,...,uj,...,un** be such importance weights.

It is required that:

(8) $\sum uj = 1$

The aggregate socio-economic value of activities **A** can be calculated as follows:

(9) $C(A) = \sum uj \; Cj(A)$

C(A) reflects the aggregate socio-economic value of activities **A**. ($1 \geq C(A) \geq -2$)

Activities of an organization can be considered *pro-social* if its aggregate socio-economic value is positive. That is, if:

(10) $C(A) > 0$

An organization can be rated as GNH** if their activities are *sustainable* and *pro-social.* That is

(11) $E(A), C(A) > 0$

Evaluating governance of an organization good governance indicators can be developed. Let **F1,...,Fk,...,Fp** be the indicators against which governance can be evaluated: ($p > 1$)

Good governance value function **Fk( )** is defined as follows:

$$(12) \quad \mathbf{Fk(A)} = \begin{cases} 1 & \text{if activities } \mathbf{A} \text{ are good regarding good governance indicator } \mathbf{Fk} \\ 0 & \text{if activities } \mathbf{A} \textbf{ are } \text{neutral regarding good governance indicator } \mathbf{Fk} \\ -2 & \text{if activities } \mathbf{A} \text{ are bad regarding good governance indicator } \mathbf{Fk} \end{cases}$$

Fk(A) reflects the value of activities **A** regarding good governance indicator **Fk**.

The following vector represents the value of activities **A** regarding the good governance indicators **F1,...,Fk,...,Fn**.

$$(13) \quad \underline{\mathbf{F}}\mathbf{(A)} = \mathbf{[F1(A),...,Fk(A),...,Fp(A)]}$$

To obtain an aggregate picture about the value activities **A** concerning good governance, we must introduce *weights* that reflect the relative importance of indicators **F1,...,Fk,...,Fp**. Let **v1,...,vk,...,vp** be such importance weights.

It is required that:

$$(14) \quad \sum \mathbf{vk} = \mathbf{1}$$

The aggregate good governance value of activities **A** can be calculated as follows:

$$(15) \quad \sum \mathbf{vk\ Fk(A)}$$

F(A) thus reflects the aggregate value of activities **A**. (**1 ≥ F(A) ≥ -2**) concerning good governance.

An organization can be considered as *having good governance* if its aggregate good governance value is positive. That is, if:

$$(16) \quad \mathbf{F(A) > 0}$$

An organization can be rated as GNH*** if their activities are *sustainable*, *pro-social* and represent *good governance*. That is

$$(17) \quad \mathbf{E(A),\ C(A),\ F(A) > 0}$$

Indicators can be generated for considering *cultural preservation*. Let G**1,...,Gl,...,Gq** be the indicators against which activities can be evaluated in this domain: (q **> 1**)

The cultural preservation value function **Gk( )** is defined as follows:

(18)	Gl**(A)**=	1	if activities **A** are good regarding cultural preservation indicator Gl
		0	if activities **A are** neutral regarding cultural preservation indicator Gl
		-2	if activities **A** are bad regarding cultural preservation indicator Gl

Gl(A) reflects the value of activities **A** concerning cultural preservation regarding indicator Gl.

The following vector represents the value of activities **A** regarding the cultural preservation indicators G**1,...,Gl,...,Gq**.

(19) G**(A)** = **[G1(A),...,Gl(A),...,Gq(A)]**

To obtain an aggregate picture about the value future generations award to activity **A**, we must introduce *weights* that reflect the relative importance of indicators **F1,...,Fl,...,Fq**. Let **v1,...,vl,...,vq** be such importance weights.

It is required that:

(20) $\sum$ **vl = 1**

The aggregate cultural preservation value of activities **A** can be calculated as follows:

(21) $\sum$ **vl Gl(A)**

G(A) thus reflects the aggregate value of activities **A** for cultural preservation. (**1 ≥ G(A) ≥ -2**)

An organization can be considered *culturally preserving* if the aggregate value of its activities to cultural preservation is positive. That is, if:

(22) G**(A) > 0**

An organization can be rated as GNH**** if its activities are *sustainable*, *pro-social*, represent *good governance* and *culturally preserving*. That is

(23) $\mathbf{E(A),\ C(A),\ F(A),}\ G\mathbf{(A)} > \mathbf{0}$

To create a ratings framework for GNH in Business that is widely accepted and appreciated by business enterprises and their stakeholders, it is proposed that a representative stakeholder group - including members of the public and private sectors as well as of the community - would be engaged in the design of the ratings system.

Once the system is in operation, the individual ratings of companies may be regularly determined by independent government-certified organizations that would be required to have a board of representatives delegated from the government (e.g. GNH Commission), the private sector (e.g. Chamber of Commerce or Employers Federation), and the wider community (e.g. Environmental Protection, Human Rights, Consumer Protection, or Faith-based Groups).

This representative and transparent stakeholder engagement would provide authority and credibility to the rating organizations, and indirectly to the rated companies themselves. That would most probably lead to providing local and international companies with additional incentives and motivation to participate in the GNH in Business ratings program. As a result, participating companies would consider the rating scheme as an opportunity for gaining trust in society and competitive advantage in the market rather than as a top-down administrative burden.

Buddhist values in business

Buddhist values like *compassion*, care, *mindfulness* and *generosity* may help business people to go beyond the individualistic and materialistic Western economic mindset and to develop practices and policies which serve the common good of nature, society and future generations.

Buddhist-inspired businesses exist and prosper in different parts of the world, in Buddhist and non-Buddhist countries alike. We present the clothing company Patagonia based in California, the Greyston Bakery in New York, the Belgian social enterprise Apopo operating in Tanzania and other African and Asian countries and Loden Foundation entrepreneurs in Bhutan (Brown & Zsolnai, 2017).

Patagonia is a pioneer in ecological clothing. It was the belief of the company's founder, Yvon Chouinard that business is a perfect place to practice Buddhism. The company is committed to sustainable "natural growth" and to sell their products to people that really need them.

Patagonia makes considerable efforts to reduce, neutralize or even reverse the root causes of climate change. The company is committed to (1) reducing the environmental impact of its operations and its supply chain, (2) supporting grassroots activism by paying an Earth Tax, (3) using company's voice to advocate for systemic change, (4) empowering the customers by making quality products that can be repaired, (5) supporting regenerative practices in ranching and agriculture, and (6) envisioning a new approach to business (Patagonia, 2017).

Greyston Bakery Inc. is a for-profit social enterprise founded in New York by a Zen Buddhist teacher Bernard Glassman. The company is famous for producing high-quality baked goods and ice cream products. It practices an 'open hiring' policy which means that anyone can apply to work with them, regardless of his or her background; this includes people with a criminal record. Besides the bakery, Greyston also has a foundation which is comprised of an integrated network of not-for-profit and for-profit entities in Yonkers, New York that provides jobs, work force development, affordable housing, community gardens, youth services, child care and health care to the local community (Greyston, 2017).

In 2012, Greyston became the first Benefit Corporation (B-Corp) in New York State, operating with a 'triple bottom line': prioritizing profits, social contributions and environmental impact. The company's mission is to make a positive impact on society while engaging in transparent business operations with

a commitment to maintaining customer satisfaction. From the beginning, Greyston has had a focused mission to reinvigorate the impoverished community of Southwest Yonkers in New York State and set an example for other socially conscious businesses to follow. It is constantly striving to make a long term, sustainable impact on the local community and the situation of individuals.

Apopo is a Belgian social enterprise with headquarters in Tanzania and operations in Mozambique, Thailand, Angola and Cambodia that researches, develops and implements detection rats' technology for humanitarian purposes such as landmine and tuberculosis detection. It was founded by Bart Weetjens in 1995 when he was exploring solutions for the global landmine problem and found that rats as intelligent, cheap and widespread over the world would be able to detect scent of mines and even tuberculosis. Among their core values are quality, innovation, diversity and social transformation which include developing skills, creating jobs, improving socio-economic and environmental conditions, releasing land for development and combating public health issues (Apopo, 2017).

Loden Foundation is a civil society organization established to support education and promote entrepreneurship amongst the young Bhutanese men and women in Bhutan. The foundation is dedicated to fostering a happy and enlightened society. One of its main programs is the Loden Entrepreneurship Program.

The Loden Foundation is aiming at benefitting young graduates from schools and colleges, the foundation runs business training programs, gives interest-free capital funds up to $30,000 to start businesses and provides support through its mentorship program, monitoring scheme and resource centre. The program was launched in 2008 to help promote entrepreneurship in Bhutan. The program aims to help self-starters in business. It also aims to help develop a responsible and sustainable entrepreneurial culture in Bhutan, inspired by the visionary and altruistic Bodhisattva ideals. The foundation has trained over 1500 entrepreneurs from 2008-2016 and provided interest-free capital seed money to 77 entrepreneurial

ventures which are spread across 18 districts in Bhutan (Loden, 2017).

The survival and success of Buddhist enterprises depend on the fact that firms are compensated for the higher costs of their socially responsible behaviour by their ability to form commitments between owners, managers and employees and to establish trust relationships with customers and sub-contractors (Frank, 2010).

We think that GNH implies a new business culture where profit and growth are not final ends but only elements of a broader set of material and non-material goals. Similarly, cost-benefit calculations are not the only means by which to make managerial decisions but are integrated into a more comprehensive scheme of wisdom-based management (Bouckaert & Zsolnai, 2012).

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Gross National Happiness in Business: Theories and Methods for Cultivating GNH in Swedish Work-life

Anna Rosengren

> Within us all is a noble heart. This is the source to all our most beautiful ambitions for ourselves and the world…When we cleanse what is blocking it, this heart may change the whole world…Sharing visions and experiences can bring us together on a deeply human level. This in itself can make us happy.[1] (H.H 17th Karmapa)

Abstract

The GNH model may be seen as a mandala, a compact way of describing and understanding multi-dimensional forms of organization. This way it equips our understanding of organizations and collective strategies with more complexity-friendly potentials. GNH as a mandala shaped vision may thus function as a map for cultivating next generation business organizations and transform them into communities. Inspired and ignited by the wisdom and compassion inherent in the GNH process of Bhutan, GNH Sweden has in a few years grown from a tiny seed to a young tree with roots and branches of all kinds. Working as a community of practice, the movement is involved in societal as well as personal and work-life transformation. Although the three arenas are clearly intertwined, this paper will be focusing on the work-life processes. Some of the potentials of GNH in relation to holistic models for developing business organizations in Sweden will be described. Key examples from Swedish business

[1] H.H. The 17th Karmapa, Trinley Dorje, (2013), *The heart is noble: Changing the world from the inside out,* Shambhala Publications, Colorado

organizations will be presented while clarifying and analyzing the modus operandi. When ”translating” the models and ideas from East to West, many differences and preconceptions emerge in the process and that need to be dealt with. Obviously GNH and Bhutan cannot be used as a blueprint for Sweden. For this reason it is important to research, and also to cultivate a living dialogue around the essence and practical implications of the model. Therefore, this particular paper is somewhat pragmatically shaped, focusing on sharing experiences and examples as an invitation to further dialogue and co-creation.

Background: GNH in Sweden

A hundred years from now we might not even have business organizations in the same sense. By then we may already experience the blessings of a gift economy, where we simply give each other what we need to live. Until then, however, it is fruitful to make the most of the structures we have by allowing them to be embedded in a GNH based vision. This means a process of slowly transforming them into communities of practice, while also connecting the clusters.

Gross National Happiness (GNH) is a Bhutanese way of measuring and sustaining welfare in a more holistic way. The profound principles behind GNH are not limited to measurements or methods, but are also connected to a deeper mindset that has emerged within a framework of Buddhist philosophy. Although this does not mean that GNH is in any way limited to Buddhism, it still has some deep values of meaning making and holistic resilience that are specific. These basic values have been described as follows (Ura, Alkire, Zangmo, & Wangdi, 2012):

- Holistic**:** Recognizing all the aspects of people’s needs, be these spiritual or material, physical or social
- Balanced**:** Emphasizing balanced progress towards the attributes of GNH
- Collective**:** Viewing happiness to be an all-encompassing collective phenomenon

- Sustainable**:** Pursuing wellbeing for both current and future generations
- Equitable**:** Achieving reasonable and equitable distributed level of wellbeing

It has also been described in other words, such as: ”deep critical and creative thinking, ecological literacy, practice of the country’s profound ancient wisdom and culture, contemplative learning, a holistic understanding of the world, genuine care for nature and for others, competency to deal effectively with the modern world, preparation for right livelihood, and informed civic engagement”.[2]

These values are essentially easy to align with, regardless of cultural background. Still, in ”translating" GNH to Swedish culture, imbued rather with a certain mixture of ”grassroot democracy”, secularism and Christian heritage, questions arise such as what interpretations and implications may be relevant for GNH and its basic principles when applied in Swedish life in general and work-life in particular. Swedish politics and business are strongly influenced by a long tradition of equality in decision making and in implementing new ideas.[3] The interest for GNH in Sweden has slowly expanded in many ways until the formal non-profit association was established in 2016. The essence of GNH still seems to be a wise vision also for Sweden, and the networks around GNH have grown out of grassroots engagement into powerful pop-up fora for a new emerging paradigm that stimulates personal, political as well as organizational development. We have also formed principles and values for our programs and projects. These are not very different from the ones formulated in Bhutan, but maybe a bit more elaborated when it comes to equality/diversity and democracy:

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[2] Hayward, K., & Colman, R. (2010), *Educating for GNH,* Thimphu, Bhutan: GPI Atlantic.

[3] Ritzvi, Faisal, *Gross National Happiness as business strategy towards building sustainable societies: A comparison of Bhutan and Sweden*, paper proposed at GNH in business Conference, Thimphu 2017.

- *holistic* (including all dimensions of welfare in alignment with GNH dimensions)
- *based on shared value* (inspired by the democratic culture of Swedish grassroots movements)
- *inclusive* (including diverse sectors such as business/academy/politics/non-profit/citizen)
- *multi-dimensional* (striving to raise individual/collective awareness and the ability to handle complexity)
- *balanced* (gender/age/religion/ethnicity/functionality/LGBT equality, practical-theoretical/body-mind)
- *organically growing - emerging as we go* (self organized or formed with a self organizing intention)

We also formed overall basic values that are: natural wisdom and compassion. Natural means that we always striving to work close to nature and that we cultivate atmospheres and conditions that support natural, i.e. open and authentic, relations. Wisdom means challenging ourselves and others into ever deeper levels of wisdom by personal as well as collective awareness. Compassion means ensuring that we care about healing suffering and injustice in society as well as cultivating already flourishing happiness and welfare.

It has been important to do this formulation process for ourselves in dialogue with the enterprises and organizations we work with, rather than merely inherit values from Bhutan. We have learned a lot from Bhutan and in essence our principles are not that different, but being able to do it ourselves also meant that now they are sustainably integrated and authentically embraced by our hearts. Based on these principles and values all our initiatives are now designed and performed, whether we do it privately or in our professions as consultants, societal leaders and influencers, academic researchers, politicians or activists. It is also important to note that the surplus profit from members' contributions and consultant assignments has always been invested in further work with GNH awareness. This is not something unusual, but a natural

aspect of the Swedish tradition of grassroot movements sharing knowledge and building strength together. This tradition has become so natural to Swedish people that we hardly even think about it. We have a deep sense of democracy that we have struggled a lot for. The habit of raising awareness, equalizing the levels of power and education through labour units, women movement, environment activism and so on - all of this is a treasure that we have paid a huge price for, but the fruits of which we are happy to share with others.

Purpose

This paper aims to be a pragmatic contribution to the applications of GNH in business. This in turn will contribute to the ongoing dialogue between GNH-inspired communities all over the world. Hopefully this contribution will also align with the higher purpose of cultivating GNH values and communities: global natural harmony by re-connecting with ourselves, each other and nature.

Method and approach

Four pragmatic themes and four examples

Some concrete examples and experiences that may be valuable or at least shine some light on how we actually work with GNH in Sweden will be described.

Four different themes and four different workplaces will be presented in this paper. The themes are chosen to give an idea of how we bring GNH values into business organizations. The first theme is about how to start and ignite an intention, the second about mapping the context before designing a significant process, the third about how we bring about real transformation and the fourth about our emerging community of practice. The four work places are Karolinska University Hospital, Kiruna city, Polyamp Ltd and Ekerum Golf & Resort. The work at Karolinska University Hospital has also been documented more formally in the report ”Paradigmshift -

quality and trust in a time of change at Karolinska University Hospital".[4]

Dissolving preconceptions between East and West

There are some lingering preconceptions between East and West that call for attention in the light of the processes around GNH in Swedish work-life.[5] These preconceptions need to be addressed clearly and openly so that we do not fuel or develop stereotypes.[6] We need to learn from each other through trustful dialogue. This is nothing new or controversial, but still important to mention, since it comes to surface when working so closely in international contexts, with tools from both East and West. The real challenge is that often a "horizontal bias gap" is linked to a "vertical status gap", which means that the more we categorize and separate one group from the other, the more we fuel dysfunctional power structures and vice versa.[7] This influences what and whose stories we tell[8] and it leads to misunderstandings and mistrust that affect all dimensions of welfare, not least our use of time. These biased behaviours and mindsets need to be fearlessly confronted and dissolved if GNH is ever going to be meaningful in any way anywhere. There are also many phenomena that we need to improve in all global directions, such as developing respect and compassion for minority groups. Humans have more in common than differences, and openly learning from diverse perspectives

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[4] Rosengren, A. (2016b), *Paradigmshift - quality and trust in a time of change at Karolinska University Hospital*, Existentiellt publishing, Stockholm. (It is in Swedish, but can be translated on demand).

[5] Chakkarath, P. (2010), Stereotypes in social psychology: The differentiation as a reflection of Western traditions of thought, *Psychological Studies*, *5*(1), pp. 18-25.

[6] Thapar, R. (1996), The Tyranny of Labels, *Social Scientist*, *24*(9/10), pp.3-23.

[7] Hirdman, Y. (1998), The Genus System - reflections around the social subordination of women, *Journal of Women Science*, *3*, (this article is in Swedish, but is in process of translation).

[8] Bhattacharya, S. (2012),Reflections on intersectionality: Bell Hooks, *Indian Journal of Dalit and Tribal Social Work*.

while continuously transcending current views for the sake of global welfare is precisely what GNH is about.[9]

Unity in diversity - essence as a key

One of the main questions that arise in the encounter between these discourses or cultural spheres is how to translate and adapt the idea in a relevant way that is still true to the idea. How much diversity can we tolerate within the GNH framework? How much alignment can we request from each other? At its core, this is a profound question about political philosophy and the limits of democracy. However, it is an important question to bring along in our dialogues: How do we present and shape the contour of GNH globally?

When it comes to the very basic principles, such as welfare for all, wisdom and compassion, this might seem like an easy task. The deeper meaning, though, might be different and even develop in new ways by the very combination. And the question becomes all the more complex when we bring in all dimensions of GNH and all the dimensions of our specific contexts - plus our human factors.

In order to make things easy to grasp, we have often been helped by searching for the essence. As soon as we find what we believe is the essence of any aspect of GNH, it is easier to translate and understand each other, regardless of cultural context, organization format, personal or collective preferences, values and maturity. Essence seems to be a key, even though that too may be an object of interpretation. In alignment with the pragmatic approach of this paper, however, good experiences of this approach - finding the essence, then translating and adapting to a new context - will be shared. From there it is easier to bring up complexity again.

Cases and methods

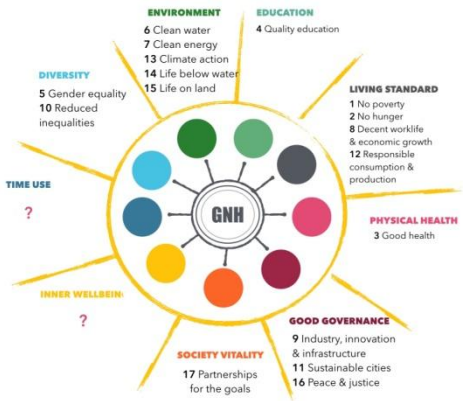
Igniting a profound intention - how GNH has been introduced

[9] Rosengren, A. (2016a), GNH equality and intersectionality in a holistic paradigm, *Social Medical Journal*, *5*

The first step has been to find a reasonable resonance to start a GNH inspired process that is intended to be more than just another ”jewel in the crown”, i e a superficial decoration of the brand but with no real transformation included. Ensuring a clear and authentic intention, deeply anchored in wisdom and compassion is crucial for a fruitful outcome. However, many business organizations were required to start at ”lower thresholds” that are easier to understand and connect to everyday experience. Others have already a deep and mature understanding of sustainability and resilience. Therefore it has been necessary to develop a diversity of entrances.

GNH as a tuning fork

One of the most effective methods for this that emerged recently has been the special way of connecting GNH to the 17 UN Sustainability Goals, the SDGs. As seen in the figure, GNH may be placed in the middle, just like a sun in a solar system, while the 17 goals are placed around according to the dimension in GNH that it correlates to, such as clean water and climate action in the SDGs correlating to ecological resilience in GNH.



When comparing the two models like this it becomes clear that two aspects are missing in the SDG list, that are present in GNH: time use and inner wellbeing.

In this way GNH may be a useful tuning fork (camertone) for wise decisions by reminding us of aspects that we might otherwise forget, ensuring that every important dimension is included. This has helped many Swedish organizations ignite a more profound intention for working with sustainability.

Connecting change to paradigm shifts

Change or the need for change is very often part of the reason why a process is called for. A very useful introduction, then, is to connect the changes within the organization to an ongoing global paradigm shift or the need for such a shift (Kuhn, 1962; Rosengren, 2013). In opening the mind for the local context mirroring the larger arena, very often something very profound and beautiful emerges. It opens for a sheer sense of existential meaning and hope that, more often than not, quietens unnecessary resistance and conflict, while focusing the energy on the wisdom emerging in the group. This is usually done by referring to how the current systems tend to crack, realizing mainly the social, ecological and existential gaps that may be seen as an underlying pattern of all division and suffering (Scharmer & Kaufer, 2013). Once we get a wider understanding of the need for change, the connection to global welfare and GNH is very natural.

Starting where it hurts

Another, more obvious, way of igniting intention is to simply start where the organization feels a need to change, where it hurts. The point with GNH is that, when working with for example diversity, it is possible to do so in connection to a larger map, where even diversity itself is one of many perspectives. This means that GNH helps us include and transcend whatever the current needs are, thus widening the mindset (Rosengren, 2016a). In these cases GNH may not be mentioned until later on in a process, after completing the first steps to healing the initial wound. Sometimes GNH has, even in these cases, been included in the ”ouverture” of a process,

similar to what is called psychological priming (Meyer, 2014)[10] or, rather, nudging (Thaler & Sunstein, 2008)[11], whereby the essence of the emerging future or of a planned process is embedded in a more or less sublime way within a preceding message. This is sometimes done by referring to the solar system and the "Copernican" (which was known long before Copernicus) insight that the Earth is not at the center, but one planet in a whole system. In this simple manner, a systemic approach has often been introduced, while at the same time opening for more existential reflections in connection to the Universe as a whole.

So, once we can see a need for healing in the organization, whatever it is it may quite easily be connected to GNH and to a global perspective by doing whatever needs to be done within the context of a larger framework or system.

Finding the axis mundi

The best way for igniting intention is to go right to the very soul of the organization called "axis mundi" (Rosengren, 2013). Axis mundi is a term used in mythology, to symbolize a point of connection between heaven and earth. Just as the geographic poles are a connection spot for the four directions, the axis mundi may be seen as the point where all dimensions meet. In a similar way we could say that every context has its "navel" that, when we become aware of it, naturally reveals and dissolves many patterns that hinder our complete harmony and re-connection.

The axis mundi of an organization can be difficult to discover, and is therefore as rare as it is effective as a starting point. It may take time to see what is its central pattern and

[10] Priming is a theory about implicit memory effect in which exposure to one stimulus influences the response to another stimulus.

[11] Nudging, or nudge theory, is a concept in behavioral science, polical theory and economics which proposes positive reinforcement and indirect suggestions to try to achieve non-forced compliance to influence the motives, incentives and decision making of groups and individuals.

deepest value. However, in times of crisis it is often easier to grasp. When the everyday safety cracks open, the real values and the soul of the context lays bare and the most authentic questions arise. Being able to use this central point and these deeper questions as a starting point is very precious and can transform any crisis into the most fruitful healing process.

GNH as a holistic overview - mandalas at work

The model has also been useful for organizations that wish to work with the SDGs but find it difficult to know where to start and to get an overview. In organizations that are used to working in the form of projects, this helps translating the essence of GNH in that the SDGs can be seen as project goals, while GNH can be seen as effect goals. The model thus makes it easier to see the whole picture and to connect sustainability work in the organization with individual life balance as well as global welfare. Presented in this way, GNH becomes a key to understanding the connection between micro and macro. This also relates to seeing GNH as a kind of mandala in work-life, where fractals in the form of, for example, departments or pilot projects, may mirror the pattern of the (visionary or real) whole. The patterns have the tendency to repeat themselves (Rosengren, 2016a).

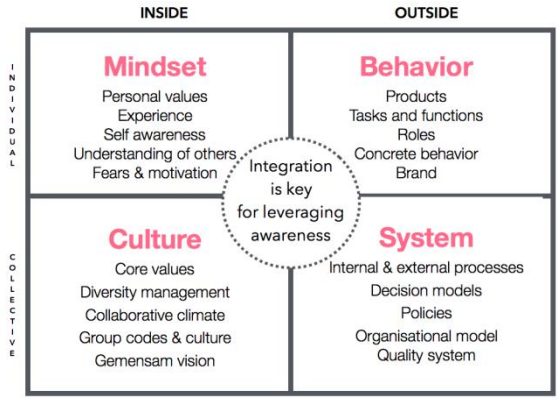
Embracing complexity - designing a GNH process

Another important aspect has been the cultivation of a practical framework that both facilitates and explains complexity. GNH is in itself a complexity-friendly model, yet there is a need for other explanations and structures that may help us adapt the design of a GNH process to a specific context. Both the initial survey and the process itself call for methods and theories with this potential, in order to match the maturity of the organization with the mindset that is essential for a fruitful GNH initiative.

Integral awareness

One of the most helpful models for this has been certain practical applications of the integral model called AQAL (All

Quadrants All Levels) (Wilber, 1996) that clarify and discern mindsets and levels of awareness, together with connections between the personal and the professional, the outside and the inside of an organization.



This may be described as a house with apartments in four directions symbolizing the individual inside, the collective inside, the individual outside/external and the collective outside/external.

Each apartment is connected to certain skills or arenas of learning and all of the apartments need to be in perfect alignment in order for the individual or organization to be in harmony.

This integral model may also be combined with different levels of awareness and ability to handle complexity. When all

the apartments at one floor are in alignment, then only it is possible with vertical leverage for the organization or individual. Vertical expansion means increased maturity and ability to handle complexity, which means that the former level is included and transcended into a whole new paradigm. Since the transformation from one level to another involves every aspect of life, it is not something that can be accomplished with a normal project plan. Life changing processes need to be involved. The AQAL model obviously involves all aspects of maturity and integration, which makes it very useful for analyzing the status of an organization. Based on this kind of analysis we have been designing the GNH based processes in this way:

1. Choosing a significant entrance
2. Mapping the level of awareness and the exact needs
3. Finding the transformation leverage points and starting the healing integrative expansion
4. Allowing the results to have impact in wider circles through communities of practice

If an organization is, for example, experiencing problems in the field of diversity, this may be a great entrance. That will then be focus for the first step that could be a full day workshop or a brief lunch seminar. The point is to make use of this entry point for igniting a deeper motivation by placing the diversity issues on a larger map. If the same organization then wishes to examine how they could continue (with or without including GNH) we would benefit from mapping the level of awareness. This can also be done in a very simple way; there is no need for elaborate interviews and so on if this is out of proportion in the situation. Let us say that this workplace seems to have its major problems in collaboration and trust. Let us also say that they talk a lot about conflicts and mistrust, decisions that do not last and an atmosphere that is competitive rather than supportive. This will help us see how to design the process for the next step, so that we may help them with diversity in a significant way, while at the same time creating the conditions for leveraging

and expanding the mindset of the group. Working with trust and relations will only solve a small part of this equation, while designing from a level that is slightly wider (in this case the integral yellow level) will widen the arena and make everything so much easier. This is called being one step ahead - with compassion and wisdom. It is about shifting mindsets in order to raise awareness and the ability to handle complexity in fruitful ways. This involves working ”vertically” too, not only ”horizontally”, i.e. developing new ways of thinking altogether rather than merely fixing what is broken on the current level of understanding. In order to raise awareness we need to include and transcend all the former experiences. This means being more whole as a human being, and also as a community, organization, nation or planet.

Real transformation at work - through key leverage points

A seed does not sprout unless it is surrounded by the conditions for growth. The same is true for any process intended to transform business. There is a need for concrete key models, but also for finding concrete keyholes, i e the areas to work with that may generate expanded awareness. What part of the organization should be in focus? Where exactly may the smallest input generate the largest outcome? Where are the key leverage points for an organization?

Decision making as a key

One such leverage point that has emerged in many settings is decision making. Decisions are made in all contexts and involve many aspects including all the GNH dimensions as well as all the dimensions of horizontal and vertical expansion. It involves the awareness, mindset and maturity of the individual as well as the context. It involves also the structures and the organization from where it takes place. In this way it is already multidimensional. We may then add the GNH dimensions to see even more variables that are - consciously or unconsciously - part of every decision making process. All forms of decision making have a significant value in certain contexts and situations. However, aligned to the understanding of vertical

expansion, it is always more fruitful to have access to more than one mindset and method, just as the music may be more enjoyable with more than one string on the guitar. So the more our mindset expands, the more forms for decision making we will understand and be able to choose between and make use of in diverse situations. These are some forms for decision making that are more or less commonly used: authoritarian, taking Advice and democracy.

Of the commonly used approaches is the authoritarian model, where one person determines all the decisions. In other contexts, the authoritarian decision may be preceded by advice from a selected group. This is also quite common in management boards. However, there is also a more collective way that is preferred in many committees (democratic bodies is majority), where the decision that gets votes from more than half of the group will win.

From the perspective of sustainability and the deeper principles of GNH, we would need access also to deeper forms of decisions. Therefore, a few levels needs to be added: consensus; concordance; multi stakeholder and/or cross-sector dialogue; and space tuning.

Consensus as a decision model involves a process that takes advantage of individuals as well as the team. It aims to strengthen capabilities of working effectively together as a collective. However, these processes often seem to be incomplete in that some participants, although invited to contribute, would not speak up until after the decision is made, often complaining back-stage, not following the decision or not being able to use their full potential. For this reason models like Concordance are often more useful.

Concordance decision-making method encourages everyone involved to arrive at solutions that none may have thought of alone. It builds on three criteria that are also similar to three dimensions of inner wellbeing. The first is *inclusion* mirrored by involving those people most qualified to make the decision, and those most affected by the decision. The second criteria is *control*, so that all participants have equal voting power, and veto power on every decision. The third criteria is *openness*,

granting that all members express themselves openly, meaning, i.e. not lying, or withholding, and, to the best of their awareness, not deceiving themselves.[12] Concordance, when it is based on authentic trust and conscious choice, is often a very functional method, connected to the green level of vertical expansion. However, it does not involve the context outside the team. This is why it is sometimes beneficial to bring this form of decisions into a wider context of dialogue.

Multi-stakeholder and/or cross-sector dialogue may take diverse forms, sharing a similar aim of widening the scope of influence and overview, so that diverse clusters and perspectives may be integrated and influence each other more consciously. This means gathering groups and participants representing diverse aspects of a certain question that is important for all, such as city planning or change in an organization. Now, this does not mean that other decision models may not be used as well. The wider scope will include all other methods, while transcending them too. This would be the perfect model if it were not for the fact that it seldom involves inner existential dimensions nor deeper re-connection with nature and context.

Space tuning is a new found model for decision making that may complement the other methods, in that it deepens and widens the scope almost infinitely, while not necessarily involving more than a small dedicated and wisely selected group. The word space can be described and used in many ways, one of which is the emptiness embracing every movement, process, idea and initiative, in a physical, mental and/or spiritual sense. Nothing can ever take place or be created without this space, just like music happens in collaboration with the gaps between the notes. These empty spaces or gaps could also be described as an abode for, or source of all that takes place, the very essence of all that is. When we get a thought or an idea, it starts in the very same way as a most sublime shift of nuances within the empty space of our mind. In the theory of transformation called Theory U,

[12] The material about Concordance, found on www.thesweden.com

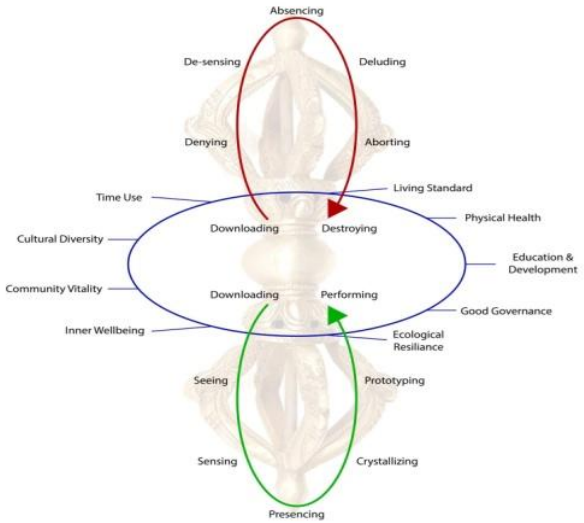
space is what is perceived as the bottom of the process. Having let go of all our downloaded information as well as opened our minds, hearts and will, this is what awaits us. Space is where we end up when we have peeled off all our theories, preconceptions, self-images, patterns of behaviour, reiterative mindsets emotions and other more or less conscious blockages. We thus drop all that we know about ourselves, the world and what is and so we simply rest for a while, as awareness. While resting as awareness we can then notice something new coming up from within the empty space of pure presence.

This would be the crystallizing of a new idea or mindset, transformed by the empty gap between letting go and letting come. It is this very dimension that Space tuning aims to elaborate and expand and allow the decision to emerge from there, collectively, almost like a conscious collective intuition.

This kind of method might seem complicated or abstract or both. It does not have to be perceived as neither. In fact it could be seen as very simple and in a way it is already being practiced within many forms of more conscious group meditations or prayer where we allow ourselves to focus our attention to the essence of our being, while staying attentive and mindfully alert. A simple and neutral form for this practice might be simply gathering for such a meditation, sitting in a circle thus allowing space within as well as without. After this meditation, where each individual becomes aware of his/her source, the group might then open for a more holistic experience of awareness, where the group as a whole would allow itself to sink into its source, abiding in this essence of existence for a while. This way we might become more aware of new ideas emerging, without any preprogrammed result. The group could continue to exist as it is if there is enough attraction. It could also allow itself to be in dynamic change so as to include new participants while others leave. This could be an ongoing process itself, shifting participants whenever it feels necessary, natural with new perspectives. The group could also temporarily have a function, such as being a tuning fork for diverse. For instance, this group functions as an advisory board or a vision incubator for projects and initiatives.

GNH plus Theory U - Multidimensional transformation as method

As soon as we find at least one key leverage point, our main method for transformation is Theory U, but in a certain combination with GNH. Theory U in itself is deeply transformative, leading individuals as well as their context through a process of paradigm shifting potential. Within the process we open our minds, hearts and will in such a way that we may allow current mindsets, habits or ideas to die, while new may arise through the emptiness that follows. When this process is fulfilled in an authentic way, it widens the mindset radically, giving space to completely new possibilities and ways of being in the world.



What is new with this method, apart from its widespread effect in motivating people all over the world, is that it is deep and profound. The basic idea if combining Theory U with GNH is a multi-dimensional perspective, where the ”U” may depart from any dimension/domain in the GNH mandala, while again entering in the same – or another dimension/domain. Practically this might mean that our process could start in a desire to develop our ecological resilience and end up in adjustments of the domain of cultural diversity. Or go from

participation to health, or from living standard to leadership. Or it could start and end in the same domain. The starting point of a U-process – into presencing as well as into absencing – is thereby more of an ”inner core” or ”inter-dimensional airport”, where processes take off and land. The model thereby equals to a Tibetan varja, a tool that is used in Tibetan Buddhism for transformation by skillful means. It is used, most often to enhance compassion, together with a bell, symbolizing wisdom. The open womb of this bell may be represented by the GNH mandala. In this way the combination of the two models – as well as the tools – represents an alchemical wholeness.

The whole combination, however, takes place in a space, an empty space, that may remind us of what we essentially are, the essence of pure awareness, to which this model has two more specific entry points: presencing and absencing. This means that both may be an entry to, or from, pure awareness. As if awareness (dissolved or more subtle) would rise as (more gross) consciousness in these two ways: empty or full, present or absent, thus creating the potentials for creation or dissolvement.

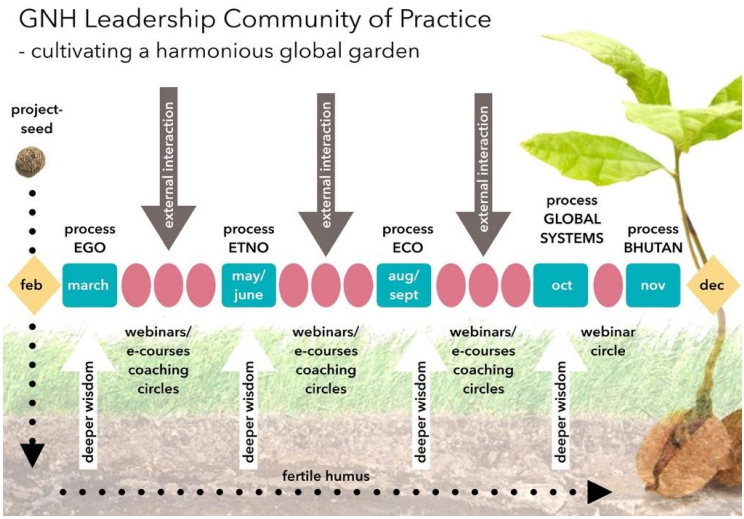
A community of practice - a compassionate refuge for visionary leaders

Many visionary leaders aiming for true transformation are describing a kind of loneliness in their situation. It is not always easy trying to be ”whole” in a society and business climate that often is defined by competition and getting ahead. There is a need for a refuge where the signs of wholeness are understood as healthy, rather than strange and where methods are shared that help in integrating and making the situation more holistically whole.

GNH Leadership Global Community of Practice

In Sweden the GNH Leadership Community of Practice forum is meant to be a refuge in the form of a community of practice where visionary leaders may reload their batteries and become part of a transforming movement. This community functions like an abundant and harmonious garden, where the fertile humus allows for any project to be planted and transformed into a plant that will transcend the initial idea by far.

The programs are based on a one year structure that starts by defining a project that will be planted. This project seed then



will be introduced in February into the structure of the community process. By March there will be a group process based on the first three dimensions of GNH. This process will also include self awareness, mindset training and meditation in combination with dance, art and other forms of creative expression, whereby deeper wisdom may be discovered. This first process is focused on the EGO aspect, the mindset and the life balance of the project owner.

In the next phase there will be webinars and e-courses, individual coaching and self organized group coaching circles,

to support an external interaction between the garden and the project context.

Next, there is another process, based on the next three dimensions of GNH. This time focus will be on the ETNO aspects of the project and its relations at work or in society, for example collaborative skills and leadership. The project owner will now expand in awareness to include the EGO as well as the ETNO, i.e. the wider context. After this there will again be supporting webinars and coaching.

Finally, the last three dimensions of GNH will be introduced, while focusing on an ECO awareness. Hereby the conditions are strengthened for an emerging global mindset where the project becomes a natural expression of the wisdom of the whole. This will also be the preparation for a journey to Bhutan, where the community will be enriched by connecting to other communities in the world.

This process will lead to a transformation of each project, while also transforming the whole process, as a whole. The individual as well as his or her context will find its place on a global map, re-connecting with our deeper wisdom, each other and nature. This will, then, be good humus for communities and projects that are in alignment with the profound principles of GNH.

The first process of this kind is about to start now in Sweden, inspiring and including both individuals and organizations. We have yet to see what the outcome will be in this well prepared structure. If it turns out well, this might be a pattern worth repeating. A garden for the cultivation of global mandalas.

Examples

At Karolinska University Hospital, change has become a part of everyday life. The whole hospital has undertaken a huge renewal, moving departments, reorganizing the governance in a way that has been very stressful, for the patients as well as for the staff and the context around. Whether the change has been for the better or not, is a constant subject of discussion. In this

atmosphere of inevitable but not necessarily welcome change, I came to work with one of the larger departments.

We started out with the management group, who offered one and a half days only for deciding what needed to be done. We did a brief meditation focusing on the Earth as seen from Space. This is in itself remarkable, since many management boards do not take time even to sit still for a minute together, far less do they take time for meditation - if they at all feel free to even talk about such things. Now this brilliant group of leaders opened for deep reflection already from the start and decided to concentrate on ensuring quality and trust in a time of deep change. The principles of GNH were in this case very natural for the group to embrace. It was a comfort for the whole department to connect the ongoing change in their organization to a larger perspective of paradigm shift. This connection offered a sense of meaning and hope, which made all other organizational treatments much easier to fulfill.

At Kiruna city - a city and a municipality in the far north of Sweden - the process has just begun, taking its start in cross-sector dialogue, mindsets and trust building. The city of Kiruna is being moved to escape unstable underground movements from the mines. This means that the whole city is literally shifting from one place to another. This situation tends to be the kind of crisis that reveals the axis mundi of the whole context, which to a large extent has been about grassroots empowerment. Now again, this essence reveals itself in that it has become very important to collaborate across the societal borders. The task was thereby easily designed, based on process leading cross-sector meetings on the theme ”How do we re-create Kiruna?” and arranging education for the municipality management, regarding trust building, radical collaboration and integral sustainability. In this case GNH has of course been a very obvious inspiration for vision building. It becomes very obvious for everyone in the city, that many perspectives need to be embraced and integrated in the new social patterns.

Polyamp Ltd is an international SME working with hi tech solutions for mine protection and switch craft. There was also a change coming up. Being a family business since 50 years, the

company was now up for a generational shift. Such shifts are never easy, often bringing about other changes as well. So this was a great occasion for introducing a new vision that opens for the basic values of GNH. The inevitable generation shift has thus been their entry point that has opened new doors to innovative solutions for ecological sustainability within the framework of Smart Cities. In this context, that emerged as a new market when a new family member entered, the company´s inherent spirit of innovation and development as well as focus on sustainability, quality and environment has become clearer. Even though the company is not yet working outspokenly with GNH, the potential is there as well as the core values that are more in alignment with the principles of GNH.

Ekerum Golf & Resort is a golf hotel located on Öland, an island in the south of Sweden. This workplace was one of the first in Sweden to start working with GNH, connected to a GNH based regional project called ”Happiness works”. We started the project in 2014, but did not get enough funding as yet, so the stakeholders are doing their best, based on their own funding. In 2014, the hotel took the initiative to develop a GNH certification program in collaboration with GNH Sweden and other stakeholders. The program is evolving as we go, getting inspiration from creating something new that may connect different sectors, thus inspiring and benefitting the whole island. The intention has deepened by the process, ignited by the potential of being ”first with GNH in Sweden”. This might seem a bit shallow but it also has some very important consequences, such as inspiring others, pushing the process forward to results, making space for cross-sector dialogues and also allowing the dialogue to continue, thus deepening the understanding of GNH and sustainability. Also, the management group has a profound intention, which manifested already in one for the first sessions a few years ago, where we deeply analyzed their leadership in the company, in a process based on not only defense mechanisms but also the Buddhist concept of ”kleshas”, spiritual shadows of greed, ignorance and anger. The depth of this process, although translated in a contextualized way, is an example of how a process can be

inspired by not only GNH but even Buddhist philosophy while still well situated in a western context. Not that this is necessary for a GNH process, but it still shows the true intention and open minds of the managers.

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Proposal for the "Happiness Exchange" in Bhutan

Tatsuya Kasai and Koji Yamada

Introduction

It is no exaggeration to say that the ultimate objective of private companies around the world is to list their stocks at the international stock exchanges, not to mention listing in their home countries. Each market has its own listing requirements for the companies to meet and those of the most popular markets have been forming the global standards of corporate accounting.

However, the alternative criteria, such as the impacts on global environment, labor force and widening income gaps, have been highlighted at a series of international forum and conferences since the 1980s. Now almost all the global companies have been working for the fair socio-economic development and the establishment of the transparent supply chains in the name of Corporate Social Responsibility (CSR). Even so, their standards have been set according to the perspectives of their own.

Under these circumstances, in September 2015, the United Nations member states adopted the 2030 Agenda for Sustainable Development as successor to the Millennium Development Goals (MDGs). It is a global development agenda for the international community, national governments, civil societies, private business sector and other stakeholders to jointly tackle for the next 15 years. It is composed of 17 Sustainable Development Goals (SDGs) and 169 targets. The outcome declaration document of the UN Sustainable Development Summit writes, "As we embark on this great collective journey, we pledge that no one will be left behind" (UNGA, 2015, para. 4). This is a core principle of the SDGs. Also, the declaration writes, "We envisage a world free of poverty, hunger, disease and want, where all life can thrive. We

envisage a world free of fear and violence" (ibid., para. 7). The SDGs may offer new international standards for private companies in terms of their contribution to the SDG goal achievement efforts.

In this paper, we will propose that Bhutan formulate its own stock exchange open to global companies and investors, as its unique contribution the global sustainable development. We would name it "The Happiness Exchange." Taking "contribution to Gross National Happiness" as a listing requirement for the new stock exchange, Bhutan could invite the global listed companies to come to list in Bhutan.

Also, through this exercise, Bhutan could widely share the GNH concept and its application to the corporate sector across the world. In addition, the new stock exchange also offers a new revenue source to Bhutan, such as transaction and clearing fees, listing fees, data fees and technical services fees.

We first review the changing global landscape of development finance and explain that it is time for Bhutan to consider the transition from heavy dependence on external public finance to domestic/international private finance. Second, we describe the diversification of the stakeholders who are able to contribute to the global sustainable development, with special reference to corporate sector and global investors. Then, we shift our focus on to the status of development in Bhutan and emphasize again that it is time for everyone to start discussing the alternative sources of development finance. Having this said, we propose the establishment of a new stock exchange open to global companies and investors. We also list up the reasons we propose it, focusing on the revenue structure of stock markets.

Changing global landscape of development finance

Since the turn of the century, we have witnessed the dramatic change in global landscape of development finance for 15 years (see Figure 1). Domestic public revenues rose rapidly to some US$ 5.5 trillion and are the largest source of finance, and domestic private resources also quadrupled and reached almost US$ 4 trillion. In the meantime, international public

finance, net Official Development Assistance (ODA) flow and Other Official Flow (OOF), rose moderately but it is small in absolute amount and declining relative importance as source of development finance.

Composition of finance also varies in accordance with the development stages of the countries measured by the level of income per capita. It shows as countries move towards higher income levels, they tend to experience declining ratios of ODA relative to Gross Domestic Product (GDP) and increasing tax revenues relative to GDP. Private domestic finance rose most rapidly, but it still remains much lower as a percentage of GDP in the Low Income Countries (LICs). Remittances are important source of development finance while the countries are in the LIC and Lower Middle Income Country (LMIC) status.

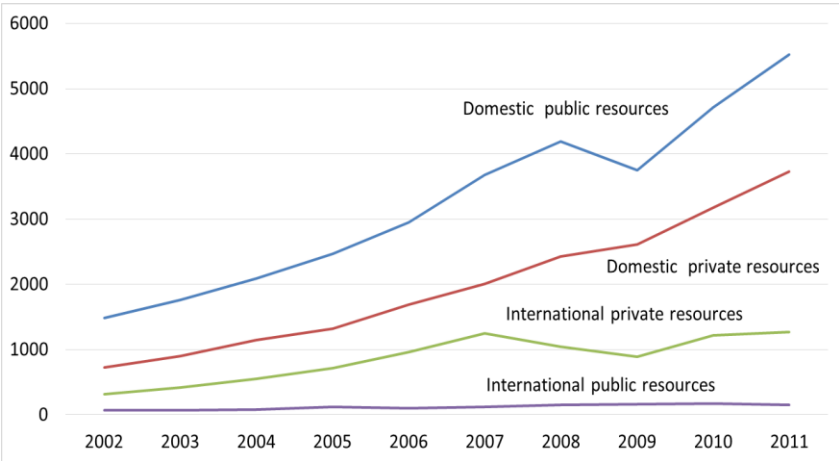

Figure 1. Trends in Finance to Developing Countries (US$ billion, 2011 prices), 2002–2011
Source: ODI and others (2015a).

These empirical facts imply that each country must consider the transition of the source of development finance in accordance with its level of national income per capita. The European Centre for Development Policy Management illustrates this typical evolution in the source of finance based on their country case studies on five countries (ODI and others,

2015a). In general, their evolution follows an upward trajectory from international public finance to domestic public finance, and then to domestic and international private finance (see Figure 2). ECDPM further argues that for the LICs and LMICs there are opportunities to increase tax revenues, which is the most sustainable source of finance for critical infrastructure, climate-resilient and social development. Public–private partnerships (PPPs) are a promising option for these countries to meet infrastructure needs that exceed government budgets. To differing degrees, ODA could continue to play a catalytic role in all the case countries, since it is largely directed towards small and strategic projects pertaining to climate resilience, trade finance, health, education and infrastructure.

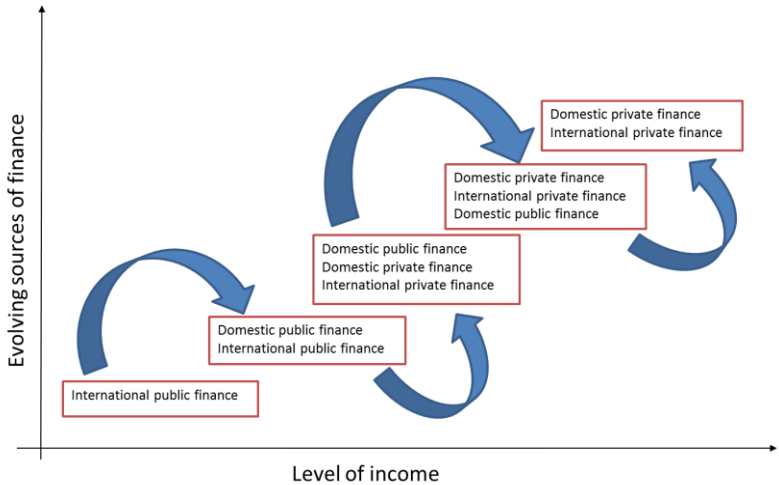

Figure 2. Typical evolution in sources of development finance
Source: ODI and others (2015b). Revised by Author.

Looking ahead there is an analysis of available sector studies that estimates incremental spending needs for SDGs annual investment in the LICs and LMICs as at least US$ 1.3 trillion per year. We have seen quite a few economies emerging from the LIC status to be Middle Income Countries for the last 15 years. Due to their sustained economic growth, they are expanding the space for DRM, both public and private, to correct in-country inequality, promote capacity development for national

statistics and data revolution, finance infrastructure development, and initiate the South-South cooperation.

We could expect the further emergence of the global South-South development efforts for international resource mobilization. Especially for Bhutan, India has long been the most important bilateral development partner. ODA from developed countries and domestic public resource mobilization will remain essential to accelerating economic growth and lifting people from extreme poverty, as long as Bhutan remains as LIC. As she moves to the upper bracket of income per capita, however, Bhutan will face a challenge of how to transfer key responsibility for financing development from international public finance to private finance.

Diverse stakeholders for sustainable development

It is often pointed out that while the MDGs are the goals to be achieved primarily by developing countries, the SDGs are the ones for all the countries, regardless of their development stages, to endeavour to achieve.

> 5. This is an Agenda of unprecedented scope and significance. It is accepted by all countries and is applicable to all, taking into account different national realities, capacities and levels of development and respecting national policies and priorities. These are universal goals and targets which involve entire world, developed and developing countries alike. They are integrated and indivisible and balance the three dimensions of sustainable development. (UNGA, 2015)

Also, the SDGs acknowledge the role of the diverse private sector, ranging from micro-enterprises to cooperatives to multinationals in the implementation of the new agenda.

> 67. Private business activity, investment and innovation are major drivers of productivity, inclusive economic growth and job creation. We acknowledge the diversity of the private sector, ranging from micro-enterprises to cooperatives to

> multinationals. We call on all businesses to apply their creativity and innovation to solving sustainable development challenges. We will foster a dynamic and well-functioning business sector, while protecting labour rights and environmental and health standards in accordance with relevant international standards and agreements and other on-going initiatives in this regard, such as the Guiding Principles on Business and Human Rights and the labour standards of the International Labour Organization, the Convention on the Rights of the Child and key multilateral environmental agreements, for parties to those agreements. (UNGA, 2015)

With these principles, Target 6 of the SDG 12 depicts that the global community agreed to "Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle."

These are not the unilateral expression of expectations of the United Nations and member states to the business sector. In fact, the global business sector, mainly through the framework of the World Business Council for Sustainable Development (WBCSD), had been deeply committed to the formulation process of the 2030 Agenda and the SDGs. In addition to the collective actions through WBCSD, the top management of the global companies also released their individual statements as well as their group manifesto on the various occasions of the inter-governmental negotiations on the outcome document in 2015 and the UN Sustainable Development Summit in September 2015, that emphasized the role and responsibilities of the global business sector and their individual commitments to achieve the new development goals. They are not an uninvolved bystander on sustainable development, but instead they choose to remain committed to the goal achievement efforts.

Deloitte Tohmatsu Consulting summarizes the motivations of the global business leaders on their commitment to sustainable development[1]:

a. to create future global markets for their companies;
b. to read the global policy trends and proactively participate and dominate the rule-making process;
c. to strengthen the stakeholder relations; and
d. to overwhelm their competitors in their contribution to sustainable development.

It is already becoming a common practice that the corporate value is measured and assessed not only by their financial information. As observed in the growing popularity in exercises of Integrated Reporting and ESG (environment, social, corporate governance) investment, it is also measured by various types of stakeholders who are so different in their perspectives. So far, the SDGs have been proposing a more comprehensive viewpoint than any other indicator so far, and they are becoming a common language to be widely shared among stakeholders such as investors, customers and civil society organizations (CSOs), and their own employees, when evaluating companies and their business activities from the perspective of sustainability. Various attempts have already been initiated to adjust various existing investment principles and reporting criteria to the SDGs.

Trade unions have also been expressing high expectations from the changing mind-set of the corporate sector in the era of sustainable development, as described in the statement by a representative of the International Trade Union Confederation at the World Economic Forum.

> There is a case to be made that vast economic incentives exist for changing business as usual. Business can create the fair wage jobs to propel societal development that leaves no one behind.

[1] Retrieved from https://www2.deloitte.com/jp/ja/pages/about-deloitte/articles/dtc/sdgs-outline.html.

> Business innovation can deliver the technological advancements needed to achieve an efficient, net zero emissions economy. And business and society could both win, if more businesses recognize this and act upon it. (Statement by Sharan Burrow, General Secretary of the International Trade Union Confederation, at the World Economic Forum, Davos, Switzerland, on 21 January, 2016[2].)

As more companies are making public commitments to contribute to the SDGs based on these perceptions, we could easily expect global competition over their level of contribution to SDGs. In order to dominate in this global competition, it is essential to establish overwhelming advantage in the new markets that the SDGs will bring about, by actively participating in the rule-making process and making investments in the areas of their superiority. If they do not recognize the global policy trend at the earlier stages and are late in responding to it, they may lose ground in the market competition.

As stakeholders' concerns over social and environmental issues have emerged, companies have been developing various business activities from the viewpoints of CSR, sustainability, creation of shared value (CSV) and others. However, the selection of thematic areas and the target-setting have been left to the discretion of each and every company, and since there are large variations among companies in terms of actual approach, attitudes and outcomes, it is inevitable that the impact of corporate activities on the social and environmental challenges was limited.

Also, with regards to the relationship between business and the development agenda, since the MDGs focused on the social aspect of poverty in poor countries, companies had found it difficult to see any significant linkage between their core business and the social challenges. On the contrary, the SDGs

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[2] Retrieved from http://businesscommission.org/news/new-global-commission-to-put-business-at-the-centre-of-sustainable-development.

set targets for each and every aspect of economy, environment, and society of all countries. As the environmental and social impact of their activities is highlighted and more comprehensive view is required in the reporting exercises, the global companies have found that there is stronger linkage between their core business and the new development agenda.

In other words, the SDGs mean that the major trends in the global community and public policy may directly influence the activities of each company. In order to survive in the next 15 years, global companies have to ensure that their entire value chain could be assessed through the lens of 169 targets: whether they are filling the gap and making a positive contribution. For one company, however, it is impossible to tackle all the SDG goals and targets one by one. It is necessary for each company to prioritize the goals and targets in which they have advantage in terms of the company's operational volume and technological capacity. For example, in case of Japan, technologies for disaster risk reduction are the ones the Japanese companies have absolute advantage and could lead the world.

Studying the SDGs and their strengths and weaknesses, global trends in their respective fields, and synchronizing with them will be the conditions for the company's survival in the global competition. Passive response to emerging needs while keeping the previous business model unchanged could be inefficient. Instead, it may be more reasonable for the global companies to master in the SDGs and streamline their businesses in accordance with them. That will help them to enhance their corporate value.

In the meantime, the sustainability parameters have been becoming more relevant not only for corporate management, but also for investors. Clark and others (2015) investigated over 200 academic studies and sources on sustainability and found that sustainability information is relevant for corporate performance and investment returns. They synthesized the data from several sources and presented a selection of ESG issues that may have a material impact on the company, although it

still depends on the profile of the individual company (see Table 1).

Clark and others further found that 90% of the studies on the cost of capital show that sound ESG standards lower the cost of capital. 88% of the studies show that solid ESG practices result in better operational performance. And 80% of the studies show that stock price performance is positively influenced by good sustainability measures.

Although they reserve their final conclusion on which parameters are most relevant for operational performance and investment returns, they still point out that:

a. the international investors and trustees should require the inclusion of sustainability parameters into the overall investment process in order to fulfill their fiduciary duties;
b. investors should be active owners and exert their influence on the management of their invested companies to improve the management of sustainability parameters that are most relevant to operational and investment performance; and
c. it is in the best interest of asset management companies to integrate sustainability parameters into the investment process to deliver competitive risk-adjusted performance over the medium to longer term and to fulfill their fiduciary duty towards their investors.

Table 1. *Selection of material ESG factors*

Environmental ("E")	Social ("S")	Governance ("G")
Biodiversity/land use	Community relations	Accountability
Carbon emissions	Controversial business	Anti-takeover measures
Climate change risks	Customer relations/product	Board structure/size
Energy usage	Diversity issues	Bribery and corruption
Raw material sourcing	Employee relations	CEO duality
Regulatory/legal	Health and safety	Executive

risks		compensation schemes
Supply chain management	Human capital management	Ownership structure
Waste and recycling	Human rights	Shareholder rights
Water management	Responsible marketing and R&D	Transparency
Weather events	Union relationships	Voting procedures

Source: Clark et.al (2015), p.12.

In early 2005, the then UN Secretary-General Kofi Annan invited a group of the world's largest institutional investors to join a process to develop the Principles for Responsible Investment (PRI). When the PRI was formally launched in April 2006 at the New York Stock Exchange, it started with just 63 signatories in US$ 6.5 trillion total assets under management. The number of signatories, consisting of asset owners (AOs), investment managers and service providers, has grown to 1,714 as of April 2017, and the total assets under management have reached US$ 68.4 trillion (see Figure 3).

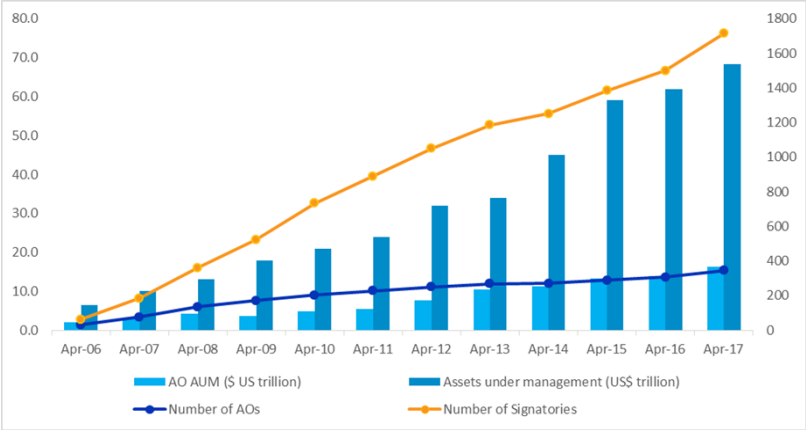

Figure 3. Growth of PRI Signatories and Respective Assets under Management (AUM) (AUM: US$ trillion)
Source: PRI

Meanwhile, Global Sustainable Investment Alliance bi-annually estimates the volume of "Sustainable Investing" in the world. According to GSIA (2017), at the start of 2016, there were UD$22.89 trillion of assets being professionally managed globally under responsible investment strategies, at an increase of 25 percent since 2014. In all the regions except Europe, which tightened its definition of sustainable investing, sustainable investing's market has grown. In relative terms, responsible investment now stands at 26 percent of all professionally managed assets globally. Clearly, sustainable investing constitutes a major force across global financial markets.

Table 1. *Growth of sustainable investing's market (assets by region 2014-2016)*

Region	2014 (US$ billion)	2016 (US$ billion)	Growth over period	Compound Annual Growth Rate
Europe	10,775	12,040	11.7%	5.7%
United States	6,572	8,723	32.7%	15.2%
Canada	729	1,086	49.0%	22.0%
Australia/New Zealand	148	516	247.5%	86.4%

Asia excluding Japan	45	52	15.7%	7.6%
Japan	7	474	6,689.6%	724.0%
Total	18,276	22,890	25.2%	11.9%

Source: GSIA (2017)

At first glance, Japan's growth seems remarkable even though the total volume still remains very small compared to those of Europe, the United States and Canada. This can be partly explained by new survey data collection and better reporting, but it is also due to a number of significant changes to the sustainable investment market in Japan since 2014. In February 2014, Japan's first Stewardship Code was established, and it encouraged institutional investors to participate in constructive engagement with the companies in which they invest. Although the principles are on the voluntary basis, 201 institutional investors adopted them as of December 2015. Also, in June 2015, the Corporate Governance Code, which sets rules concerning whistle-blowing, disclosure and stakeholders' rights, was announced. Furthermore, in September 2015, the world's largest pension fund, the Japanese Government Pension Investment Fund (GPIF), became a PRI signatory (GSIA 2017). In July 2017, GPIF has selected three ESG indices for Japanese equities and commenced passive investment tracking those indices[3].

More recently, GPIF has signed the MOU with the World Bank Group in October 2017 over a formal partnership to expand markets for sustainable investing. They will collaborate on initiatives that promote strategies for including ESG criteria in investment decisions across different asset classes. As a first step they will develop a joint research program that will explore practical solutions for integrating sustainability considerations into fixed income portfolios. Potential areas of research include benchmarks, guidelines, rating methodologies, disclosure

[3] Press release by GPIF, "GPIF Selected ESG Indices," July 3, 2017. http://www.gpif.go.jp/en/topics/pdf/20170703_esg_selection_en.pdf

frameworks, reporting templates and risk correlation for incorporating environmental, social and governance considerations into fixed income portfolios, including for sovereigns and sustainable bond markets[4].

GPIF's total assets is JPY 149.1 trillion (US$ 1,308.8 billion) as of June 2017, and they allocate 23.9 percent of the total assets in foreign equities (See Figure 4). It is already a huge amount compared to the Japanese ODA, whose gross outflow to the developing countries in 2015 was US$ 15,029[5].

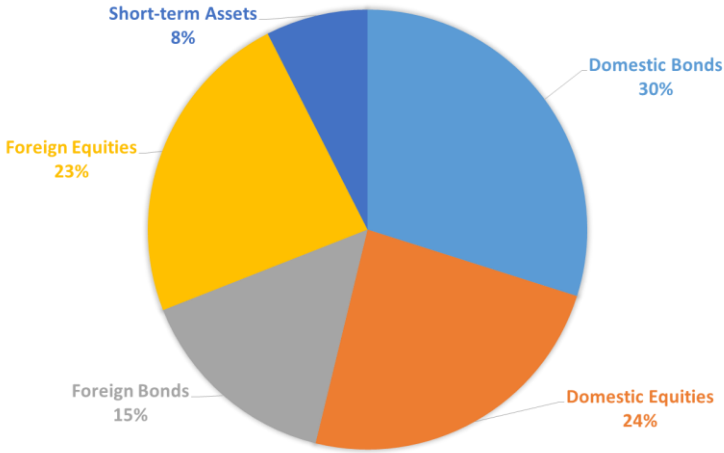

Figure 4. GPIF's asset allocation at the end of June 2017
Source: GPIF

Fiscal challenges of Bhutan

With the global policy environment as described in the previous sections, we now look back at the present situation in Bhutan.

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[4] Press Release. "World Bank Group and GPIF Join Forces to Mobilize Capital Markets for Sustainable Investments." The World Bank Group, October 11, 2017.
http://www.worldbank.org/en/news/press-release/2017/10/11/world-bank-group-and-gpif-join-forces-to-mobilize-capital-markets-for-sustainable-investments

[5] OECD/DAC

At the 13th Round Table Meeting, a forum for policy dialogue and aid coordination, held in Thimphu in March 2017, it was highlighted that while Bhutan is poised to graduate from a least developed to a lower middle income country in 2020, it still faces a multitude of challenges[6]. Prime Minister Tshering Tobgay said that while the country might make a leap and graduate, its economy and entire GDP was just US$ 2 billion. As the country's small population is spread thinly across the country, the per capita cost for building infrastructure and the per capita cost for delivering services are much higher than those in most other countries. For an economy of just US$ 2 billion, it is a huge challenge.

According to Prime Minister, the cost of financing the planned development that is aligned to the SDGs in the next three Five Year Plans would cost the country an estimated US$ 0.5 billion annually. But the Bhutanese economy has been dominated by hydropower and subsistence agriculture, and the main source of revenue is the export of hydropower to the neighbouring India. Under these circumstances, trade deficit reaches the level of 27 percent of GDP, and alarmingly the debt-to-GDP ratio already reaches 116 percent.

Bhutan is on the last mile to overcoming her status as a Least Developed Country (LDC), and this has been represented by the 12th Five Year Plan (12FYP), which begins in July 2018. With the achievement of Gross National Happiness (GNH) as its ultimate goal, 12FYP has an objective of "Just, harmonious and sustainable society through enhanced decentralization." Under this heading, the Royal Government of Bhutan (RGoB) has been identifying a few priority areas that include the enhancement of economic diversity and production capacities, aiming at the departure from heavy dependence on hydropower (RGoB, 2017).

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[6] The last mile towards LDC graduation, *Kuensel*, March 16, 2017. Retrieved from http://www.kuenselonline.com/the-last-mile-towards-ldc-graduation/

Table 2. *Preliminary fiscal projections for the 12th Five Year Plan*

Items	11th Plan Revised (Nu. million)	12th Plan Projection (Nu. million)	Plan to plan variation (%)
Revenue & Grants	198,102	305,648	54.3
Domestic Revenue	128,994	251,233	94.8
Grants	68,470	54,415	-20.5
Total Expenditure	215,578	300,325	39.3
Current	105,712	185,001	75.0
Capital	109,866	115,324	5.0
Overall Fiscal Balance	-19,841	5,323	126.8
In percent of GDP	(Average)		102.0
Overall Fiscal Balance (%)	-2.20	0.05	
Coverage by Domestic Revenue	(Average)		
Current Expenditure (%)	122.6	135.1	10.2
Total Expenditure (%)	60.7	83.6	37.6

Source: RGoB (2017)

According to the Gross National Happiness Commission (GNHC), based on the preliminary fiscal projections, the RGoB has been expecting the total outlay for the 12th FYP period to be around Ngultrum 300 billion (US$ 4.6 billion), which is 39.3 percent increase from the total expenditure for the 11FYP period. While they are expecting 94.8 percent increase in domestic revenues partly due to the commissioning of three new hydropower projects, they are projecting 20.5 percent reduction in external grants (see Table 2).

As we already described before, if the country graduates from the LDC status to join in the group of middle-income countries, Bhutan also need to graduate from its heavy dependence on the international public finance as a source of development financing, and shift to domestic public finance and then to domestic/international private finance. At first glance, preliminary fiscal projection of the RGoB has been following the similar path to be ready for the LDC graduation, reducing the dependency on external grants. However, since the release of the guidelines for preparation of the 12th FYP in December 2016, Bhutan has been stunned by a series of internal

and external events which may cause unfavourable fiscal impact on the country.

The delay in the completion of major hydropower projects and the abolishment of the excise duties refund by the Government of India in exchange for the introduction of the Goods and Services Tax (GST) in July 2017 may cause downward correction in their revenue projection. It was reported that the Secretary of GNHC had indicated that the only way to narrow the fiscal deficit gap would be either by seeking more grant from external development partners or by cutting down current expenditure or a combination of both[7].

It may take a while for Bhutan to come up with sustainable revenue sources that replace the downward trend of the international public financial inflow. But it could be expected that if there is an alternative source of development financing, it would not be a single one but a combination of small different sources.

Proposal for a New Stock Exchange in Bhutan

Under the above circumstances, authors would like to propose the formulation of a new stock exchange in Bhutan, which targets the global companies and investors. As described before, global companies have been aligning their core business to contribute to the SDG goal achievement efforts, introducing sustainability parameters to measure their contribution to global sustainable development. Individual and institutional investors have also become concerned about the sustainability parameters of the companies they invest in. Our proposal is to make a platform for the global companies and investors to meet in Bhutan, where there is people-centered philosophy of Gross National Happiness (GNH).

At the Singapore Summit on September 16, 2017, Prime Minister Tobgay announced that a GNH Certification Tool for

[7] 12th plan revenue projections hit after hydro delays and GST, *The Bhutanese*, September 9, 2017. http://thebhutanese.bt/12th-plan-revenue-projections-hit-after-hydro-delays-and-gst/

Business would be launched at the International Conference on GNH in November[8]. It was reported that he said,

> While GNH has largely focused on the sphere of public policy, we are now integrating GNH values into the decision-making processes of businesses. Business companies that qualify will be awarded the GNH Certification as an incentive which will also serve as a powerful brand that carries the impact of GNH.

Using GNH indicators, this process would measure the commitment of companies to behave ethically and contribute to the happiness of the workers as well as that of their customers, community and society. This certification tool may first be applied to the Bhutanese companies. However, if it targets the Bhutanese companies, the number is still very small as there are only 21 companies listed at the Royal Securities Exchange of Bhutan (RSEB) as of September 2017.

Our proposal is to apply this certification tool to the global companies who want to be assessed in terms of their contribution to the happiness of all the stakeholders although it may require for further sophistication of the prototype tool that is released at the Conference.

Choudary (2017) describes a platform business as a model that "uses technology to connect people, organizations and resources in ecosystems to exchange, goods, services and ideas." It is often pointed out that the platform business model has the following four characteristics. First, the supply side which provides the platform is in a better position to enjoy monopolistic situation. Second, the demand side is characterized by the existence of different types of service users/participants. Third, the service provider can apply different tariffs to different types of service users. Fourth, network externalities exist, and as the more users are

[8] "GNH certification tool for business to be launched," *Kuensel*, September 18, 2017. http://www.kuenselonline.com/gnh-certification-tool-for-business-to-be-launched/

participating, they become more and more satisfied. These present a valuable framework when we review our own proposal for a new stock exchange.

It is worth examining the business model of a stock exchange, taking an example of the Japan Exchange Group, Inc. (see Figures 5 and 6). It indicates that the stock exchange will have four major revenue sources: (i) transaction fees from buying/selling of stocks; (ii) commissions for clearing stocks and settlements; (iii) service fees from annual listing or initial/additional listing; and (iv) subscribers' fees for market information service.

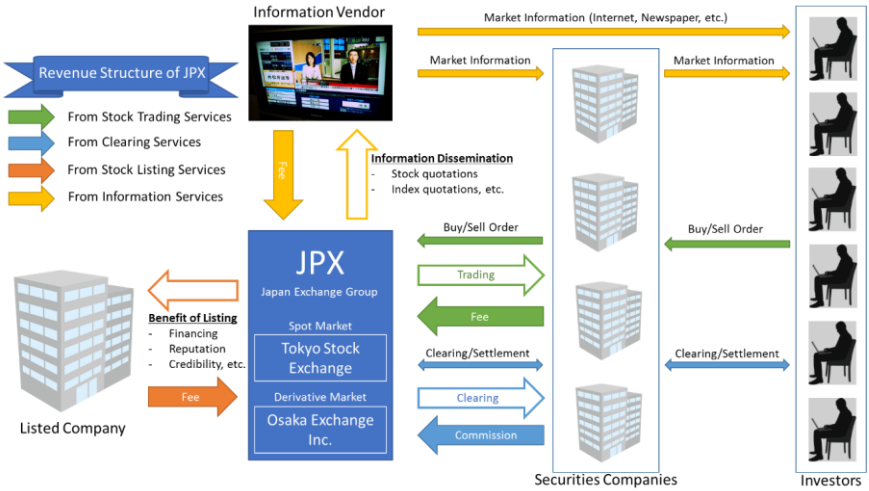


Figure 5. Business model of the stock exchange: Case of Japan Exchange Group
Source: Japan Exchange Group.

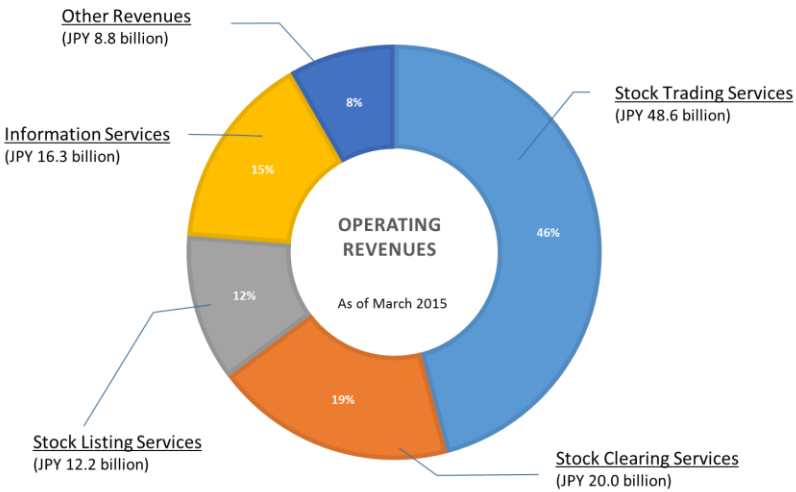


Figure 6. Revenue Structure of the Japan Exchange Group
Source: Japan Exchange Group.

According to their overview of earnings for Japanese Fiscal Year 2016 (April 2016 to March 2017), the Japan Exchange Group earned JPY 107.9 billion (US$ 948 million) as operational revenue and raised JPY 59.4 billion (US$ 522 million). Their operating profit margin was 55 percent[9]. The number of listed companies is 3,575 as of October 26, 2017, with 6 foreign companies included. Average daily trading value of the cash equities was JPY 2,998.7 billion (US$ 26.3 billion) for JFY 2016. We can conclude that the daily trading value ensures the volume of revenues from stock trading services and stock clearing/settlement services.

According to the annual report of the RSEB for 2017, during the year 2016, a total volume of 11,486,616 shares worth Nu. 328.67 million (US$ 5 million) were traded. The market capitalization of the 21 listed companies as of December 31, 2016 was Nu. 22.74 billion (US$ 349 million). Operational revenue was only Nu. 9,582,952 (US$ 147,000), and it incurred

[9] Japan Exchange Group, Inc. Overview of Earnings for FY2016, April 28, 2017. http://www2.tse.or.jp/disc/86970/140120170427453675.pdf

operational loss of Nu. 1,721,968 (US$ 26,000)[10]. As long as it only looks at domestic market for listed companies and investors, it will remain as a small exchange.

In his column on the keys to build successful platform business, Choudary (2017) points out that users will not come to a platform unless it has value and that a platform would not have value unless it has users. The advantage of Bhutan in this context is the GNH concept. Taking contribution to the happiness of all the stakeholders as a listing requirement for the new stock exchange, Bhutan could make a difference from other global stock markets and invite the global listed companies to come to list in Bhutan. This paves the way for the RSEB to raise extra revenues from annual listing or initial/additional listing of the global companies. It also enables the Bhutanese think tanks to benefit from due diligence services through the lens of GNH.

Choudary further indicates that platforms must also keep users' attention once they become members. As the revenue structure of the Japan Exchange Group shows, paid information services could be another main pillar of Bhutan's revenue from the new stock exchange. While it must assume the responsibility to disseminate real-time market information in accordance with the needs of the global companies and investors, it could also become the alternative channel for Bhutan to disseminate their concept of GNH.

Conclusion

While the attention of the business sector and investors around the world has been more and more paid to sustainable development, there is no reason we do not take full advantage of the trend. We should explore the possibility to disseminate the concept of GNH to the world through the new "Happiness Exchange" where all the transactions are made through the lens of their contribution to gross happiness of the stakeholders. Bhutan is in the best and monopolistic position to make full use

[10] Royal Securities Exchange of Bhutan. Annual Report 2017, http://www.rsebl.org.bt/upload/Annual%20Report%202016.pdf

of the GNH concept and disseminate globally the GNH Certification Tool for Business. No other country is able to offer this type of a new stock exchange.

Target 19 of the SDG 17 says, "By 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement gross domestic product, and support statistical capacity-building in developing countries." So far, authors have not yet heard any initiatives being taken in Bhutan to contribute to this target. Yet the initiative to promote the GNH concept to the business sector, not only in Bhutan but also to the rest of the world, may turn out to be a great step forward to this direction. The Happiness Exchange does not mean to deny the existing values of western capitalism. Instead, it aims to co-exist with them as happiness-based capitalism.

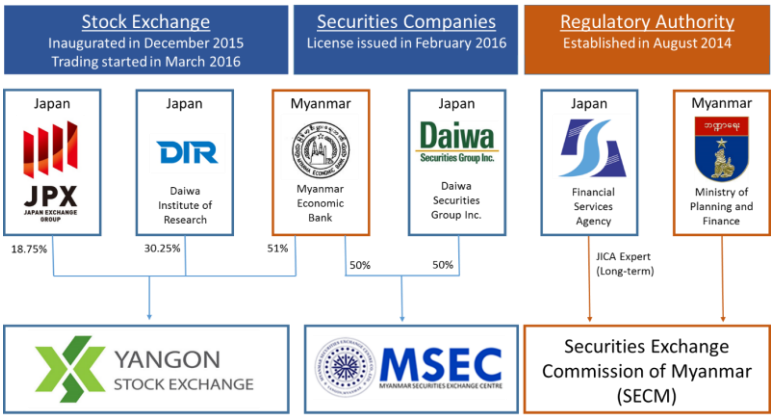
As described in Figure 4, the investment funds have already emerged as one of the major players in global sustainable development. Their total assets in the form of foreign equities are much larger than the ODA flow. Authors feel that we should not leave these international private funds untapped. The Happiness Exchange may have a potential to emerge as a new revenue source from various services they could offer to the users/participants, while it may also pave the way for the Bhutanese companies to go global by raising funds for their operations and capital investments.

But at the same time, we also have to face the reality. RSEB deals in the equities of just 21 listed companies and the stock market is open just three days a week, from 9:30 a.m. to 1 p.m. There are only five securities brokers in the country. In order for the RSEB to emerge as full-fledged global stock market, there is still a long way to go.

In this regard, we could learn from the experience of other countries in the institutional development of the stock market even though it still primarily targets domestic companies and domestic investors. In December 2015, the Yangon Stock Exchange (YSX) was launched in Myanmar as a joint initiative between the Governments of Myanmar and Japan. The institutional development for Myanmar consisted of three main pillars: stock exchange, securities companies and regulatory

authority, and since the first contact between the key stakeholders from the two countries in 1993, it has taken more than 20 years for Myanmar to open the first stock market (see Table 3).

Figure 7. Stakeholders of Yangon Stock Exchange, Myanmar



Source: Authors.

Table 3. Chronological events on the Yangon Stock Exchange (YSX) Project

Month/Year	Events
1993	Contact Mission by the Daiwa Securities Group to Myanmar
1996	Establishment of the Myanmar Securities Exchange Centre (MSEC)
May 2012	Signing of MOU between the Central Bank of Myanmar, JPX and the Daiwa Institute of Research (DIR)
August 2012	Signing of MOU between the Central Bank of Myanmar and the Policy Research Institute (PRI) of the Ministry of Finance Japan
January 2014	Signing of MOU between the Ministry of Planning and Finance Myanmar and the Financial Services Agency Japan
December 2015	Launching of the Yangon Stock Exchange

Source: Authors.

Their experience also indicates that besides the establishment of the stock exchange per se, there should be extra measures to enhance the capacity of the other stakeholders constituting the supporting infrastructure for the proposed stock market. That includes securities companies, think tanks, security analysts, regulatory authority as well as legal framework. Also, as we intend to make the stock exchange go global, it has to be made attractive to global companies, asset managers and investors. The policy measures to attract them may include the revision of commissions applied to foreign visitors and the relaxation of immigration rules applied to foreign experts working for the institutional development. It will require a whole-of-the-government approach.

These are still our preliminary thoughts that need a lot of scrutiny. It would be our pleasure to present a new perspective to the on-going discussions in Bhutan on the alternative source of development financing.

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How to Orient Business towards Ecological and Social Transformation: Gross National Happiness and Social Progress Index Compared

Olivier Malay and Isabelle Cassiers

Introduction

When science raises awareness about ecological limits (Georgescu-Roegen, 1979; Jackson, 2009, 2017; Rockström *et al.*, 2013; Steffen *et al.*, 2015), and when social issues are arising or worsening (Wilkinson & Pickett, 2009; Piketty, 2014; Keeley, 2015), there is an urge to orient society towards ecological and social transformation (Cassiers *et al.*, 2015; 2017, among others). During the last decades, several movements intended to face this challenge. Sustainable development movements, led by international institutions and initiatives such as the UN and its Sustainable Development Goals, were an attempt with a top-down perspective. In parallel, a movement in the same direction emerged from the corporate sector to transform business from within, through Corporate Social Responsibility (CSR) (Quairel & Capron, 2013) or Social Enterprise (SE) (Akhabar & Swaton, 2011). A third and more recent approach, which could be labeled 'sustainable transition initiatives', consists in empowering citizens at the local level in order to face ecological challenges (Seyfang & Smith, 2007).

The past achievements of these relatively separate movements were not sufficient to invert social and ecological trends: public actions struggle to change businesses' and consumers' behavior; CSR initiatives too often remain hampered by profit seeking; and local citizen initiatives have difficulty scaling up. However, if they could all be linked together in a meaningful way, this could be a catalyst towards achieving collective impact (Loorbach, 2007; Kania & Kramer, 2011). For this process to succeed, there is thus a need for a linkage between government-led actions and initiatives from

business leaders, non-profit organizations and local actors. This requires overcoming difficulties emerging from several dichotomies: between micro- and macro-level initiatives, between public and private initiatives, and between for profit and not-for-profit initiatives.

Succeeding in linking up these dichotomies could be fostered by several features that are yet to be invented or generalized: shared aspirations towards a new development paradigm, a new governance model (e.g. polycentric governance following Araral and Hartley, 2013) and new indicators, on which we shall focus here. It has been shown that indicators are not exclusively tools for planning and evaluating - their direct use - but also for bringing together different actors and helping them to coordinate - an indirect influence (Kirkhart, 2000). When such goals as social or environmental progress can be differently interpreted, the process of establishing a shared measurement system is an essential element for clear common goal setting, and thus a factor of coordination (Kania & Kramer, 2011). Our assumption is that the use of new indicators linking together the national and the corporate sectors is a key issue if we want coordination between these different scales and actors. Moreover, if new indicators become well established among a large number of actors, they are likely to foster the new agenda through their discursive and legitimizing power (Ortega-Cerdà, 2005). This paper will thus approach indicators in their threefold potential: to help in coordinating between micro and macro levels, to bring together various actors, and to do so with the objective of a paradigm shift.

Today, Bhutan has the ambition to tackle these issues by developing a Gross National Happiness (GNH) for business that would be capable of coordinating between the policy level and that of the corporate sector. The Prime Minister of Bhutan addressed the 2015 International Conference on Gross National Happiness with the following words:

> 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. […] Businesses must explore fostering happiness and wellbeing as an alternative business purpose. (Togbay, 2015)

This speech, which has been followed by a Business GNH agenda initiated by the Centre for Bhutan Studies & GNH, is at the root of the 2017 GNH conference. The GNH of business is conceived as the micro level counterpart of Bhutan's pioneer GNH agenda at the macro level. This approach is important in two respects: on the one hand, it is essential to the continuity of Bhutan's development model, threatened by the opening of the country to globalization; on the other hand, it can inspire the rest of the world, at the very moment when the need for coordination between different levels of indicators and actors is becoming increasingly obvious.

In this presentation, we focus on the way indicators could foster an ecological and social transformation through the coordination of micro and macro levels on the one hand, and of various actors (public and private, for profit and not for profit) on the other. We will do so by comparing two existing indexes. The first is the GNH index, because of its government support and use, and because of the recent development of a GNH of Business. The GNH will be compared to the Social Progress Index (SPI). This index is a fruitful one for comparison because it is, to our knowledge, the first Beyond GDP index that is supported by an important network of businesses (among others). Moreover, SPI is already used by several businesses to orient some of their decisions. The status of this index is then somewhat hybrid, as it draws the macro level towards CSR concerns at the corporate level.

Our paper is structured as follows. Firstly, we restate the distinction between micro and macro level indicators and discuss the main questions raised by attempts to link the former to the latter. We then briefly present each of the two selected indexes: GNH index and SPI. In the following sections, we take

up three points of comparison of these indexes: their embedded values, the participation of stakeholders and coordination across multiple scales. Finally, in a concluding session, we gather a few lessons that can be drawn to improve ecological and social indicators used by businesses.

Indicators to orient business towards an ecological and social transformation

Two major streams of thought and/or action led to a rethinking of indicators at the end of the last century, one in the corporate sector, the other at the national level. We shall briefly present each of them, while highlighting what they contribute as well as their limits in their capacity to orient business towards ecological and social transformation.

Corporate sector indicators

The last decades have seen an increasing number of businesses question or qualify the standard goal of maximizing profit, with the aim of tackling environmental and social issues. Social Enterprise (SE) and Corporate Social Responsibility (CSR) emerged to challenge the corporate sector's objectives. The former came out of the tradition of social and solidarity-based economics, the latter brought together diverse philanthropic movements from throughout the corporate sector. Although these streams show several differences in terms of origin, practices, and degree of radicalism (Blanc, 2008), they all share a growing use of quantifiers of social and environmental performance. As a consequence, reporting tools and indicators have been developed for nearly 20 years now and are used by both large businesses and small-scale enterprises (Crutzen & Van Caillie, 2010; Mouchamps, 2015). The most famous of these tools are the Global Reporting Initiative (GRI), Social Return on Investment (SROI), Impact Reporting and Investment Standards (IRIS) and ISO 26000. Some of them focus on environmental variables, others on social and economic variables; some are monetary, others are non-monetary. The general idea underlying these tools is to measure the impact of the business

on its stakeholders, in order to improve positive impact and reduce negative impact.

However, CSR and SE have their limits, for several reasons. As far as CSR initiatives are concerned, the main weakness is that they rarely challenge the very fact that making profit is the first objective of the business (Vogel, 2007). This posture constrains the scope of environmental or social initiatives. For instance, the entire chain of value is seldom covered by CSR, which allows for easy window dressing at the last link in the chain. If we look at the global impacts of CSR during the last decades, there is no evidence that all the efforts undertaken have shaped current social and environmental trends or radically changed businesses' behaviors (Godard & Hommel, 2005). The net impact of CSR remains thus uncertain. In this respect, CSR indicators have been ambiguous. On the one hand, they surely were levers towards better environmental and social performance. But on the other hand, they were also tools for window dressing policies, because they mainly focused on certain positive aspects of businesses' performance, omitting the negative ones (Boiral, 2013).

In the case of SE, it is not so much the quest for profit that limits change, but the difficulties in scaling up. Indeed, the role played by SE in the global economy is small and growing slowly (*e.g.* Wilkinson, 2015). We should note that this difficulty in becoming more widespread is also shared by more radical CSR approaches such as "Buddhism in business" (Ashtankar, 2015). If the corporate sector contribution to an ecological and social transformation has to be recognized, one should also acknowledge that the efforts undertaken up to now have been insufficient for a paradigm shift.

Macro level indicators

A second type of indicator has been developed over the last decades. On the macro level, it has been increasingly recognized that GDP cannot alone be considered as an indicator of prosperity, as it ignores dimensions such as inequality, environment, and subjective wellbeing. To answer this challenge, Beyond GDP indicators emerged at the national level

as measures of wellbeing and/or sustainability across a wide perspective (Singh *et al.*, 2009; Gadrey and Jany-Catrice, 2012; Fleurbaey & Blanchet, 2013). Their common feature is to take social and/or environmental problems into account on top of or instead of GDP. Over the years, a growing number of international institutions (including the OECD and the UN) and public stakeholders (as seen in the report by Stiglitz, Sen and Fitoussi on economic performance measures and social progress [Stiglitz *et al.*, 2009]) have begun to support or produce Beyond GDP indicators. Among these indicators, those that have received the most widespread attention are the ecological footprint (EF), the Human Development Index (HDI), and the Better Life Index (BLI).

However, macro indexes have not been widely used by governments (Seaford, 2013a) and even less by the corporate sector. Part of this difficulty in dissemination or uptake is caused by a disconnect between indicators and their potential users (Seaford, 2013b). Moreover, when Beyond GDP indicators have been used, it has not led to substantial changes. It is a fact that as long as the major economic actors are private businesses that remain within the classical for profit model, governments have little power to make society depart from the principle of economic growth. Another obstacle in the way of Beyond GDP indicators contributing to a paradigm shift is that they are not always designed to fit this purpose. Some of them, like HDI or SPI, are highly correlated to GDP (eg. McGillivray, 1991; Cahill, 2005; Malay, 2017), while others do not coherently account for economic, social or ecological issues (e.g. Thiry, 2015). Moreover, contrary to GDP, which is the sum of businesses' value added, Beyond GDP indicators are not linked to any micro level accountability. For these reasons, until now this new wave of indexes has had a limited impact on society. In Bhutan, GNH and its indicator have produced effects at the macro level, but the risk now is that they will increasingly enter into conflict with businesses facing international competition. A Beyond GDP agenda at the government level alone seems insufficient to foster a paradigm shift.

Bridging the gap

Bridging the gap between the micro and the macro levels could begin by bridging the gap between the micro and the macro level indicators. This could be done either by using micro level indicators that are linked to macro level priorities, or by encouraging businesses to use the existing macro level indicators as a guideline for their strategy or as a coordination tool. In recent years, both movements have been observed.

Firstly, some business reporting grids have been constructed in alignment with macro level priorities or philosophies, such a GNH for hostels (Sebastian, 2011) or a Corporate HDI (Spangenberg & Bonniot, 1998). Except for a conceptual link with the corresponding macro level philosophy, these indexes remain regular CSR indicators and are not radically new. However, the new movement of "science based targets" seems more challenging. It aims to set greenhouse gas emission reduction targets for every individual business, in line with climate science.[1] Different methodologies are used, but the common ground of these methods is to objectivize the efforts required by any business following macro level objectives in terms of greenhouse gas reduction. These attempts to link firm indicators with the macro level remain marginal, but are part of a growing trend. In this respect, the new GNH of business is at the crossroads of CSR and science-based targets, as it is a reporting grid that integrates targets based on macro level priorities (some of them emanating from science).

Secondly, there has been a recent use of macro level Beyond GDP indicators by businesses, especially when they are calculated at the local or at the regional level. At the regional level, indicators can emphasize CSR or SE in one of two ways. The first is to help a business's location strategy. Consider the example of a business that wishes to sell a product that is both profitable and improves nutrition. Such a business could use an account of the number of badly nourished children in each

[1] https://www.worldwildlife.org/projects/the-3-solution or http://sciencebasedtargets.org/

locality or region, in order to target the places that will benefit the most from its presence. In this case, the use of an index improves both the profits and the social impact of the business, in a 'shared value' perspective (Porter and Kramer, 2011). To say it in economic terms, a local or regional index helps to target the location of the positive externalities and internalities of the business. Another use of Beyond GDP indicators by businesses was mentioned in our introduction and consists in helping the coordination of different actors, including businesses. Kania and Kramer (2011) showed that the process of agreeing to a common indicator and using it as benchmark can improve collaboration between actors. For instance, when public administrations, businesses, and non-profit organizations act together to clean a polluted river, they can have different or competing approaches to the problem. In this case, the use of a specific indicator as common goal (e.g. the percentage of clean water) may foster the coordination and help solve the problem. The indicator used can be a component of the Beyond GDP index calculated at the regional or local level.

Any strategy that aims to engage business in an ecological and social transformation could explore one or both of these two routes.Whichever route is taken, a paradigm shift can only happen if the weaknesses of most current CSR, SE or Beyond GDP initiatives are overcome. The previous section highlighted several limits to these initiatives, such as the upkeep of a profit seeking or growth logic; the poor design of the indicator in relation to the change it is supposed to induce; or the difficulty in disseminating it. Moreover, we discussed the necessity of articulating micro and macro levels. To put it in a positive way, indicators will orient business towards an ecological and social transformation only if (1) they clearly embed not for profit or "not for growth" values; (2) they contribute to the spreading of such values, by helping actors to coordinate and through stakeholders' participation; and (3) they help to link together multiple levels of involvement. This paper will thus compare the way GNH and SPI perform on these three criteria.

Gross National Happiness index and Social Progress Index

This section intends to present the two indexes analyzed, before comparing them according to the three criteria described in the previous section. As we see from Figure 1, there are both similarities and differences in their respective structures.

Figure 1. General structure of GNH and SPI
Sources: Zangmo et al. (2017) and Social Progress Imperative (2016).

Gross National Happiness Index

In 1972, the fourth King of Bhutan promoted Gross National Happiness, rather than economic growth, as a development

goal for Bhutan. The definition of happiness to which it refers is not explicit, but the following is widely used:

> Gross National Happiness (GNH) measures the quality of a country in a more holistic way [than GNP] and believes that the beneficial development of human society takes place when material and spiritual development occurs side by side to complement and reinforce each other.[2]

Bhutan gradually wished to support this development paradigm with quantitative tools, and thus created a measurement framework capable of orienting government towards that objective. In 2005, the Centre for Bhutan Studies & GNH was charged by the Bhutanese government to develop a GNH index, a task that was achieved in 2010, with the help of international researchers.[3] The index was updated in 2015, which allows for comparison over time. More recently, in November 2017, CBS proposed a GNH of business (Zangmo *et al*., 2017). It is a reporting tool that can be used voluntarily by businesses in order to integrate GNH values in their operations. We first present the macro level index, followed by the business level index.

In the macro level index, the GNH philosophy is reflected in the 9 domains, subdivided in 33 indicators, based on 124 variables. The 9 domains aggregate traditional socioeconomic measurement (standard of living, health, education), alongside issues that are more specific to the Beyond GDP agenda (psychological wellbeing, time use, cultural diversity, good governance, community vitality, and ecological diversity). A closer look at the indicators and variables in each domain reveals some unique traits, such as emotional balance, spirituality, sleeping hours, unpaid work, frequency of attendance at community meetings, or speaking a native language.

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[2] http://www.educatingforgnh.com/

[3] Especially Sabrina Alkire (Oxford University)

A second and important characteristic of the GNH index is the existence of sufficiency thresholds, inspired by the Alkire-Foster method (2011). In each of the 33 indicators, sufficiency thresholds count how much a person needs in order to enjoy sufficiency. Thresholds are determined according to three types of benchmark: some are based on international standards (e.g. for hours of work), others on national standards (e.g. the poverty line), and when standards do not exist or are inappropriate, thresholds are determined after deliberation during consultative sessions. The first step of aggregation is to measure the individual achievements (sufficient or not) on each indicator, depending on the threshold. The implication of this methodology is that the index is not sensible to an increase in the performance of an indicator which is already above its threshold. On the contrary, the focus is put on unsatisfied thresholds, in a sufficientarian perspective (Casal, 2007). Thus, on the one hand, the indicator is indifferent when someone who already owns a lot gets more of it; and on the other hand, such thresholds give an incentive to improve worst performances.

In order to aggregate the 33 indicators and obtain overall the GNH index, a second threshold is used: it counts, for each individual, the proportion of indicators for which sufficiency is achieved. In the simplest version, if an individual satisfies 2/3 of the thresholds, she can be considered as happy (43% of Bhutanese in 2015). There is thus no need to satisfy all 33 thresholds to be considered happy. This intends to account for the diversity of contexts and ways of life, considering that no one has the same possibilities or the same conception of a good life. After the distinction between "happy" and "not yet happy" people, the index is weighted by the intensity of "unhappiness".

At the micro level, a similar methodology is used in the construction of the GNH of business (Zangmo *et al.*, 2017). This business certification tool is based on the same 9 domains as the macro level index, which are divided into two subgroups: worker happiness (psychological wellbeing, health, time use, education and living standards) and organizational conditions of happiness (good governance, cultural diversity, community vitality and ecological diversity). The 9 domains are subdivided

in 49 indicators, based on 216 variables. The indicators include variables similar to those of the global index, but relevant at the private company level. They include for instance the wellbeing of workers, worker turnover, polluting emissions, and the salary gap. As for the macro level GNH, a threshold is attached to each indicator. For instance, worker turnover should be less than 10%. The total assessment score is then defined by the weighted aggregation of the satisfied thresholds. Satisfaction of 80% of weighted thresholds is the current requirement for receiving the highest accreditation ("very good"). Such an accreditation leads to a GNH certification, which can bring some advantages in terms of branding or public support.

With these measurement tools, GNH has attracted international attention as one of the first attempts supported by a government to go beyond GDP, and one of the main contributions of a non-OECD country to the Beyond GDP agenda.

Social Progress Index

Social Progress Index (SPI) is a composite index that has been updated every year since 2013 for 133 countries. It was developed by the non-profit Social Progress Imperative, a coalition bringing together large private businesses or their foundations (Deloitte, the Skoll Foundation, and the Rockefeller Foundation, for instance) as well as academics from among the most prestigious universities (including Harvard, MIT, and Oxford). Like the GNH index, its ambition is to provide a holistic indicator of social and environmental performance that can be used by governments, NGOs, and business.

SPI is described by its developers as a Beyond GDP indicator aiming at pursuing social progress, defined as "the capacity of a society to meet the basic human needs of its citizens, establish the building blocks that allow citizens and communities to enhance and sustain the quality of their lives, and create the conditions for all individuals to reach their full potential" (Porter et al., 2017, p.15). Currently, its main purpose is to benchmark countries and highlight those who perform better,

in order to reveal good practices and target areas that need improvement.

In its 2017 version, Social Progress Index is structured around 3 dimensions, 12 components, and 50 indicators. The 3 dimensions and 12 components (see Figure 1) are: basic needs (including nutrition and basic medical care, water and sanitation, shelter and personal safety), foundation of wellbeing (including access to basic knowledge, access to information and communications, health and wellness, and environmental quality), and opportunity (including personal rights, personal freedom and choice, tolerance and inclusion, access to higher education). The 50 indicators included in the SPI cover a wide range of topics, except economic indicators such as income or employment. Indeed, the index aims to be a social and environmental indicator, a complement to GDP, measuring outcomes not inputs.

Indicators are aggregated in components using principal component analysis (PCA). This method gives a weight to each indicator in order to capture the maximum amount of variance in the data. It makes it possible to correct for overlapping information between indicators. The score for each component ranges from 0 to 100 and the scale is conventionally determined. Components are weighted equally and aggregated through an arithmetic mean to obtain the SPI.

Aside from this global SPI covering a large range of countries, several SPIs have been created at other levels. For instance, a regional index has been created in Europe (NUTS2), while a community level SPI has been launched in Brazil, and in ten major cities in Colombia. These subnational indexes mostly rely on the same philosophy, domains, and components, but these vary in terms of the indicators included in each component.

First criterion of comparison between the GNH index and SPI: Embedded values

Any index carries values. As Desrosières puts it: "Quantification, understood as the set of socially admitted conventions and measurement operations, creates a new way of

thinking, representing, and expressing the world, and acting upon it" (Desrosières, 2008 vol. 1, p. 11, our translation). This creative process is mediated by the values of the index's producer, who has to make choices about the types of variable to include or other methodological aspects. Some authors such as Börgnas (2016) have shown that implicit theoretical assumptions affect the selection of input variables, which in turn affects the indicator's output. Indicators are never neutral or consensual, but rather embedded in conventions and normative prescriptions. So, what is the normativity underlying GNH and SPI? What kind of society do they implicitly favor? If the ultimate goal is a paradigm shift, which methodological choices could best fit such a purpose? We select three ways to analyze the normativity of GNH and SPI. We compare them first according to the narrative of happiness they convey; second, according to the methodological choices (variables, aggregation methods, weighting…) they are based on; and third, according to the outcomes they deliver, or the messages conveyed by their results.

Narrative of the ultimate goal

At a discursive level, both indexes pursue the same goal – happiness – despite naming it differently. However, as we will see, they differ in the interpretation of this concept.

In the case of GNH, a deep conception of happiness is exclusively privileged over individual wellbeing in a utilitarian perspective, i.e "the fleeting, pleasurable 'feel good' moods" (Ura et al., 2012, p. 7). GNH founders wished to internalize "responsibility and other-regarding motivations" in the notion of happiness (Ura et al., 2012, p. 7). Happiness is then phrased as:

> A deep abiding sense of harmony with the natural world and with our fellow beings that is characterised by compassion, contentment and joy. This is a societal vision at the core of true human development and is not just a private yearning. (NDP, 2013, p. 6)

The Bhutanese planning commission puts it in the following terms: "When tensions were observed between them [i.e. spiritual and material aspects of life], we have deliberately chosen to give preference to our understanding of happiness and peace, even at the expense of economic growth" (Planning Commission 1999, p. 19). Sobriety and harmony with nature and other humans are thus central components of Bhutan's vision of a true abiding happiness (Ura et al., 2012).

In the case of SPI, the ultimate goal is described in a methodological appendix: "the question of the nature of the ultimate goal in the light of which we define social progress […] lies in what might be called the eudaimonic" (O'Sullivan, 2014, p. 34), i.e. spiritual wellbeing. Following this conception, founders wanted to avoid a vision of happiness based on utilitarian principles, where happiness equates to a subjective state of pleasure. Social progress is thus seen as a means towards a happy society, and consists in "the capacity of a society to meet the basic human needs of its citizens, establish the building blocks that allow citizens and communities to enhance and sustain the quality of their lives, and create the conditions for all individuals to reach their full potential" (Porter et al., 2017, p.2).

Despite different names, both indexes thus claim to indicate progress towards a happy society. However, the two indexes have different normative frameworks: for GNH this is Buddhism and the Vajrajana Bhutanese tradition, whereas SPI relies upon features of Greek philosophy and human rights discourse. Moreover, the appeals to a new development paradigm and to moral values such as sobriety or harmony are specific to the GNH philosophy (NDP, 2013), while SPI embraces values more closely associated with the West. We can thus expect to observe differences in the way their shared, ultimate goal – happiness – is operationalized in their respective methodological choices.

Normativity in the choice of the input variables

If the philosophical core of GNH and SPI does not seem strongly different, a closer look at the variables that are

included reveals larger divergences. Both indicators measure a common ground of variables such as standard of living, health and education.

At the macro level, GNH includes many more variables related to spirituality, community, or informal activities. Variables such as emotional balance, practice of spiritual activities, importance of ethical values, knowledge of cultural codes, knowledge of a local language, sociocultural participation, community relationship, knowledge of tradition and institutions, artisan skills, unpaid work, volunteering time, all account for spiritual, communal, or informal aspects of life. At the business level, most indicators (29) concern workers' happiness, which counts for the half of the index score and covers various aspects of working conditions and workers' lives. The other indicators (20) include rather classical good governance measures, including the salary gap (highest to lowest salary ratio should be less than 20:1); indicators of community vitality (such as a company's impact on community health), cultural diversity (such as cultural promotion), and ecology (such as pollution and ecological services). Compared to other reporting grids, the GNH of business puts a particular emphasis on workers' happiness (including very sensitive topics such as the salary gap or working hours) and on business' active involvement in the community (more than 8 indicators). It weakly accounts for economic impacts and customer satisfaction and has a relatively limited number of ecological indicators.

The choice of these variables is partly made possible by the fact that the GNH index concerns a single country and thus refers to specific cultural values. We should note that some of them could even be regarded as promoting a very precise conception of the good life. For instance, knowledge and observation of the cultural code *Driglam Namzha* might be a goal pursued by the government but not necessarily shared by all (Van Norren, 2017).

Contrary to GNH, SPI includes very few spiritual or community variables. It is instead based on more common standard-of-living variables. But SPI also puts a great emphasis

on variables that are quite uncommon among Beyond GDP indicators, mostly in the "opportunity" domain. It includes indicators such as tolerance for immigrants and homosexuals, religious tolerance, discrimination against minorities, the number of globally ranked universities, or access to advanced education. If we look at the way the indicator is globally balanced, SPI can be characterized as a liberal indicator in the European sense of the word. It is economically liberal: individual human rights are present in 5 indicators, while social rights are present in none; freedoms are present in 5 indicators, while equality or working conditions are present in none (Jany-Catrice, 2015). It is also socially liberal: 5 indicators of discrimination and tolerance towards immigrants, minorities, homosexuals or religions; 4 indicators of gender discrimination or gender equality. SPI clearly puts the emphasis on the individual rather than on collective dimensions.

We should also recall that both indexes limit the way monetary flows can affect the composite indicator. SPI simply rejects GDP or any revenue-based variable, while the use of thresholds in GNH induces a sufficientarian perspective: after a certain level of revenue (1.5 times the poverty line), adding more revenue does not improve the GNH index. This gives no positive reporting to individual wealth accumulation and is consistent with the philosophy of GNH.

Moreover, it is noticeable that two dimensions are weakly taken into account in both indexes: inequality and the environment. Neither GNH nor SPI followed the recommendation of the Stiglitz Report (2010) to assess inequality. Gender inequality and educational inequality are present in SPI but respectively for only 2 indicators and 1 indicator, out of 50 indicators. They are not present in the macro level GNH, even though this is partially compensated for by the possibility to report GNH indicators by gender and by the presence of sufficiency thresholds. However, an increase of inequalities at the top wouldn't directly affect the index. In the GNH of business, income inequalities are indeed present in the salary gap indicator (which is uncommon and worth drawing

attention to) but there is no additional measure of inequality (between gender or labor/capital revenue).

This relatively weak emphasis on inequalities is accompanied by a limited weight given to environmental issues (one dimension out of 9 in macro level GNH and out of 12 in SPI). If we look closer at the four environmental indicators present in both indexes, it appears that they suffer from several weaknesses. In the case of GNH at the macro level, two environmental indicators measure how Bhutanese *perceive* environment as a concern, and their environmental responsibility. This implies that humans' concern about the environment is assessed, but not the current state of the environment itself. This could be coherent with a happiness view where humans live in harmony with nature even when the state of nature degrades, but fails to take into account potential environmental degradations. The third environmental indicator also raises questions. It measures how wildlife constitutes a threat to crops and how it harms farmers. Again, environment is taken into account for the way it affects human wellbeing, but the state of the environment itself is not directly assessed in the index. The title given to the "ecological diversity and resilience" dimension seems thus rather inadequate because the indicators composing this dimension do not measure either ecological diversity or resilience, but rather how humans perceive and are affected by the environment. Hence, we can argue that there is a weak match between the ecological message of GNH and the way this is embodied in the macro level index. This match has been considerably improved in the constitution of the GNH of business index, which accounts for a wide range of emissions and pollutions, and measures the provision of ecological services by business. However, the ecological thresholds are very easily met: they are satisfied provided that the business realizes "proper assessment and measures to reduce [the pollutions]" (Zangmo, 2017, p.53). It is a step forward to integrate ecological thresholds at the micro level, but it could benefit by being better articulated with macro level ecological targets, following the example of the science-based indicators discussed in section 2.1.

In the case of SPI, two main criticisms could also be levelled at the four environmental indicators. First, the indicator that accounts for CO_2 emissions uses a metric calculated at the production level rather than at the consumption level and deflates emissions by GDP rather than by population. The result is that SPI tends to overestimate progress of countries with either high CO_2 consumption or high GDP, at the expense of Southern countries with low CO_2 consumption and a large population (Gadrey, 2015). Indeed, the CO_2/GDP emission ratio is three times smaller for the USA than for Mali, Cameroon, or Mongolia. Another concern over SPI's account of the environmental quality component relates to the "biodiversity and habitat" indicator, calculated using data on the "protection of terrestrial and marine areas as well as threatened or endangered species" (Porter et al., 2017, p. 71). It does not really account for biodiversity (outcome measure), but for efforts realized to secure areas or species (input measure). This is questionable, as more than 80% of protected areas are in Europe and North America (Hsu & Zomer, 2016), whereas biodiversity mostly depends on countries of the South (William et al., 1997). On the one hand, the use of an input measure is contrary to the SPI principle of measuring only outcomes, and on the other hand, using input rather than outcome on this indicator completely changes the view of who is performing and who is not. The situation of SPI is then similar to macro level GNH: even if the index aims at being a "measurement framework for social and environmental performance" (Porter et al., 2017, p.6), it gives little weight to environmental indicators (1/12 of the index), and the way these are measured are open to criticism.

To conclude, it appears that if both indexes converge in their ultimate goal, they diverge in the way they include it in the methodological features. On the one hand, GNH explicitly accounts for indicators attached to spirituality and community, or workers and company volunteering at the micro level. Moreover, certain variables such as the salary gap are clearly at odds with the current for profit model. On the other hand, SPI is built around liberal values, with the implicit assumption that they are the steps towards spiritual wellbeing. Moreover, while

both macro level indexes claim to attach importance to the environment, this concern appears only weakly in their methodological choices.

Normativity conveyed by the outcome

What insights do scores on these two indexes provide? A first outcome of Beyond GDP indexes and reporting grids is to show the best and the worst performances, which gives room in which to design actions to improve the weaknesses. We compare the scoring on the GNH index and SPI for Bhutan.

Despite the fact that the GNH of business is at a preliminary stage, it has been tested on a sample of 41 Bhutanese companies. The result was that none of these performed sufficiently in accordance with GNH to be eligible for the certification. In the current state of the reporting grid, GNH of business thus conveys the message that companies should largely improve their social and ecological performance. As there are no additional data, we restrict the following analysis to the macro level GNH index, followed by the SPI.

The 2015 GNH index can be broken down to show if sufficiency thresholds are reached for the 33 indicators.

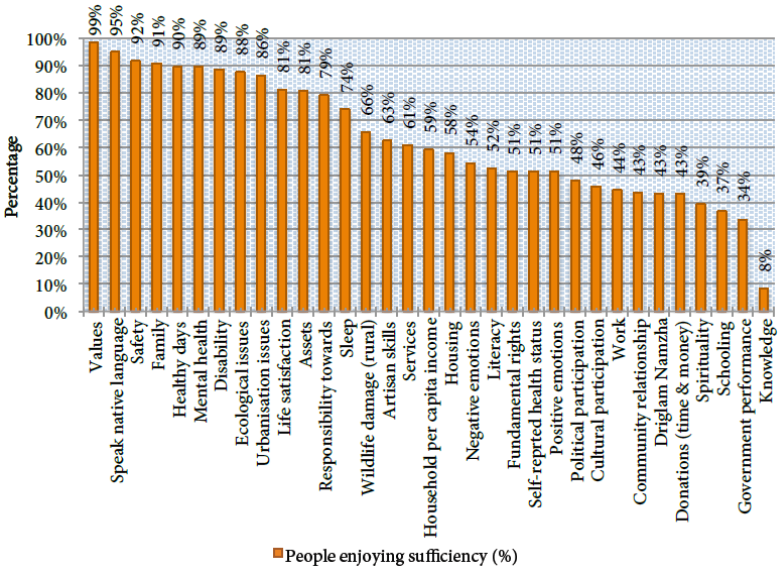

Figure 2. Percentage of people enjoying sufficiency, Bhutan 2015
Source: CBS (2016).

The 10 major contributors to unhappiness are a low level of knowledge, low reported government performance, few years of schooling, a low level of self-reported spirituality, few donations to common causes, lack of knowledge of cultural codes, insufficient community relationships, excessive amount of time spent working, and the lack of political and cultural participation.

At least two insights can be derived from these results. Firstly, income does not appear as a top factor of (un)happiness, as a priority to be given to policy action. On the contrary, most indicators in the bottom 10 – with the possible exception of working time – consist in issues that are poorly linked to economic growth. This gives an incentive to adopt policies that directly contribute to the wellbeing of Bhutanese citizens, without relying on the growth model. Secondly, among these bottom 10 indicators, we find traditional targets of public intervention (schooling, government performance…), alongside variables that are rarely targeted by public policies, such as spirituality and cultural participation. These would require new

types of policy – and thus creativity – in order to be improved. SPI can also be broken down in order to highlight the strengths and weaknesses of Bhutan. Figure 3 shows the Top 5 and bottom 5 components (out of 12) of Bhutan's 2017 partial SPI.

Highest component scores	
Personal Safety	89.21
Access to Basic Knowledge	80.61
Shelter	80.42
Personal Freedom and Choice	73.23
Water and Sanitation	72.64
Lowest component scores	
Access to Advanced Education	6.85
Tolerance and Inclusion	48.38
Personal Rights	61.46
Environmental Quality	66.15
Access to Information and Communications	67.67

Figure 3. Top 5 and bottom 5 components (out of 12) of Bhutan's 2017[4] partial SPI[5]
Source: Porter et al., 2017

According to SPI, Bhutan performs the worst in access to advanced education and in its low degree of tolerance and inclusion. The scorecard also shows relatively low performances in terms of personal rights, environmental quality and access to information and communication. SPI results are different from those conveyed by the GNH index, but the main results do not contradict each other (except for knowledge and ecological issues). Moreover, they both call for improvements

[4] The top 5 and bottom 5 are identical when using the 2015 data.

[5] Bhutan is not part of the 133 countries for which SPI data is fully available (one component out of twelve is missing, namely nutrition and basic medical care, included in the basic human needs dimension); the following figures and comments are thus based on a partial SPI using only elf components.

on components that have little connection with economic growth. Nevertheless, SPI calls for a different set of priorities than the GNH index does. While the latter puts most emphasis on cultural, communitarian, and spiritual issues, SPI primarily highlights access to advanced education and tolerance and inclusion. The three critical performances highlighted by SPI are all part of the "opportunity" dimension, which most clearly bears the mark of individual rights and freedoms.

It is worth noting that the insights derived from this analysis strongly depend on the input variables and the conventions embodied in the methodological choices. For instance, doubling the sufficiency threshold for a household's income in the GNH index would have probably put this indicator higher in the list of priorities. In the case of SPI, the index does not use explicit thresholds, but some of its variables have an implicit one, which defines an upper and a lower bound for performance (e.g. the implicit number of internationally-ranking universities required to show a good performance). Of course, the variables included in the indicators also matter. In any case, all these are conventions made by the developers of the index, conveying their normative framework. In the end, the outcomes appear to be consistent with the methodological choices in both indexes, which are based respectively on a Buddhist (GNH) and a liberal (SPI) philosophy. SPI would benefit from being more forthright about its own philosophy, rather than disseminating it under the guise of universal values[6].

A second way to observe the normativity of the outcomes is to compare the narratives the indexes tell about a country's development. In order to observe the trends in Bhutan, Figure 4 shows the increase in GNH (available for 2010 and 2015), SPI (partially available from 2014 to 2017), and GDP per capita (PPP, constant 2011 international $).

[6] For further reflection on this point, see Van Norren (2017)

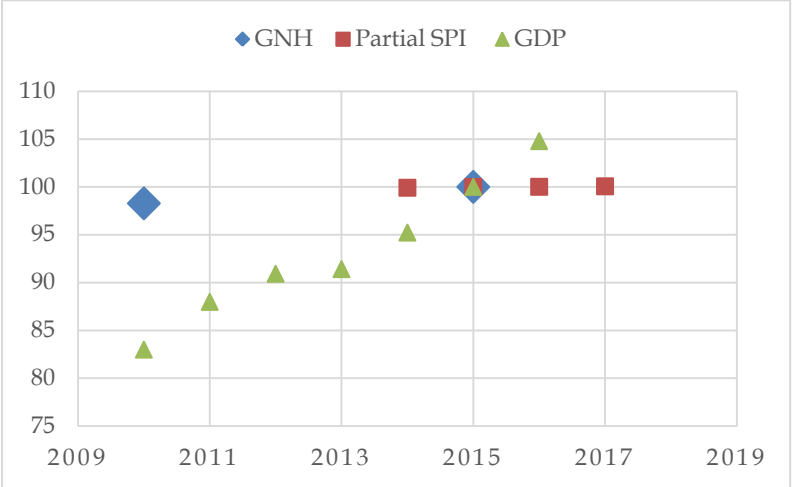

Figure 4. GNH, partial SPI & GDP per capita compared, Bhutan, 2015=100
Sources: CBS (2016), Porter et al. (2014-2017), World Bank (2010-2016). Authors' calculations.

While GDP per capita shows a rapid increase over the period (+26%), both the GNH index and SPI, when available, seem to remain (almost) stagnant. The GNH index and SPI show respectively an increase of 1.8% (in five years) and 0.8% (in three years). On one hand, this means that GDP has been weakly translated into welfare gains. On the other, it may come as a surprise that GNH and SPI convey a very close assessment, contrary to what their particular methodological choices would suggest.

This general view can be qualified if one observes performances in sub-domains included within GNH (33) and SPI (12, with 11 available for Bhutan). The slow improvement in GNH between 2010 and 2015 hides contrasting development between different indicators, as has been shown in the 2015 GNH report: material wellbeing increased strongly – income, housing and assets. There has also been an increase in access to services for 20% of Bhutanese: electricity, clean water, hygienic waste disposal, and health care (CBS, 2016). On the other hand, the main reductions in Bhutan's happiness are linked to

reported emotions, the practice of spirituality, and self-reported health. This breakdown of the GNH index thus shows that in recent years the economic growth of the country has been made at the expense of core Bhutanese values.

Compared to GNH, SPI offers another view of Bhutan's development:

Table 1. *Evolution of SPI components scores, Bhutan 2014-2017*

		2014	2017	Absolute change 2017-2014
Basic Human Needs	Water and Sanitation	71,59	72,64	+1,05
	Shelter	79,28	80,42	+1,14
	Personal safety	86,09	89,21	+3,12
Foundations of Wellbeing	Access to Basic Knowledge	77,58	80,61	+3,03
	Access to Info and Communications	58,07	67,67	+9,6
	Health and Wellness	71,12	72,07	+0,95
	Environmental quality	66,55	66,15	-0,4
Opportunity	Personal rights	61,41	61,46	+0,05
	Personal Freedom and Choice	71,89	73,23	+1,34
	Tolerance and Inclusion	52,68	48,38	-4,3
	Access to Advanced Education	17,56	6,85	-10,71

Source: SPI database, 2014-2017. Authors' calculation.

SPI shows a slightly positive growth for most components linked to material wellbeing (the six first components), with a larger increase in access to information and communications. However, these trends have been accompanied by a decrease in tolerance and inclusion, and in access to advanced education. Similarly to the GNH index, SPI thus shows several costs or blind spots of economic growth. However, the issues it

highlights are different from those highlighted by the GNH index.

From this analysis of GNH and SPI outcomes, it appears that both indexes assess performance in a different way to that of GDP. To some extent, they both seem able to orient society toward a paradigm shift, by putting forward different priorities to that of economic growth and by highlighting some positive as well as some negative aspects of economic growth. However, SPI does this without being at odds with the prevailing economic model. In fact, it implicitly espouses the liberal values that have coexisted for a long time with growing inequalities and environmental destruction. The ambiguity inherent in SPI lies in this wish to go beyond GDP without going beyond the values of its paradigm. It conveys only a partial shift, as has been shown elsewhere through an observation of its world ranking (see Malay, 2017). The GNH index, on the contrary, supports an alternative vision of society which is clearly at odds with the current growth model (see also Verma, 2017). It emphasizes cultural and communitarian variables, even if these include reference to some values that might not be shared by all citizens. Most importantly, sufficiency is placed at the heart of the index's methodology, through the use of thresholds.

Second criterion of comparison: Involvement of stakeholders

A second question concerns the way any index contributes to the spreading of its values by soliciting the collaboration of various stakeholders in its construction process and in its use. The presence of stakeholders in the construction process increases the legitimacy and saliency of the index, while their involvement in its use may help in coordination on social and environmental projects. We shall consider alternately how the GNH index and SPI perform along these two lines. Prior to this analysis, we should note that for most Beyond GDP indexes, the creative process involved only experts and paid little attention to the actors who would potentially use them.

Stakeholders' involvement in the construction process

In the case of the GNH index, the methodological choices were made between 2006 (pilot survey in order to design the survey questionnaire and the survey administration) and 2010 (first release of the GNH index). Two types of stakeholder have been consulted by the CBS: government officials and civil servants on the one hand, and Bhutanese citizens on the other.

As far as government bodies are concerned, focus group discussions were organized by CBS in order to take into account the priorities and perspectives of decision makers (both at the directorial and secretarial levels). Key value judgments and priority in the choice of indicators were identified during such participatory meetings (Ura et al., 2012b).

In addition to government officials and civil servants, CBS also involved citizens in the index's creation. Their involvement did not influence the choice of variables or the aggregation method, but (1) the sufficiency thresholds of each of the 33 indicators and (2) the weight of the variables. As we already stated, these thresholds are primarily determined according to international or national standards. But when such standards did not exist or were inappropriate, thresholds were based on normative judgments, informed by deliberations during consultative sessions and participatory meetings (Ura et al., 2012).

These participatory sessions had a particular impact by showing that thresholds could hardly be valid for all people and all regions in Bhutan. This led to the determination of a second cutoff (happiness threshold) that allows for variation between people. The determination of weighting of indicators (subjective indicators receive a smaller weight) was also made after participatory discussions, including national leaders, focus group discussions and fieldwork with local communities.

GNH of business has been developed within a short timeframe. This has meant that businesses have largely not played a role in the main methodological choices (choice of variables, or thresholds…). On the one hand, it made it possible to adopt a framework and values close to those of the macro

level index. But on the other hand, the weak involvement of companies makes the certification tool likely to be seen as an "outside" project, not aligned with the wishes or the practical constraints of its potential users. If that alignment is too narrow or the incentives to use the certification tool are too small, there is a risk that it becomes underused.

SPI involved a different class of stakeholders as it mainly received the support of businesses and to a lesser extent that of civil society. Existing organizations and scholars supporting SPI regrouped in a foundation called Social Progress Imperative. The main innovation in this network is to include various stakeholders, but also to monitor the spreading of SPI, like CBS does for the GNH index.

The inclusion of non-academic stakeholders in SPI's development occurred in two stages. The first was the association of large companies or their foundations (especially consulting groups) in the development of the global SPI. For example, the board of directors of the Social Progress Imperative has included or today includes members of Fundación Avina, VIVA Trust, Skoll Foundation, IGNIA Partners, Cisko and Deloitte (Porter et al., 2013; 2017). These stakeholders could provide advice, funds and their own networks in order to foster the spreading of SPI.

The second stage of inclusion of non-academic stakeholders involved the creation of national, regional, or local SPIs, which differ slightly from the global SPI, as will be seen in the next section. If they were impulsed by organizations members of the Social Progress Imperative, they associated other stakeholders. For instance, the development of a city-level SPI in Costa Rica came about through a platform created by a committee led by the Vice-President of Costa Rica and by bringing together the public sector, corporations, NGOs and civil society. In the European Union, the Orkestra Basque Institute for Competitiveness and DG REGIO of the European Commission have collaborated on the creation of a regional European SPI.

This strategy of including many actors and adapting to local contexts has made the widespread development of SPI possible.

We can therefore observe two different approaches to engaging potential stakeholders, where most Beyond GDP indicators do not engage any. On the one hand, the GNH index has been developed in close contact with the Bhutanese government and has involved some features of participatory democracy. One the other hand, the constitution of SPI has involved actors from the corporate sector, who have brought expertise and contributed to its dissemination, and numerous other national, regional, or local actors during the constitution of subnational indexes. Both are necessary if the issue at stake is a paradigm shift.

Bringing together stakeholders through the use of the index

The macro level GNH index is one of the rare indexes used by public officials. The GNH commission is a state body with a mandate to steer "national development towards promotion of happiness for all Bhutanese guided by the philosophy of GNH". As a result, screening tools based on the GNH index have been put in place.[7] Up until now, to our knowledge, the corporate sector has not been involved in creating or using the macro level GNH index to solve specific regional issues, even if the index is calculated at the regional level in 20 Dzongkhags. The recent GNH of business has also been developed by a state body, without strong involvement of businesses in the creation process.

SPI, on the other hand, has been designed to be actionable by public and private stakeholders, and efforts have been made for it to be operationalized. Social Progress Imperative built on Kania and Kramer's (2011) work on collective impact. The authors identify five conditions of collective success: (1) common agenda, (2) shared measurement systems, (3) mutually reinforcing activities, (4) continuous organization, and (5) the presence of a backbone support organization. SPI has been a prominent piece of experiences using this framework by being the basis for the shared measurement system. One of the first local experiences using SPI was in Brazil, in the state of

[7] http://www.gnhc.gov.bt/en/policy-formulation/

Amazonas. The Coca Cola Company, Natura (a cosmetics company), Social Progress Imperative, and IPSOS collaborated to create "SPI Communities". The two corporations mentioned became involved in the project because they were seeking to build a sustainable supply chain in the region. As there was no data for local communities' social and environmental concerns, the group gathered data through a dedicated survey and built an index in 2014. This was an occasion for making contact with community organizations, in order to have a proper understanding of the issues at stake, and for preparing the second phase of proposed solutions. Based on the results, the Médio Juruá Territorial Management Forum, which regroups various organizations (public and corporate sectors, government, community organizations) developed policies in order to improve social progress. For instance, public authorities launched a program of sanitation and drinking water infrastructures. Natura supported a school project for people living in more remote areas, in which the students not only graduate from high school, but are also certified as agro-ecology technicians. This could improve education in the region, with a benefit to the population and the participating corporations. Coca-Cola, Natura, and other private and public organizations also supported a technical program in forestry, fishing and management (Social Progress Imperative, 2015). In respect to Kania and Kramer's five conditions, SPI contributed to two of them, i.e. the setting of a common agenda and a shared measurement system.

In summary, it appears that strategies for engaging stakeholders have primarily focused on the government with the GNH index, while SPI also focused on private actors. The involvement of the latter in the social progress agenda owes little to chance. It is based on the inclusion of corporations in the Social Progress Imperative since the beginning, involving a precise view of the framework and the way they could use the index (multi-actor partnerships). Moreover, corporations' involvement has been fostered by the SPI network that sparks local and national projects.

However, we should note that the achievements described above of corporations using SPI can be considered to be quite modest, compared to the global challenges highlighted in the introduction. A clear assessment of the impacts of the inclusion of these corporations in a social progress agenda will require further investigation. In any case, from a procedural point of view, SPI has been a catalyst for aligning messages and coordinating interventions.

Third criterion of comparison: Coordination of multiple scales

When an index is calculated at different levels, identical principles should be found in the construction of the index at each level, in order to favor consistent action among actors. How is such coordination achieved for the different levels of the GNH index and SPI?

The macro GNH index is calculated at the national and the Dzongkhag level. The coordination between these scales is straightforward: the index is the same in the two cases. Hence, the index can indicate which Dzongkhag shows a lack in certain indicators, in the same way as is done at the national level. Up until 2017, several non-official attempts have been made to bring the GNH philosophy and index to the corporate level, in Bhutan (Sebastian, 2011) or elsewhere, as in Thailand (Kim & Suriyankietkaew, 2017). Most of them use the same name (GNH) and a similar philosophy. Compared to them, the official GNH of business developed by CBS is linked the closest to the macro level GNH. Beyond a name and a philosophy, macro and micro level GNH also share the same domains, the same aggregation method with thresholds, and the same emitting organization. There are thus numerous common points between both indexes. The differences lie in the choice of the indicators inside each of the 9 domains. Figure 6 offers a picture of the change in indicators between macro and micro level GNH for two GNH domains (psychological wellbeing and ecological diversity).

Table 2. *Structure of macro level GNH and GNH of business compared: psychological wellbeing and ecological diversity*

Domain	Macro level GNH	GNH of business
Psychological wellbeing	Life satisfaction	Job satisfaction
	Positive emotions	Trust
	Negative emotions	Workplace environment
	Spirituality	Workplace engagement
		Discrimination
		Harassment
		Positive emotions
		Negative emotions
Ecological diversity	Ecological issues	Emission assessment
	Responsibility towards environment	Solid waste assessment
	Wildlife damage	Environmental volunteerism
	Urbanization issues	Environmental donation
		Eco-products and services

Source: Zangmo et al. (2017)

The objects that are captured can be very different at the two levels. Hence, at the business level, spirituality is not taken into account, but discriminations and polluting emissions are. This can reveal a shift in terms of values between the two measurement tools. But more generally, it shows the need to adapt measures to the business context. The best example of this is the transformation of life satisfaction into an indicator of job satisfaction. It would not make sense to have a life satisfaction indicator at the business level (nor a measure of wildlife damages). While name, domain and aggregation method of GNH of business are aligned to those of the macro

level, the adaptation to the business context is made through the choice of other indicators.

SPI was initially developed at the global level, in order to compare national performances. However, regional, community and local versions of the index have been proposed. Attempts to develop SPI at the corporate level have been also made. For instance, Breckinridge Capital Advisors, a Boston-based investment fund, launched a municipal bond analytics tool that uses the SPI framework to measure "inclusiveness" alongside traditional economic metrics.[8] However, these attempts are currently undocumented.

Most declinations of SPI on smaller scales do not perfectly match the global index. Core components of SPI are kept, while there is variation in the way data is gathered and indicators are constructed. For instance, the regional European SPI was calculated for 272 NUTS2 Regions in Europe. It includes 3 domains, 12 dimensions, and 50 indicators. Domains and dimensions remain the same as in the national index, while indicators differ. For example, the indicators accounting for environmental quality in the global SPI are "outdoor air pollution attributable deaths; wastewater treatment; biodiversity and habitat; and greenhouse gas emissions". In the European SPI, these four indicators were replaced by six indicators: "satisfaction with air quality; air pollution-pm10; air pollution-pm 2.5; air pollution-ozone; pollution, grime or other environmental problems; protected land" (Natura, 2000). Such changes were made in order to better fit the available data, as well as to make the index more relevant to the European context.

A similar adaptation can be observed in the Brazilian community for the local SPI as described before. Figure 7 compares the global SPI and the local SPI for Amazonian communities in Brazil in the Basic Need dimension (Social Progress Imperative, 2015). We should recall that the construction of this local index was nourished by a semi-

[8]Https://www2.deloitte.com/content/dam/Deloitte/pt/Documents/about-deloitte/Michael_Green_SPI_Portugal%20Presentation.pdf

participatory process to assess the needs of the communities. The data was created through surveys conducted on this occasion.

The differently scaled SPI indexes were developed by the same consortium, share a common name and theoretical framework (measuring outputs, non-economic variables, being actionable), and use the same methodological canvas (subdivision in domains and components, use of principal components analysis). As in the case of GNH, the major difference lies in the content and the data of the 50 indicators.

BASIC HUMAN NEEDS (BHN)	GLOBAL MODEL	SPI COMMUNITIES - Carauari
Nutrition and Basic Medical Care	• *Undernourishment* • *Maternal mortality rate* • *Child mortality rate* • *Deaths from infectious diseases*	• *Protein consumption* • *Vegetable and fruit consumption* • *Mortality of children under 3* • *Quality of medical care.*
Water and Sanitation	• *Access to piped water* • *Rural vs. urban access to improved water source* • *Access to improved sanitation facilities*	• *Bathrooms at home* • *Sewage (sanitation condition + sewage disposal)* • *Water network (w/o access, pumps, public network)* • *Water supply (everyday)*
Shelter	• *Satisfaction with housing conditions* • *Access to electricity* • *Quality of electricity supply* • *Indoor air pollution-attributable deaths*	• *Access to power grid* • *Frequency of access to electricity* • *Access to waste collection* • *Waste disposal* • *Public lighting around the house*
Personal Safety	• *Homicide rate* • *Level of violent crime* • *Perceived criminality* • *Political terror* • *Traffic deaths*	• *Perception of safety in the region of the house* • *Victim of violence incidents in life and in the last 6 months* • *Exposure to scenes of violence from neighbors*

Figure 7. Structure of global and local SPI compared: The case of Basic Human Needs in Amazonian communities in Brazil.
Source : Social Progress Imperative, 2015

The way GNH and SPI articulate their declinations at different scales is particularly fruitful. On the one hand, it improves the actionability of the index by making it adaptable to the needs expressed in any one particular context. On the other hand, the transposition of the index gives an occasion for undertaking a participatory process. When such a process is

undertaken (as in the case in Brazil), it improves the involvement of a range of stakeholders. Behind the generic terminology "GNH" or "social progress index", one can thus find several indexes, adapted to their context, which all point to the same direction. In the case of SPI, a toolbox of good policy examples is added to the index presentation at the annual conference.

Concluding remarks

In the previous sections, we showed how GNH and SPI perform on three criteria: (1) the presence of "not for profit" or "not for growth" values; (2) their contribution to the spreading of such values, by helping actors to coordinate and through stakeholders' participation; and (3) their capacity to link together multiple levels of involvement.

GNH and SPI share some common strengths that deserve to inspire new sets of indicators. Aiming at the promotion of values, both indexes wish to include as far as possible different stakeholders in reflection on these values, as well as in the process of constructing the index. GNH did this with remarkable results for public actors, while SPI performed best with private companies. This inclusive process partly explains the success and widespread dissemination of both indexes. Moreover, both have been complemented by screening tools, especially GNH, which is used by the GNH Commission. Another common strength of these indexes is that both the Centre for Bhutan Studies & GNH and the Social Progress Imperative have shown their ability to coordinate between different scales by maintaining a common philosophical and methodological framework, while adapting the index to each context. This allows GNH's and SPI's priorities to penetrate many levels of decision making and among various actors. However, as mentioned above, this is done without a wide inclusion of businesses themselves (in the case of GNH), or without a clear departure from today's prevailing growth or for profit model (in the case of SPI). As a result, GNH of business will probably have some implementation issues, while current

utilizations of SPI remain close to CSR, and, to our knowledge, do not substantially change business behavior.

GNH and SPI also show specific strengths. Two major strengths of the GNH index, as compared to the SPI, deserve to be highlighted: firstly, at the macro level, its developers chose variables that include cultural and communitarian dimensions, which clearly depart from the present state of the world focused on GDP growth. At the business level, the variables included put a large emphasis on workers' wellbeing, and some of them are clearly at odds with the current for-profit model. Secondly, the use of sufficiency thresholds allows the GNH index to break from the positive value attached to endless accumulation. These features make the GNH index more adequate than the SPI for orienting a paradigm shift.

On the other hand, SPI has certain strengths when compared to the GNH index. Some are hardly replicable, such as the extensive coverage of countries or the support of large corporations. But others could inspire any new indicator. The inclusion of businesses in the Social Progress Imperative, and the gathering of micro level actors around the index in places such as Amazonia is pioneering for the use of macro level indexes.

Bhutan is currently in a process of improving the proposed GNH of business. The following paragraphs include lessons to be drawn for this specific purpose[9].

We suggested two possible and complementary ways of including business in a paradigm shift: (1) creating a business level reporting grid – the route taken by Bhutan – and/or (2) encouraging business and other micro level actors to use the existing indexes as a general guideline for action and as a coordination tool among actors – the philosophy behind SPI.

In the first route, it is worth mentioning that GNH of business will be revised in the near future. During this process,

[9] This paper was initially written for the 7th International Conference on Gross National Happiness: "GNH of Business", 7-9 November 2017 in Thimphu: http://www.bhutanstudies.org.bt/7th-international-conference-on-gnh-gnh-of-business-7-9-november-2017/

we would suggest keeping its main strong points, which are the strong articulation with the macro level GNH, and the inclusion of indicators that are at odds with the current for profit model. To push this second strong point further, clearer thresholds for environmental variables could be set, in accordance with scientific research on the topic. Here the challenge is also to induce corporations to use such reporting grids. Including them in the revision processes could be a first step in that direction.

Parallel to the creation of a GNH reporting grid, the use of the current GNH index by micro-level actors could be fostered. The GNH index is already calculated at the level of Dzongkhags. Technical tools thus already exist for gathering various actors around concrete projects. Based on the example of SPI, this would involve creating a backbench organization (or redefining the existing one) that would gather actors around a local base. For instance, the growing construction sector could be encouraged to care more about the impact of new buildings on the community vitality dimension. Gathering different stakeholders around GNH's "community relationship" indicator in urban Dzongkhags could provide an incentive to corporations to be aware of such an issue and act upon it.

In this paper, we discussed the way indicators could orient business towards GNH values or a broader ecological and social transition. However, no paradigm shift could ever be reached with the support of indicators alone. More profound changes have to be made, including new governance models, new regulations, or new ideas among entrepreneurs (e.g. the development of social enterprises). Indexes can only indicate how these deeper changes are performed. Attention should thus be given to the framework that permits corporations to develop the expected behaviour and sanctions those that depart from it.

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GNH of Business in Enterprise

Social Enterprise Wellbeing Models as an Articulation of Alternative Development Models: Lessons from Bhutan's Gross National Happiness Approach

Fergus Lyon and Rabsel Dorji

Introduction

The dominant international emphasis on crude measures of national prosperity (such as GDP) are at odd with those enterprises that create social or environmental value while also being financially viable. These businesses can be referred to as types of social enterprise providing an alternative view of prosperity and development that focuses on sustainability, wellbeing and helping people to flourish. The diversity of social enterprise in any one country is shaped by the political and cultural context that shapes the organizational forms, the business models and objectives. In this paper we examine how social enterprises in one country, Bhutan, respond to a national policy framework that is focused on broader conceptions of prosperity and sustainability. By examining how enterprises are creating social and environmental value, we can show how business can contribute to the model of 'Gross National Happiness' indicators, and shed light on how such enterprises can be supported.

Our research explores the different social enterprise models in Bhutan and examines how these enterprises contribute to wellbeing and flourishing. We do this by showing how enterprises deliver benefits that fit in a specific framework developed to be culturally specific to Bhutan's context. Bhutan has been developing the Gross National Happiness framework as an alternative to cruder economic measures that relied solely on GDP. At a national level, it has been measuring GNH as an interpretation of development that brings together livelihoods, health, culture and the environment. While public policies have been focused on GNH, there is now a desire for enterprises to

show how they too can deliver on GNH in very practical ways. In this paper, we show how social enterprises can deliver a range of outcomes that also map onto the GNH indicators being measured at the national level.

This paper draws on qualitative data collection with nine enterprises in Bhutan in order to draw out a typology of social enterprise and businesses with social or sustainable mission, and also to explore how they propose to have impacts on a range of social and environment criteria. We therefore ask the research questions: What are the different models of social enterprise in Bhutan? What are the types of social, environmental and cultural impact being pursued? How do enterprises combine multiple objectives? How do these impacts relate to the Gross National Happiness policy framework developed in Bhutan?

This paper contributes to the understanding of social enterprise in different contexts. It also shows how social enterprise models can also contribute to alternative views of prosperity that challenge conventional economic models. We also show how social enterprise have to find ways to navigate between their multiple objectives (social, environmental and financial). This is not without tensions. Similarly, we show how alternative multiple criteria development models that go beyond crude measures of GDP face similar tensions between objectives. This paper therefore contributes to wider debates about how countries can develop policies that appear at times to be paradoxical. Lessons can be drawn from social enterprise management and strategy that have been finding ways of managing such tensions. The paper concludes by drawing out the implications for practice and policy and in particular the ways in which social enterprise can be a driver for practical changes.

Social enterprise and wellbeing

This paper is focused on the role of social enterprises. These can be defined as organizations that have core social aims but reach these through running a business and being involved in trading. This is a loose definition that covers a range of business

and civil society organization types. There is a spectrum ranging from those that are predominantly philanthropic to those businesses that are predominantly commercial.

No one type is more important or better than any other, as they can be formed to be suitable to their own situation. What all these different forms have in common is their attempts to bring together social, environmental and commercial aims. In this way we can define social enterprises as hybrids bringing together different logics.

We distinguish the social enterprise activity from Corporate Social Responsibility (CSR) by conventional profit making businesses. In social enterprises there is a clear focus on the social or environmental aims and so they are offering something quite different to 'business as usual'. We recognize that ethical practices are found across the private sector, but this is usually a secondary objective behind profit. While CSR is focused on philanthropic activity as an addition, social enterprises focus on their environmentally and socially responsible activities.

However, social enterprises have to find ways of maximizing wellbeing, sustainability and other non-commercial objectives, while trying to thrive as a business in an uncertain climate. This forces social enterprises to consider multiple dimensions and impacts of their enterprise on the environment, their communities, their customers and staff. Some may combine financial reporting with social and environmental accounting in what some refer to as the 'Triple bottom line'.

The social enterprise sector in Bhutan is still small, and needs to be considered in the context of the wider private sector. This is dominated by small and medium businesses, and hence this study will also focus on these small types of enterprises as we explore their operations. Despite its small size, the Bhutanese private sector plays a key role in the economy. 92% of the existing 28,000 registered businesses in the country are either micro or small enterprises. Over 90% are sole proprietorship, and only 2% attract FDI. These micro-enterprises are also being created rapidly, and indeed Bhutan

has a higher share of newly created firms than other small geographically isolated countries[1].

However, besides the hydropower sector, many of the major economic sectors remain stagnant. While the agricultural sector is shrinking in relative terms, it still constitutes 57% of workers. Private sector firms, particularly in manufacturing and services, face constraints caused by a small domestic market, high trade cost, and limited access to finance, both on supply and demand-side.

Methodology

The research questions require a qualitative study using case studies of social enterprises. This study developed a long list of approximately 30 social enterprises drawing on interviews with key informants in the public sector and in NGOs. From this list of 8 enterprises, a categorization of types of Bhutanese social enterprises was identified and case studies were selected purposefully to ensure there is a cross section of different kinds, support providers and policy makers.

Table 1. *Characteristics of social enterprise*

	Case study	SE type	Activities	Interviews
1	Bhutan Media and Communication Institute	Private business	Training	2015 and 2017
2	Happy Green Cooperative/Dazin	Cooperative	Food/ fuel production and processing	2015 and 2017 (3)
3	Maiyesh Tamang	Sole trader	Artist and trainer	2015 and 2017
4	Yangphel Adventure Travel and Zhiwa Ling Hotel	Larger private business	Tourism	2015 and 2017
5	Samdrup Jongkhar Initiative	NGO	Education, farming and waste	2015

[1] Santini, Tran, & Beath. (2017). *Investment Climate Assessment of Bhutan: Removing Constraints to Private Sector Development to Enable the Creation of More and Better Jobs*. Washington, D.C.: World Bank Group.

			management	
6	Greener Way	Medium private business	Waste management	2017
7	One Gewog One Product	NGO	Food and craft marketing	2017
8	Youth Business Cooperative	Cooperative	Food marketing	2017

In the first phase of the research, interviews were conducted with five cases studies. In the second phase of the research these were interviewed to gather longitudinal data and another three cases were added to ensure there is a cross section of types of social enterprise. Interviews were also held with other businesses.

Interviews were conducted with the leaders of the social enterprise in order to focus on the main missions of the social enterprises and their reflections on how their work related to the concept of GNH. These interviews were recorded where possible. Transcripts of interviews were analyzed to draw out the key themes related to the research question. The first stage of the analysis was carried out by two of the authors soon after the interviews with further more detailed analysis done to explore the emerging themes.

Findings

The types of social enterprise found in Bhutan

This study has focused on those organizations that have a core social or environmental purpose while also running as a commercial business or having some trading income. However, we find that there are a diverse range of types of social enterprise with three major areas: the private businesses with a social objective, the non-governmental organizations or civil society organizations that are also using trading income, and cooperatives bringing individuals together for enterprises.

Private enterprises with social and environmental objectives were found to be the largest category on the initial sampling frame in Bhutan. These organizations have social or

environmental purposes but have decided to take a private sector legal form where they have control over their enterprise and the ability to innovate and attract investors. In this way they are seeking profit with a purpose. For example, Bhutan Media and Communication Institute primarily seek to educate and build the capacity of media professionals. Its business model is to win contracts that are competitively tendered by government departments and also attracting paying customers to its courses. They have chosen a private sector legal form over a civil society organization legal form:

> We are largely dependent on what is outsourced by the government with very few self-funded organizations and individuals. We also raise funds whenever possible by tying up with the existing projects or prospects to provide training and conduct workshops to those who cannot afford to pay (e.g our private media houses, students, farmers, women entrepreneurs, nuns, etc). We've not registered as a CSO since this allows us the flexibility to work without much hassle and yet be able to fulfill our objective. However, we still fulfill all the requirements of a training and consultancy firm.' p.16.

On a smaller scale, Maiyesh Tamang is an artist and potter who seeks to develop the Bhutanese pottery craft industry and build the skills of people through courses and apprentices. His business model is based on the sale of his pottery, as well as the training courses he runs.

On a larger scale, we can find businesses that are operating in a more commercial setting, with a range of investors, looking to make a financial return but also have specific environmental and social objectives. Yangphel Adventure Travel and Zhiwa Ling Hotel are commercial operations but have sought to bring social and environmental objectives into their strategy. There are evidences in their employment practices and their attention to environmental issues. Their business model is to generate income from tourists, focusing on the higher end of the market.

While the non governmental organization (NGO) and the civil society sector is still small in Bhutan, there are a number of social enterprises that are looking to combine philanthropic donations and grants from donors with trading elements. For example One Gewog One Product (OGOP) was recently set up to explore how to bring craft and food products from rural areas to provide new income streams for poorer producers. While having start up support, it is seeking to generate sustainable income sources though the selling of high quality branded products. They plan to make a surplus of 5-10% so they have some reserves with any extra surplus ploughed back into the organization. Similarly, the Samdrup Jongkhar Initiative is a CSO coming out of the Lhomon Society. While having most income from grants and other donors, it is seeking to become more self sustaining, and has started selling craft work made from the recycled materials collected as part of its waste reduction work. It is seeking to promote sustainable agriculture, youth engagement and rural development in a less accessible area of rural Bhutan.

Cooperatives are the final form of social enterprise and can include both worker cooperatives, and cooperatives that bring together individuals running their own enterprises such as farmers. The Happy Green Cooperative has primary members who are employed while having a shared ownership of the enterprise. There are also farmer members that can continue their individual workmanship but get better prices and shares of profit. The products include spices, fuel bricks from branches and grasses sold to schools, and potatoes. Another cooperative working with unemployed youth and small farmers is the Youth Business Cooperative selling eggs and other products. Their aim is to create employment, build capacity of the staff, support them into other employment as well as sharing in the profit.

Multiple impacts of social enterprise in Bhutan

The analysis shows how diverse types of social enterprises in Bhutan are seeking to have multiple social and sustainability objectives. These can be divided into two sets of social

enterprise impacts- those related to livelihoods or good work, and those related to the provision of services with a social, environmental or cultural benefit to society.

Livelihoods

The most commonly reported positive social impact of enterprises, is the creation of jobs and livelihoods for others leading to improved living standards. This may be through the businesses employing people, or through creating opportunities for people to make a living through self employment and their own business. For employees, wage rates are important elements of having a good livelihood. There can also be additional benefits for employment such as participation in pension and saving schemes as promoted by Yangphel. This encourages staff to save and the company makes additional contributions.

The interviewees recognized the challenges in this when working in competitive markets with a desire to pay well while ensuring that costs are controlled to sustain their business. One enterprise (A2) saw their role as paying well and offering high quality training and using their position as a role model to influence other businesses. In five of the cases, there was an explicit focus on employing people from disadvantaged backgrounds, orphans, single parents or those unemployed.

There are other ways of increasing incomes such as allowing staff to have a share of profits. This is a common practice amongst cooperatives but was also found in two other case study enterprises. One case this was done regularly in one part of the business with 10% of profits being shared.

In another case, this profit share was only done when there had been additional work and a heavier workload than usual in the form of a project tied additional allowance.

> As a social enterprise, we all take a very small salary, whenever we have an additional initiative then we get a certain percentage from there… it requires additional hours so we pay from that to compensate and to keep the staff motivated. We make people think of work as a service. We want

> everyone to get better paid at least a decent salary as we grow so that we can retain like-minded people to work with us. (p.11)

This quote shows how the enterprise is combining the social and commercial objectives, balancing the social benefit with the issues of costs.

Five of the case studies described how they have an impact on good livelihoods through purchasing from those enterprises and self employed who are from disadvantaged groups. That is the primary objective of the NGO One Gewog One Product (OGOP). Their aim is to increase and supplement rural incomes by producing and marketing authentic Bhutanese products. This contribution to rural livelihoods can alleviate poverty. Through their sales outlets in the capital and at the international airport, they are able to pay higher prices and provide high quality packaging and marketing. Similarly The Happy Green Cooperative has been set up to allow producers to get more of the value gained when retailing to customers. Larger businesses recognised the impact they can have in their purchasing and Yangphel has a policy of local sourcing where possible. They have also helped a small business access finance by guaranteeing a loan of their behalf, allowing this supplier to purchase a truck for waste recycling.

Job quality, security and wellbeing

The case studies expressed the importance of ensuring there are job satisfaction and the quality of job. Related to this is the issue of job security and employee protection. One case study emphasized the importance of social enterprises moving from the sole proprietor 'informal' approaches to more formalized incorporation:

> Yangphel finds it necessary to incorporate the company to make all kinds of benefits and welfare available to the employees. This allows the company to pay more, allow more allowances and more than anything, job security. (L14)

Job quality is also shaped by giving control to employees over their working time. This can be flexible working where requested or having fixed length shifts in those sectors where there can be longer hours. In two of the case study enterprises, these issues had been developed in a handbook setting out the factors supporting wellbeing at work, and others were developing these service rules as required by Bhutanese regulations. Other examples included providing sick pay for staff even when off for longer periods and introducing a welfare scheme to contribute when someone has a problem. These strategies for wellbeing at work are seen as ways of attracting talent, improving commitment and reducing staff turnover. However there are challenges with retaining staff where the work being done is perceived to be low quality, such as waste recycling.

In two smaller case study enterprises, the founders reported how they seek an adequate salary while benefiting from the satisfaction of the job and having control. Maiyesh Tamang, a potter and artist, looks to make living and support others in his craft, but balances his financial livelihood with other factors:

> Only now just paying myself a salary… I have paid back the loans… Hard work gives happiness, when you see the end product… Government and civil service, its people just talking. Here [I'm] working from the heart and so when I see some of my work in a home… GNH is about living happily. Don't run after money, let money run after you. If you make a nice product then … money. (M9).

Education, training and capacity building

Capacity building elements come from apprenticeships and other training of staff within an organization. Maiyesh Tamang has taken on apprentices to work with him on developing a ceramics industry in Bhutan. These can be shorter internships, or longer term apprenticeships that are attractive to those worried about getting a job after studying at college. BCMI also has interns who are paid a salary, and there is potential to lead to full time employment. Yangphel also seeks to build capacity

within the tourism industry more broadly with benefits to themselves but also other tourism businesses operating in similar areas. This enterprise has a hotel that is established to train students while offering a quality hotel to tourists as well as a programme of training their own staff, even when they know there it is a risk that those being trained will leave the enterprise eventually

> Training is important… like first aid, first responder courses in wilderness, refresher courses, education in GNH, etc. This helps the industry. These guides won't always be with us and will be tour operators someday and will do the same thing for their company. But we cannot view this with selfish motive and must cater with the thought to benefit the mass and then eventually all of Bhutan tourism stakeholders will get good reviews and this will great feedback on tourism industry as a whole.

The analysis of the cases has explored the range of services with social, environmental and cultural impacts provided to customers and beneficiaries outside of the organization. The most common service with social impact is the provision of training and building capacity. For some social enterprises, this is a core objective. For example Maiyesh Tamang runs pottery courses for disadvantaged young people, BMCI runs courses on media and computing, OGOP focuses on training rural producers on topics such as beekeeping and marketing, and Youth Business Cooperative aims to help young people find employment or start a business themselves. In the latter example, the members get training from the cooperative and from other training institutes and, in contrast to most other businesses, it has a policy of "encouraging members to leave if they find a better job or what to start their own business" (T5).

In two of the cases, businesses were donating resources and time to supporting school children with education . In one case, the business sponsored two scholarships every year for pupils from under-privileged backgrounds, working in one village where the founders' family was from: "We are from [that area]

and we wanted to give back to the community that helped us." In another case, the entrepreneur starting the enterprise has made more than 70 visits to schools to encourage and educate children on entrepreneurship.

Environmental impacts

Conserving the environment is the primary mission of two of the case studies. For example Greener Way seeks to increase waste recycling and reduce waste thrown into landfills. The Happy Green Cooperative also promotes the Dazin fuel bricks and stoves that can reduce fuel-wood use by 80% and reduces health risks from smoke. They also train farmers on environmental stewardship and conserving forests. BMCI has also focused on environmental goals in their awareness raising programme with an international agency on river cleaning, climate action and other areas of sustainability.

Attempts to minimize negative environmental impacts of businesses are also found in all of the case studies. Yangphel has focused on this in their Zhiwa Ling hotel which has included a sewage and dirty water treatment plant imported from Singapore which exceeds the standards set by regulations but which the business hopes will set a benchmark that encourages other stakeholders to benchmark. They also seek to improve the environment for tourism

> We also have an active program of waste management on our treks. Every waste is brought back since we have a competition designed for our trekking employees where anyone that brings back more litter from the mountains are rewarded as 1st-15,000, 2nd – 10,000, 3rd – 5000. That's how we try to motivate the trekking crews. We pay for the horses that bring back the litter collected by our trekking staffs. These are small efforts and initiatives 'til we can put a system in place for litter management in the mountains by the relevant organization. (L23-24).

Two of the cases were also providing volunteers for clean up campaigns, awareness programmes and forest fire help.

Cultural impacts

Having a positive impact on the arts and culture was the core focus on one case study, Maiyesh Tamang, wanting to grow the interest in ceramics in Bhutan. Through his training and sourcing of local supplies of clay, he is attempting to encourage others into ceramics and "prove to the government that we can create a ceramics industry". His training aims to encourage others to be artists and be able to make a living from ceramics: "Some people ask me, what are you teaching and then losing your work. But I say I am raising my name- that is my philosophy… Some artists do the same thing for 20 years but for me, if I share my knowledge, then people will come to different perspective… artists have to experiment" (M13).

The case studies were found to promote arts and craft through their purchases. OGOP had an explicit aim to purchase from those producers who were developing products using dying arts such as Bhutanese stone sculpting. Similarly, Yangphel had a strategy of supporting local wood carving crafts and artists while constructing the Zhiwa Ling Hotel. There was also evidence of supporting monasteries through donations and encouraging tourists to make large donations.

Other impacts

A range of other impacts were reported related to community development through mobilizing groups or funding activities. The leaders and staff of case studies were also found to be advising other civil society organizations. There are also activities related to participation in governance at the national level with training courses by BMCI, and participation in the organizational management in cooperative models.

Combining multiple criteria

The previous sections have shown the range of social and environmental impacts and also demonstrated how each of the

case studies combine multiple objectives in their operations. Not only are they having to find ways of remaining financially sustainable, they are also bringing together a range of social and environmental objectives within their operations. In this section, we explore how these enterprises combine multiple objectives. We also find that many of the enterprises relate the process of combining objectives to the concept of Gross National Happiness, the policy paradigm that has dominated the policy discourse of Bhutan for two decades. We therefore show how these enterprises themselves can provide alternative insights into this concept, and show how the GNH concept is being operationalized in a business environment at present.

Combining objectives

The case studies all have multiple objectives that combine a range of social, environmental and commercial impacts. For example, Greener Way has included these multiple objectives in its mission: "To provide quality waste management service which is efficient and effective, generating employment, boosting the economy, and saving the environment." Maiyesh Tamang, as a micro-enterprise, does not have a formal stated mission but describes himself as an artist while also being a trainer. Similarly, Youth Business Cooperative aims to "create employment and reduce import of vegetables by supporting local agro businesses and youth economic empowerment" and Happy Green Cooperative aims to "create a circular local economic model, based on the principles of interdependence and co-existence". Happy Green Cooperative is also developing a GNH Balance Sheet to "measure the progress of our enterprises and projects and make our actions and decisions transparent".

In other case study enterprises, the mission may be focused on one of the impacts discussed in the previous section, although in practice wider objectives are brought in as part of their operations. In BCMI, the mission is to build capacity in the use of the media but there is attention paid to a wide range of other objectives related to social aims and sustainability

when they are bidding for contracts to deliver training for public sector and international agencies.

Not only are organizations combining a range of social and environmental objectives, they are also having to do this while trying to ensure there are financial resources to cover their costs. For the NGO related social enterprises, a large proportion of their income can come from grants and philanthropic donations. For the other cases, they are reliant on trading income from sales to customers or contracts from the government. The combination of social and commercial objectives can be a challenge for those operating in more precarious sectors. Greener Way took three years before they started making a profit and this only came about by scaling up their activity following the winning of a government contract. They are able to combine their environmental and social objectives with the income generating activities. In contrast, Yangphel is operating mission separation strategy with the income from tourism operations being used to meet its separate social and environmental goals.

The case studies also demonstrated a variety of different approaches to the concept of business. For Greener Way and Yangphel, they were focusing on generating income from commercial activity and contracting. The former case study felt it important to emphasize their efficiency and professionalism as a business in order to grow and scale ups its social and environmental mission.

For Sandrup Jonkar Initiative and OGOP, there is a greater reliance of grants rather than trading income, although there are aspirations to have more trading income in future. There are a group of social enterprises in the middle of this spectrum that can struggle to balance the commercial and the social/environmental objectives. They expressed concerns about their commercial viability and future income with questions over the concept of business itself:

> I see my involvement as an engagement to fulfil an objective. When we look at it as a business it all goes wrong. The word business creates division, looked

> as a bit negative. It is not meant to be, but in this part of the world, people and authorities view businesses in a different way. I wish there were also grants or funds available for social entrepreneurs so that we could simply focus on the quality of our product, service and the end objective rather than worry about fundraising. p.17.

This case study also reflects on the commercial factors shaping how they deliver their social impact:

> While sometimes we have to compromise if the sponsor only wants a one week course, even if we feel it needs one month… we try our best to design and deliver the best possible even if it means hiring international trainers while at the same time trying to keep our price competitive by engaging volunteers or using voluntary services wherever possible without compromising on the quality. p.29.

Maiyesh Tamang was also grappling with the combination of his social and artistic objectives which can be limited by commercial considerations:

> at this trade show, people only interested in buying masks. So if I am dependent on government or an investor, then I'm just watching where the money is coming from. But I like to experiment… some artists do 20 years the same thing but artists have to experiment.

Similarly, the Happy Green Cooperative was struggling to balance the commercial objectives of investors with their social goals: "The foreign investment distances you from farmers and the cooperative was being distanced from the people. We have to be ordinary… We have a strong sense of community here…but this does not bring income in the short term… so the only way was to sell." (S4-6).

Gross National Happiness as a way of combining objectives

The final research question explores how the enterprises relate their varied social and environmental impacts to the concept of Gross National Happiness. In five of the case studies, the concept of GNH in business had been a focus of much discussion within the organization with the concept being used in strategic decisions. For example, the Samdrup Jongkhar Initiative draws heavily on the GNH concept, with the vision of "A civil society organization in Bhutan designed to foster genuine Gross National Happiness (GNH)-based development in harmony with government goals". Yangphel employed a consultant to help them develop a GNH approach to business in 2010. This allowed them to explore many of their multiple impacts and develop their wider vision. However, there was some reluctance to use the term GNH in internal or external strategy materials in 2017, although the concept of happiness was referred to in their vision of "Leading the way to happiness through world-class services and our commitment to Bhutanese values".

In three businesses, the GNH concept was being used in marketing, mainly aimed at international sales of food products or tourism. Other cases referred to the GNH as a "thread in all our activities and training" (P3), or "always in the background, part of the thought process" (A7). Another case found that "the GNH model is for inspiration. It an attempt to do good, to influence and inspire beyond money." (S8). Another case was not using GNH in any branding but felt that their work was "an expression of GNH… it translates GNH into action" (D9).

The GNH concept was also used as a form of staff engagement in the multiple social and environmental objectives of enterprises, and also as way of ensuring staff retention.

There were a number of other skeptical views reported with concerns about how those outside the business may perceive the way that the business was using the term GNH:

> GNH is great tool and platform to aid with all these kinds of sustainability thoughts, but we feel we have to grow into it and put

> the ideologies into practicability in our work places. We need to get better at implementing and doing these things genuinely, and refrain from boasting and blowing ones own trumpet. Time has come for us businesses to think beyond profit and look into how we can all work together as employees, business partners and stake holders to champion sustainability which leads to GNH in Business. (L20-22).

Another case study said that GNH values should be felt: " It is like education, there is no need to tell others that you are educated, they will notice it themselves"(T2).

Others were avoiding using the term due to a perception that they did not understand the concept, and that it might confuse others. One business stated that "I don't think I am an expert in GNH… I don't know much about GNH so I don't want to bring GNH into business". They went on to state that it would be easy to talk about GNH because of their environmental work, volunteering and donations of books to schools but wanted to be seen as " just doing our job professionally":

> As a business man, [I want to be] viewed as a business man, not as GNH ambassador or selling GNH. I'm fine with it and working closely with it. For example in the vocabulary of GNH there is good governance and in our case [that is] well managed. Our guys can come to me, so having that culture is good governance. (Y12).

This quote demonstrates a high degree of understanding and thought on the GNH concept as applied in Bhutan, but also a perception that the concept was too complicated. An adviser to three of the case studies found that "GNH confuses… I'm not qualified to talk about it… it sets huge standards and businesses can't live up to it. When people talk of GNH it gets too complicated… but His Majesty has said it is simply development with values but how do we measure it".

The measurement and assurance of implementing GNH approaches was a concern for one interviewee:

> A GNH brand could be manipulated, used as a marketing tool for business. For example, if a business does not do as they have said but just do a marketing strategy and then sell outside, things can go wrong… We always attempt to use the GNH concept, but GNH as a brand would be uncomfortable. GNH should never be a business but be a guiding philosophy. We would never sell as a brand… but big companies can manipulate. …I'm a good salesman, but I don't sell values. I was like, I cant do it- how can you say you have some concrete thing. We do apply it a lot but it is Gross- it is never 100%- but when can you say you have achieved it. (S9-14).

Discussion and conclusion

Reflecting on the research questions

To understand how businesses bring in environmental and social values into their strategy, we started by exploring the types of social enterprises in Bhutan. As found in other countries, there is a spectrum from those that are predominantly commercial with some social welfare and environmental objectives to those civil society organizations of Non Governmental Organizations that have income from philanthropy and donation, but also have an element of trading income. There is no clear cut definition of social enterprise and so the different forms of enterprise display differing degrees of 'social enterprising activity'.

Our second research question explored the types of social, environmental and cultural impact being pursued. While these cover the types of pro-social and pro-environmental behaviour of business found around the world, there were some specifics of the Bhutanese context, particularly regarding the importance of cultural benefits with some activity looking to preserve traditional arts and craft and other enterprises, looking to create

new artistic opportunities. The Bhutanese context is particularly interesting in shedding light on the third research question concerning the ways in which businesses combine multiple objectives. The case studies show how the enterprise leaders combine different objectives, and navigate between competing demands.

The Bhutanese concept of Gross National Happiness introduces the issue of hybridity and the missing of objectives. As a national policy framework, it has provided an alternative view of development that combines the economic with the environmental, social and cultural. The businesses were able to draw on this concept of hybridity and the pursuit of multiple goals at the same time. However, the combination of objectives is not without its challenges and businesses had to find ways of balancing objectives. For some there was a need for trade-offs between commercial profit and other goals. However, the case studies show how a focus on the GNH values of sustainability, social benefit and cultural value can lead to business growth.

Limitations

This study has sought to explore these issues through a close examination of small number of case studies. These were selected purposefully in order to be a cross section of different legal forms, sectors and sizes, but also because they were known to be thinking about their social and environmental impact. We recognize that these are the organizations that are most engaged in the debates on GNH, while the majority of enterprises in Bhutan will be giving these issues less consideration. Further work on a wider sample of businesses would therefore be fruitful. This should also ensure that the views of businesses in the East and South of the country are also included. We also recognize that the views of businesses change over time as opportunities develop and the entrepreneurs within these organizations find new ways of delivering on the commercial, social and environmental objectives. Longitudinal studies are therefore likely to be fruitful. Finally, this study has focused on the views of enterprise leaders and senior managers. The views of other staff and wider stakeholders (customers,

investors, community members) are very important for understanding how businesses can engage with their social and environmental objectives while meeting commercial objectives.

Implications for practice

This paper has shown that there are a range of types of enterprise in Bhutan that combine social or environmental objectives with their commercial imperative of running a business. As discussed above, the use of multiple objectives reflects the use of multiple objectives in the concept of Gross National Happiness. In this way, these enterprises are an example of GNH in action. We can therefore suggest a suite of practical implications that can develop the concept of GNH in business in Bhutan.

1. GNH certification

Our study shows that there is much interest from businesses for an independent certification that can allow them to show how they contribute to GNH. The proposals from the Centre for Bhutan Studies and GNH will therefore be very important for those businesses who reported that they want to use the concept but are unwilling without an external trusted certification process. Any certification should be suitable for both larger business and smaller businesses that make up the majority of the Bhutanese private sector. There is a need for technical and networking support that can build the capacity of businesses. Care will also be needed in how GNH certification complements other branding exercises already being developed.

2. Access to finance

As a major concern of small business in Bhutan, there is potential to link certification related to GNH and improved access to finance from both conventional lenders and also impact investors wanting to invest in businesses that follow GNH values. There is a need to help businesses be 'investment ready' and for investors to be 'GNH ready'. This is also of

particular interest to many Foreign Direct Investors who are looking at sustainability criteria as well as commercial returns.

3. GNH in the procurement process

The government has the potential to provide a clear incentive through using its own spending and procurement to make purchasing decisions that include social and environmental value. Suppliers to government have to bid, but a light touch GNH related screening tool at the pre-qualification questionnaire stage could be a major incentive to businesses to demonstrate how they meet environmental and social goals. Then, in the actual invitations to bid for work, the government can ask for specific social or environmental services as part of the work, and also ask those bidding to offer additional innovative GNH related benefits. However, if there are multiple criteria in awarding contracts, there needs to be a high degree of transparency in decision making to ensure that the bidding process is protected from accusations of bias. There is also a need to ensure this is not so onerous that it dissuades businesses from being involved.

4. Fiscal incentives/subsidies

Businesses questioned the incentives of any GNH approach to certification and wanted to ensure that it would be rewarding those businesses that "go the extra mile" through tax incentives such as exemptions on sales tax or customs duty on environmentally friendly goods and services.

5. Social enterprise legal form

There are enterprises that are operating at the boundaries of the private sector and civil society. A number of the case studies in this research were seeking an alternative legal form that allows them to focus on their social or environmental aim while also trading. There are a number of social enterprise legal forms developed around the world that would benefit Bhutan.

6. Self development tools

There is therefore potential for developing self development tools for entrepreneurs and bringing GNH concepts into enterprise support that is being delivered to start up businesses and the entrepreneurs of the future who may be in schools or colleges. This study will be used for the development of a 'Balanced Scorecard' that helps business help themselves, even if they are not trying to get certification. Creating a community of businesses with an interest in social and environmental objectives is also important.

7. Innovation for GNH

The businesses interviewed also called for GNH to be about celebrating creativity, rather than being the focus of further regulations on business. In this way there is potential for encouraging creativity through having annual GNH awards for the more innovative applications of GNH.

8. GNH and enterprise education

The future entrepreneurs are in the schools and colleges. A focus on GNH & Entrepreneurship in curriculum and in other school/college activities will allow budding entrepreneurs to bring the GNH values into the heart of their future endeavours.

Finally this paper demonstrates the wider potential practical implications of providing a greater understanding of how people can put the ideas of GNH into practice. Bringing together multiple criteria is never easy and so with greater understanding of the possibilities and existing good practice, it is possible to build a new generation of entrepreneurs who can show how GNH and a combination of the social, environmental and commercial aspects can operate in practice. Indeed, it could be stated that only through having these practical actions can the concept of GNH be able to achieve its ambitions of being an alternative development approach.

Sustaining Farmers' Happiness in Modernization of Sago Industry in Sarawak

Margaret Chan Kit Yok, Ling Siew Eng and Muhammad Syukrie Bin Abu Talip

Abstract

The sago palm is found largely between 17°S and 15 – 16°N latitude in countries such as Thailand, Malaysia, Indonesia, the Philippines, Timor Leste, Solomon Islands, Vanuatu, Fiji and Samoa. Starch extracted from the pith of the sago palm is consumed as a staple food and used in the production of traditional food products. Sago palm is one of the few tropical crops that can tolerate wet growing conditions, including growth in peat swamps which are unsuitable for most agricultural production. It plays important role in environmental protection since it is immune to floods, drought, fire and strong wind and contributes to the conservation of traditional eco-systems and preservation of cultural heritage in rural communities. Although, sago palm is an income earner contributing to household food security and to poverty alleviation, it remains an underutilized indigenous food resource in the region. Few countries have invested in improving sago palm productivity. Indonesia, Malaysia and Papua New Guinea are the three leading producers of sago palm globally on a commercial basis exporting sago starch mainly to Japan and Taiwan. In Sarawak, the only state in Malaysia with the sago industry, farms are mostly operated by small-scale farmers with traditional practices. In a move towards modernization, recognizing it as the starch crop of the 21st century, the Sarawak Government successfully implemented land consolidation establishing estate-like plantation totaling to 2,883 hectares which involved 4,875 smallholders through Sago Smallholder Satellite Estate Development Programme (SSSED) managed by the Land

Custody Development Agency. New modern methods were introduced such as efficient sago farming with farming design, use of fertilizer and suckers pruning previously non-existent under the traditional approach. Such shifts are expected to generate increased productivity and income; however, the effects on farmers' happiness were not studied. This paper explored the association between economic transformation and psychological cost, and analyzed factors affecting the happiness to construct the Happiness Index of sago farmers in Sarawak.

Introduction

Sago palm (*Metroxylon sagu*), a promising crop of the 21st century, is found largely between 17°S and 15 – 16°N latitude in countries such as Thailand, Malaysia, Indonesia, the Philippines, Timor Leste, Solomon Islands, Vanuatu, Fiji, and Samoa. Regarding soil types, sago palm can grow in the various types of soils and it has been said that it is the only crop which can grow in the deep peat soil without any management but with long gestation period of about 10 to 15 years (Yamamoto, 2017). The ability to withstand hash condition, the role of sago in terms of environmental conservation is greater than other annual crops or other plantation crops, and certainly more effective than seasonal crops (Nadirman Haska & Fidrianto Abo, 2017). In the past, sago palm plays an important role as a staple food source for the Sarawak coastal Melanau communities in Malaysia. With the advancement of Sarawak economy, sago starch is no longer a staple being replaced by rice except among the nomadic and semi nomadic Penan. However, the decline of sago consumption does not contribute to the decline of sago farming (Hafizan Mohamad Naim et al., 2016). Farmers sell sago logs to sago mills in exchange for money as a source of income which in turn enables them to buy staples such as rice, food and goods.

According to Yamamoto (2017), although sago palm is an income earner contributing to household food security and to poverty alleviation, it remains an underutilized indigenous food resource in the sago growing region. From approximately 400,000 tons of starch produced per year, almost all is

consumed in the producing countries extracted from the pith of the sago palm. Thus, international trade statistics is not able to grasp its production and productivity. Yusof Sobeng et al. (2017) stated that despite sago starch production not showning a marked increase for the past ten years, the continuously increasing price shows that there is a high demand for sago starch. Malaysia and Indonesia are the only countries where sago starch is commercially produced for international trade. In Malaysia, Sarawak, the only State producing sago starch is not the world's largest producer, but it is the biggest exporter of world sago starch with the export volume of 40,000 tonnes in 2016 valued at RM85 million (Yusof Sobeng et al., 2017). Based on the report of the Department of Statistic Malaysia, the current price of sago is approximately at RM2, 125 per tonne. In addition, about 60% of Sarawak sago starch is exported to Peninsula Malaysia mainly for food industry and another 30% to Japan.

Few countries have invested in improving sago palm productivity as sago palms still exist in natural forest, thus the potentiality has not reach its maximum. Jong (2017) revealed that in a natural sago forest, sago palms at different growth stages are already in place and the mature palms are ready for harvesting from the beginning. Any investment relates to the basic goal of natural sago forest rehabilitation to establish a high-yielding semi-cultivated sago plantation in a much shorter time with less financial inputs which is only fractional as compared with the establishment of a new sago plantation. Currently, in Sarawak, sago is a smallholder's crop with a mix of both planted and natural stands, producing low yields (1.0 mt/ha/year) due to unorganized farm management (Yusof Sobeng et al., 2017). With a projection of 15-20 mt/ha/year of starch production in a commercial or plantation type of management, Sarawak invested in improving sago palm productivity by being the first in the world to cultivate sago on a large scale covering a total area of about 55,000 ha up until 2013 (Jong, 2015). The Sarawak Government has also successfully implemented land consolidation establishing estate-like plantation totalling to 2,883 hectares which involved

4,875 smallholders through Sago Smallholder Satellite Estate Development (SSSED) Programme managed by the Land Custody Development Agency (LCDA) (Hafizan Mohamad Naim et al., 2016). New modern methods through the introduction of efficient sago farming with farming design, use of fertilizer and suckers pruning previously non-existent under the traditional approach were adopted. Such shifts are expected to generate increased productivity and income, however, the effect on farmers' happiness were not studied. This paper explored the association between economic transformation and psychological cost; and analyzed factors affecting the happiness to construct the Happiness Index of sago farmers in Sarawak.

Methodology

Profile of SSSED participants

Secondary data on the age group and gender of the SSSED recipients were collected from Land Custody Development Agency, Sarawak, Malaysia.

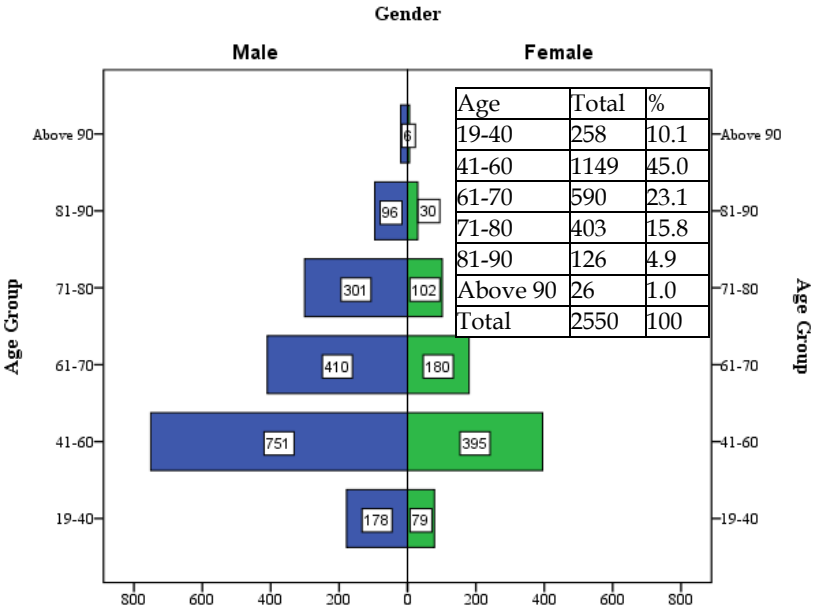
Sample and questionnaire

In this study, 59 respondents who were participants of the SSSED programme were interviewed by using a structured questionnaire to collect information. The questionnaire contained respondent's socio-demographic characteristics in the first section and dimensions of subjective wellbeing (SWB) in the second section. The dimensions of SWB focussed on category of subjective wellbeing measured by Likert scales: very satisfied (5), (4) satisfied (4), neither satisfied nor dissatisfied (3), dissatisfied (2) and very dissatisfied (1) and the perception of happiness of the respondents, family members and relationship with the neighbours based on Likert Scales: very happy (3), fairly happy (2) and not too happy (1).

Results and discussion

Sago has been hailed as the 21st century starch crop. Given its potential as a versatile crop and its high demand in international trade, Sarawak State Government has started initiatives to stimulate sago plantation from subsistence farming to estate plantation. According to Hafizan Mohamad Naim et al. (2016), land consolidation of 4,875 ha under the SSSED Programme and Own Farm ownership had been successfully implemented which benefitted 4578 smallholders. LCDA employed foreign labours to manage the maintenance of the farms while the owners would be harvesting the matured palms. However, due to budget constraints, only approximately 50% of the area was active. The age and gender profile of 2550 farmers is shown in Figure 1. Majority of the participants were in the 51 – 60 age group indicating a male dominant aging structure of the sago farmers.

Figure 2 shows the age and gender profile of the respondents to the questionnaire. The pattern of the age and gender structure presented similar pattern to Figure 1. Approximately 90 percent of the respondents were married with one divorcee and three single men in the 21- 30 age group (Table 1). Fifty percent had attended at least up to the primary school level followed by 27% up to the lower secondary school level at the age of 13 and 16 years old respectively (Table 2).



Age	Total	%
19-40	258	10.1
41-60	1149	45.0
61-70	590	23.1
71-80	403	15.8
81-90	126	4.9
Above 90	26	1.0
Total	2550	100

Figure 1. The age and gender profile of the smallholder participants of the Sago Smallholder Satellite Estate Development (SSSED) Programme and Own Farm ownership

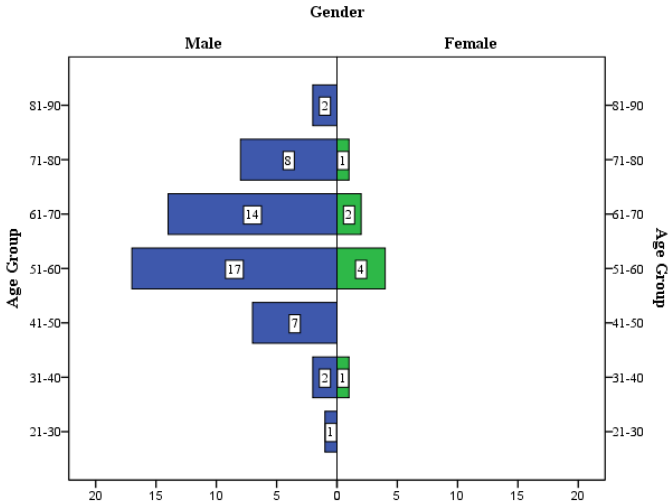


Figure 2. The age and gender profile of the respondents from smallholder participants of the Sago Smallholder Satellite Estate Development (SSSED) Programme and Own Farm ownership

Table 1. *The marital status of the sago farmer respondents*

Marital Status	Number	Percentage
Single	3	5.1
Married	53	89.8
Widowed	2	3.4
Divorced	1	1.7
Total	59	100

Table 2. *The education level of the sago farmer respondents*

	Number	Percentage
No Formal Education	3	5.1
Primary School	28	47.5
Lower Secondary School	16	27.1
Higher Secondary School	7	11.9
Higher School Certificate	1	1.7
Tertiary Education	1	1.7
No indication	3	5.1
Total	59	100

Although there were 50% of fulltime farmers, none of them were fulltime sago farmers but with diversified farming activities that included planting vegetables and fruits integrated with some chickens and ducks in the farm (Table 3). Two were fishermen, one sailor, one poultry farmer, one van driver, two government servants and two housewives.

Table 3. *Activity profile of the sago farmer respondents*

Activity	Number	Percentage
Full Time Farmers/ Poultry Farmer	31	52.7
Business	10	17.0
Government/Private Staff	3	5.1
Driving Instructor	1	1.7
Fisherman	3	5.1
Housewife	2	3.4
Pensioner	4	6.8
Sailor	1	1.7
Total	59	100

With the long gestation period of about 10 to 15 years of the sago palm and the low maintenance requirement, it was not

necessary to go into fulltime sago farming in the aspect of the daily living sustenance. Jong (2017) indicated that sago palm needed minimum care and replanting was not necessary as the parent palm proliferates suckers. Even though it has been promoted that smallholders may plant perennial crops such as bananas and pineapples alongside growing sago plant, most of the land is swampy, acidic peat soils and often subject to flooding, making it difficult to plant sustaining crops (Hafizan Mohamad Naim et al., 2016).

Joining the SSSED programme had not reduced their hours spent in the sago farm as shown in Table 4 indicated by t-test with a p value of 0.118 at $\alpha = 0.05$ as only an average of two hectare was allotted to each farmer. While they still maintained their own farm not under the SSSED programme with the traditional approach of only weeding manually and pruning of suckers, 41 farmers or 70% monitored the area under the scheme while eight or 13.6% took actively part in the scheme that included application of fertilizers and use of chemical for weeding. The rest spent more time on other farming activities that involved in planting vegetables and fruits and poultry.

Table 4. *Hours spent in the farm per day before and after joining SSSED programme*

	Mean	Std. Deviation	t-test at $\alpha = 0.05$
Time before SSSED	4.06	1.457	p=0.118
Time after SSSED	3.95	1.530	

From the study, the sago farmers did not agree to the modernization approach of sago cultivation which they strongly believed that application of fertilizer had not accelerated growth instead it was reversed. This view was based on the comparison of their farming practice with knowledge gained from previous generations to their observation on the performance of the estate plantation and the SSSED programme managed by LCDA. Hafizan Mohamad Naim et al. (2016) suggested that the lack of knowledge, attitudes and skills of farmers in managing sago had hampered the transformation process because of some of the modern

methods used were the reasons why some of the sago palms did not flourish as expected. They added that the different views from both of the communities and agencies were not being addressed accordingly due to insufficient communication with respect to disseminating information on the benefits of integrating modern methods in the sago planting and cultivation process. Yamamoto (2017) revealed that recent reports stated sago palm could not grow well in the deep peat soil having more than 5m deep even if they applied enough fertilizer. As stated by Markussen et al. (2014), self-employment in farming was associated with higher, intrinsic utility than other types of employment. Thus, in addition to the modern methods introduced, the SSSED programme under the management of LCDA employing foreign workers could have contributed to the distrust exhibited by the farmers. Benz and Frey (2008) showed that self-employment was associated with significantly higher job satisfaction than wage labour in three western countries, ascribing this effect to the higher levels of 'procedural utility' for the self-employed being associated with more independence and less hierarchy than wage work. Inglehart et al. (2008) stated that traditional life styles closely associated with farming and a move to another sector of the economy may entail a loss of identity and life meaning that leads to lower subjective wellbeing.

The satisfaction level of subjective wellbeing was measured by Likert scales: very satisfied (5), (4) satisfied (4), neither satisfied nor dissatisfied (3), dissatisfied (2) and very dissatisfied (1). Since there were no response to level of neither satisfied nor satisfied and very dissatisfied, these two levels were not presented in the Table 5.

Table 5. *The satisfaction level of subjective wellbeing*

Dimension	Mean Score	Standard Deviation
Your health	3.24	1.394
Your standard of living (livelihood)	4.51	.504
The major occupations in your daily life	4.59	.495

Work-life balance	4.85	.363
The relationship you have with your immediate family members	4.71	.457
Children's education	4.90	.305
Family's health care	4.85	.363
Satisfaction with family's food consumption	4.78	.418
Family's housing	4.69	.503
Family's total income	4.24	.467

The mean score of 3.24 relating to the health dimension was expected because of the age structure as most of the farmers were above 50 years. At a personally level, a mean value of 4.65 ±0.388 was obtained from three dimensions related to their living standards, major occupations in their daily lives and work balance indicating a score between very satisfied and satisfied. The farmers were also very satisfied with work life balance scoring a high mean of 4.85. An overwhelming majority of the farmers related their satisfaction level to their immediately family and the ability to provide for them that included their children's education, family's health care, family food consumption and family's housing which were also near very satisfactory level obtaining a mean score 4.69 ±0.309 higher than their personal satisfaction.

Total income from sago farming (RM/month) and total income from their work activities were indicated to be less than RM4000, the minimum income targeted by the Malaysian Economic Transformation Programme. Fifty-seven farmers or 97% agreed that their household income was better than five years ago. However, it was not an issue as the current income generating activities were sufficient to sustain their basic needs based on the satisfaction level with a mean score of 4.24 and the outcome of the perception of happiness (Table 6) based on the Likert Scales: very happy (3), fairly happy (2) and not too happy (1). It indicated that the direct effect of income growth on happiness therefore might not be strong. Roslina Kamaruddin et al. (2013) revealed that the effectiveness of cultivation

technology introduced shows negative effects on happiness level of paddy farmers in Malaysia implying that the introduction of technology had not managed to raise the level of happiness among farmers especially for small-scale farmers who could not afford to have the technology introduced.

On a personal level on happiness, the mean score obtained was 2.51 which was very close to the upper scale of very happy. Nobody indicated that they were not too happy. However, 63 percent perceived that their family members were very happy at the moment compared to 37% being fairly happy obtaining a mean score of 2.76. According to Markussen (2014), family structure was an important determinant of happiness and a quite robust finding in the literature on happiness was a positive effect of marriage on subjective wellbeing. In the Melanau community, traditional family values were strong. In the study of subjective well-being in China, by Knight and Gunatilaka (2010), being married had a statistically significant, positive effect on happiness in rural areas, while divorce and widowhood has a significant, negative impact with single, never married being the reference category. Similarly, Helliwell et al. (2012) reviewed several studies that investigated the relationship between happiness and marriage across Europe, the United States, Asia, Russia and Latin America, showed that married people were happier than those divorced, single or widowed. The relationship with the neighbours was also towards very happy with a mean score of 2.58. Powdthavee (2008) showed social network in the community had positive effect on satisfaction with life.

Table 6. *The happiness dimension in the aspect of farmers' life*

Happiness Aspect	Mean Score	Standard Deviation
How happy would you say you are?	2.51	.504
How happy do you think your family members are at the moment?	2.76	.567
How is your relationship with your neighbours?	2.58	.498

Veenhoven (2006) viewed that age had a concave relationship with subjective wellbeing (SWB) such that people then would be happier in their early life's (twenties) and latter life's (after 50 years) and less happy in the mid years when they would be involved in work. This view was reflected in this study. Though some studies on subjective wellbeing concur that women are relatively happier than men, findings in this study contradicted the view as 25% of women agreed to being very happy than fairly happy compared to the 55% of the men who agreed to being very happy.

Conclusion

The farming practice among sago smallholders employs semi-traditional and traditional methods in sago cultivation with the average gestational period of 10 to 15 years. It is imperative that the effort on modernization is to improve the quality and quantity of sago. The sago upstream industry was a male dominant aging structure of the sago farmers with majority aged between 51–60 and lower school education. They were not fulltime sago farmers but had diversified activities for the sustenance of living in which they were very satisfied with the work balance. Despite registering in the SSSED programme managed by LCDA, the farmers had voiced against the employing of foreign workers to carry out the maintenance of the sago farm. In addition, they believed that their farming practice with knowledge gained from previous generations did not need fertilizers supported by their observation on the poor growth performance of the sago in estate plantation and the SSSED programme. Although in financial terms, the farmers were seen as a poor group with income below the minimum target of the Malaysian Economic Transformation Programme, but they were satisfied since the job has been synonymous in their lives, not thinking their occupation solely in terms of cash but satisfied being self-employed. There are other dimensions in the subjective wellbeing that determined the level of their happiness other than financial terms. Apart from individual factors, provision for their children and relationship with their

neighbours also played an equally key role in contributing to their happiness.

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Towards Organic Asia: A Food System Approach to Sustainable Development Business for the Common Good

Wallapa van Willenswaard, Witoon Lianchamroon, Victor Karunan and Hans van Willenswaard

Abstract

Towards Organic Asia is a network that advocates agroecology and "Organic Food for All". It is an offshoot of collaboration between organizations in Bhutan and Thailand. In both industrialized as well as agriculture based countries, happiness will be determined to a high extend by the quality of food systems. Contrary to the persistent use of 'GDP contribution' as an indicator for comparison of the relative importance of economic sectors, an appropriate systems approach reveals (tentatively) that food systems have huge impacts on life style (culture), community resilience, public health, education systems, governance, the environment and thus on sustainable development. The systems approach (Senge, 2006) to governance - of which Gross National Happiness as developed by the Royal Government of Bhutan and stakeholders (including the hands-on business community) pioneers a globally inspiring example – once fully applied to cooperative food sector management, integrates multiple dimensions of a broad perception of agriculture. This includes production, consumption, models for (social) entrepreneurship, land tenure, (mindful) markets, assessment methodologies and the celebration of cultural values. A "commons"- based governance (Elinor Ostrom, 1933 – 2012) of the food system, in which small-scale business actors are valued, finds its possible foundation in Article 5 of the Constitution of Bhutan: "Every Bhutanese is a trustee of the Kingdom's natural resources and environment for the benefit of the present and future generations …". The assumptions explored in this paper require further cross-cultural and inter-disciplinary "academia - civil

society" research and development. Suggestions are made for new partnerships in the framework of the Sustainable Development Goals (SDGs), in particular SDG17 as a contribution to Agenda 2030.

Introduction

Through our paper titled "Small-scale Business Inspired by Timeless Simplicity: A Contribution Towards Gross National Happiness", an appeal was made to include the responsible business sector in the global Gross National Happiness movement in the First International Gross National Happiness conference (GNH1), held in Thimphu, 2004.

With reference to *Timeless Simplicity* we tried to evoke the spirit of Schumacher College, U.K., and the book of John Lane with the same title, subtitled *Creative Living in a Consumer Society* (Lane, 2001). John Lane was the founding art director of the incredible magazine *Resurgence*. *Timeless Simplicity* was one of the first books that Suan Nguen Mee Ma publishing house - a social enterprise co-founded in Bangkok, 2001 - brought to the market in Thai version. It was the start of a long series of books including on responsible business. An engaging process of gradual 'out-scaling' of the social enterprise initiative took shape.

In this present paper we try to summarize some innovative work we have tried doing on GNH of Business since 2004. We ask ourselves: what does it require from the business sector to genuinely contribute to happiness, wellbeing and sustainable development?

This is a quest of how we connect with our past and our future. Schumacher College was founded by Satish Kumar inspired by E.F. Schumacher, author of *Small Is Beautiful*: *A Study of Economics As If People Mattered* (Schumacher, 1973). In that same period His Majesty King Jigme Singye Wangchuck expressed his visionary insight that "Gross National Happiness is more important than Gross National Product." The book of Schumacher was informed by Schumacher's experiences as a consultant to the first Prime Minister of independent Burma in 1955. Schumacher introduced the concept of Buddhist

Economics from this life changing experience (Schumacher, 1966). It marked dissent to the global trend of enlargement of business scale as an aim in itself and infinite growth. Ultimately economic progress is the ultra-complex result of an Indra Net of concrete business efforts in their full diversity, small and big, formal and informal, family- or shareholder- owned and profit-driven or primarily serving a social cause like social enterprises do. Self-interest driven big business took the lead and even dominated over national development. Elected governments were manipulated in their democratic cores (Korten, 2007).

The conference GNH of Business offers a timely opportunity to explore in depth the promising connections between Gross National Happiness and the business sector. Can GNH be a leading factor in business transformation?

Two groundbreaking trends since 'GNH1' should be given special attention:

- The *UN Global Compact* was initially launched entailing nine Principles. In June 2004, during the first *Global Compact Leaders' Summit*, UN Secretary General Kofi Annan announced the addition of the tenth principle in compliance with the United Nations Convention Against Corruption adopted in 2003. This made the take-off of a successful global campaign complete (Corell, 2011). The campaign is generally characterized as 'Corporate Social Responsibility' (CSR).

  An early pioneer of authentic CSR policy and practice was the American manufacturer *Interface Inc.* with an explicit vow to make its modular carpet production fully sustainable. The *Interface* case was presented with due charisma by founder and CEO Ray Anderson at the Second International Conference on GNH ('GNH2') in Nova Scotia, Canada (GPI Atlantic, 2005).
- In 2006 the Nobel Peace Prize was awarded jointly to Muhammad Yunus and the Grameen Bank in Bangladesh *"for their efforts to create economic and social development from below"*. With this award came full recognition for 'social

> entrepreneurship' of which Muhammad Yunus is the iconic forerunner.

Yunus said in his Nobel Peace Prize acceptance speech "By defining 'entrepreneur' in a broader way we can change the character of capitalism radically, and solve many of the unresolved social and economic problems within the scope of the free market" (Yunus, 2006).

Both the Global Compact top-down and Grameen Bank bottom-up initiatives were shaped with the purpose of transforming the business sector towards sustainability and to upholding Human Rights. Can the 'free market' evolve into a *mindful market* by liberating itself from the, to a high extend, illusionary notion of neo-liberal freedom and over-emphasis on satisfaction-driven happiness?

Sustainable agriculture the foundation of the future business sector

The Third International Conference on Gross National Happiness (GNH3) was convened in Nongkhai and Bangkok, Thailand, in November 2007. It included a nation-wide farmers' gathering at Wat Hin Mak Peng, a famous Buddhist temple in the Theravada forest tradition bordering the Mekong River, the frontier with Laos, near its capital Vientiane and the northern Thai city of Nongkhai. Diverse farmers' groups camped for days at the temple grounds and engaged in joyful exchanges. A research project was conducted on happiness among indigenous farmers in Thailand and was presented during the academic session of GNH3 at Chulalongkorn University, Bangkok. "Tales and poems have been sung and transferred from generation to generation in every day community life, telling how to be a good person in every step …" (Kijtewachakul, 2010).

A farmers' representative was invited on stage for the closing GNH3 participants' session at Chulalongkorn University, Bangkok, in order to envisage action that could be taken towards the future of the GNH movement.

In August 2009 the School for Wellbeing Studies and Research (School for Wellbeing) was founded together with the Centre for Bhutan Studies and Chulalongkorn University, with the aim to institutionalize an independent follow-up to GNH3. Suan Nguen Mee Ma social enterprise worked closely together with the Sathirakoses Nagapradipa Foundation (SNF), the third partner of what was called an *action-research platform*. SNF was founded by Buddhist scholar and social activist Sulak Sivaraksa in 1969. The enthusiastic impulse of the Thai farmers to engage with the GNH movement resulted – with the empowerment of Vandana Shiva who visited Thailand in 2010 to launch the Thai translation of her book *Earth Democracy: Justice, Sustainability and Peace* (Shiva, 2005) - in the start-up of the School for Wellbeing's major activity until now: the *Towards Organic Asia* (TOA) programme. Its mission is "Organic Food for All". Core partners in this programme are food system related civil society organizations, social enterprises and academic institutes from the Mekong region (Myanmar, Thailand, Laos, Cambodia, Vietnam) + Bhutan. Bhutan joined with the Centre for Bhutan Studies (CBS&GNH), National Organic Programme (NOP), Ministry of Agriculture and Forests and with the College of Natural Resources (CNR), a college of the Royal University of Bhutan (RUB). Later organizations from China entered the network in the context of the annual TOA *Mindful Markets Asia Forum* and social enterprise course. The Mekong River springs from the Tibetan Plateau. Groups from Korea, Japan, India, Sri Lanka, Indonesia etc. started participating informally. TOA is consistently supported by CCFD-Terre Solidaire, France, and contributes to the global *agroecology* movement. (Wezel et al., 2009).

Bhutan's contribution to international networking in this perspective is essential. The establishment of the National Organic Programme (NOP) in Bhutan, 2006, and the international proclamation of the '100% organic country policy' during UNCED+20 in 2012 were historic moments, followed by the global IFOAM (International Federation of Organic Agriculture Movements) Mountain Ecosystems conference which released the *Thimphu Declaration* (IFOAM, 2014). Bhutan

vowed to be fully organic by 2020. The aspiration confirms the leading role of Bhutan as a champion of nature conservation and as a resilient agricultural society, while not underestimating the challenges to be met.

The percentages employment in agriculture and contribution to GDP (Appendix) suggest that the importance of the agricultural business sector is declining dramatically, both in Bhutan, Thailand and globally. The purpose of this paper is to explore alternative ways of valuing and measuring, resulting in a radically different picture and policy rationale. What are the real impacts of extractive industry versus regenerative agriculture?

Mismeasuring economic growth: The need for a new development paradigm

The first activity of the School for Wellbeing Studies and Research in 2009, three years before UNCED+20, was jointly organizing a lecture tour of Nobel laureate Joseph E. Stiglitz in Thailand.

Stiglitz revealed the conclusions of the *Commission on the Measurement of Economic Performance and Social Progress* first hand in Bangkok, already in August 2009, "GDP tells you nothing about sustainability" (Stiglitz, Sen & Fitoussi, 2010). There could be no better confirmation of the early insights of His Majesty the Fourth King Jigme Singye Wangchuck. Stiglitz explained the major message of the Stiglitz-Sen-Fitoussi in a Project Syndicate article (Stiglitz, 2009):

> If we have poor measures, what we strive to do (say, increase GDP) may actually contribute to a worsening of living standards. We may also be confronted with false choices, seeing trade-offs between output and environmental protection that don't exist. By contrast, a better measure of economic performance might show that steps taken to improve the environment are good for the economy (Stiglitz, 2009).

Stiglitz continues:

> Another marked change in most societies is an increase in inequality. This means that there is increasing disparity between average (mean) income and the median income (that of the "typical" person, whose income lies in the middle of the distribution of all incomes). If a few bankers get much richer, average income can go up, even as most individuals' incomes are declining. So GDP per capita statistics may not reflect what is happening to most citizens (Ibid.).

John Talberth of the World Resources Institute puts it this way:

> GDP also tells us nothing about sustainability. It fails to track the depletion or degradation of natural, human, built, and social capital on which all economic activity ultimately depends. It fails as well to capture the inherent unsustainability of economic activity financed by debt (Talberth, 2010).

And "finally, GDP fails to recognize the costs of inequality. It counts growth concentrated in the upper-most income brackets as 'progress,' even if incomes and quality of life are falling for most" (Ibid.).

Though very constructive, the Corporate Social Responsibility (CSR) trend guided by the *Global Compact* tends to offset the misrepresentations of growth by GDP, and does not fully address the causes of the negative impacts of it this 'growth' (Fleming & Jones, 2013).

Ultimately Stiglitz came to the conclusion:

> Changing paradigms is not easy. Too many have invested too much in the wrong models. Like the

> Ptolemaic attempts to preserve earth-centric views of the universe, there will be heroic efforts to add complexities and refinements to the standard paradigm. The resulting models will be an improvement and policies based on them may do better, but they too are likely to fail. *Nothing less than a paradigm shift will do* (Stiglitz, 2010; emphasis added).

Our 'action-research' efforts inspired by GNH have been circling around this enormous challenge: to anticipate and tentatively articulate this enigmatic *paradigm shift* waiting to be born, something even Stiglitz cannot yet grasp. Just two weeks before the start of the *GNH of Business* conference here in Thimphu, Joseph Stiglitz and fellow Nobel Prize laureate Michael Spence launched the *Commission on Global Economic Transformation,* Edinburgh, 21 October 2017 (Institute for New Economic Thinking, 2017). Can we expect a breakthrough of the new paradigm?

Our assumption is that one important element of the new paradigm should be attribution of more weight to agriculture than its contribution to GDP. And is *social entrepreneurship* the transformative approach to sustainable food system leadership putting this new emphasis in practice?

Our early research efforts into this daring direction always have been attempts to contribute in the margin of the knowledge, experiences and insights skillfully generated in Bhutan, and mirrored in situations in Thailand, the Mekong Region, Asia & Pacific and globally.

The tentative conclusion that arose from our engagement in the GNH movement so far is as follows. In addition to the conservation and rehabilitation of Nature, and innovations in technology as well as governance that makes urban and industrial development 'greener, cleaner and more humane' (in the same time concurring with major technology and governance trends that reinforce consumerism and oppressive

structures), humanity should place organic agriculture, or agroecology, at the centre of future sustainability scenarios.

This new prioritization should not be perceived as going back to pre-industrial development or blocking progress of agricultural societies that want a share of the modernization cake. Our thesis is that full understanding of present challenges to optimize wellbeing and happiness for all, and reduce inequality, inevitably leads to placing *sustainable food systems* at the centre of modern 'wellbeing societies' and a healthy world economy. The degree of sustainability or 'ecological footprint' of food systems ultimately determines the health of an economy. Food systems are the pivot between the opposing forces of extractive business practices and regeneration of natural, social and cultural capital. Food systems in order to be sustainable should be governed in a spirit of *happiness as altruism* (Ricard, 2015), care for the Earth – a broad understanding of *our common heritage* (Taylor, 2011) – and responsibility for future generations (World Future Council, undated).

GNH, Economic Development and Re-thinking Property

Our contribution to the Fourth GNH conference in November 2008 in Thimphu tried to address – in an attempt to carve out a pathway to the new development paradigm – the earlier conceptual framework of Gross National Happiness as tentatively formulated in 1998 (Kinga, Galay, Rapten, & Pain, 1999) and later elaborated as the Four Pillars of GNH. We attempted to put the Four Pillars "in perspective" (van Willenswaard, 2016) meaning that we explored resonance successively with the *Triratna*, the The Triple Gem, a core teaching of The Buddha; as well as inter-connectedness with the three values of the French Revolution, with Dr. Ambedkar, architect of the constitution of independent India as the assumed catalyst between the two philosophical frameworks (Dahiwale et al., 2016). Moreover, interpretation of the three values of the French Revolution in the context of an appeal for Peace and reconstruction in light of the First World War by Austrian philosopher Rudolf Steiner (1972, English version).

Later followed around the year 2000 by a re-interpretation of Steiner's "threefolding" by social activist and public intellectual from the Philippines Nicanor Perlas in light of 'sustainable development'. By then sustainability had become a broadly accepted common goal pointing at the fourth, overarching, pillar of GNH: environmental conservation (including: rehabilitation in places other than Bhutan); and the implementation of *Agenda 21* (Perlas, 2000).

In 2008 our 'paradigm exercise' was rather premature as the real historical milestone was the introduction of the GNH Index as a guideline for social research and analysis. But three years later further steps towards exploring paradigm change were being jointly explored by means of international gatherings both in Bhutan and Thailand.

Following the groundbreaking adoption, July 2011, of UN General Assembly resolution 35/309, *the Happiness Resolution*, proposed by the Government of Bhutan, the Centre for Bhutan Studies organized in August 2011 a high level conference *GNH and Economic Development* at the Royal Banquet Hall in Thimphu. While the School for Wellbeing convened later in the same month a modest 'international exchange platform' titled *Re-thinking Property: Pathways to the Wellbeing Society scenario?* at Chulalongkorn University, Bangkok.

One of the crucial issues discussed during the conference was the continuation of the 'MDGs beyond 2015' and how to include happiness and wellbeing with their relevant indicators in a new set of goals to be negotiated. An interesting comment made by Jeffrey Sachs was that, in his analysis, from all eight Millennium Development Goals, the implementation of the last goal, MDG8 "to develop a global partnership for development", had been the least successful.

In response to the analysis of Prof. Sachs we had an opportunity to present the outcome of our small-scale 'research development' project 2008 – 2010, supported by *Thailand Research Fund* (TRF). The project formulated a concluding recommendation: to undertake participatory *action research* towards a consensus building process, locally and globally, in line with the threefolding or 'tri-sector' principle as outlined by

Nicanor Perlas. The overarching aim of consensus building towards our common interest: "a global development partnership with the shared aim of 'caring for Nature and Humanity'" was considered to be extremely urgent and should basically include governments, civil society and the business sector as equal partners. More in particular we proposed to focus on *Food Security* and the development of a *Wellbeing Society scenario* (Figure 1.)

In each of the three sectors focal points for *action research* were identified. At that point, the year 2010, negotiations proper towards the Sustainable Development Goals (SDGs) 2015 – 2030 still had to begin. Civil society and the business sector were later indeed included in the SDG and Agenda 2030 formulation process, in addition to the member governments of the United Nations (UN).

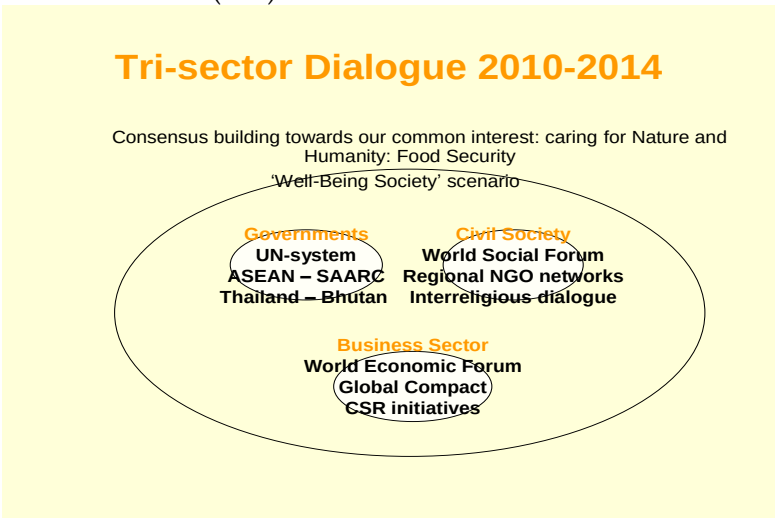

Figure 1. Tri-sector Dialogue 2010 – 2014. Proposed conceptual framework for action research 2010 – 2014, Thailand Research Fund project report, presented during the conference *GNH and Economic Development*, Thimphu, August 2011, (*School for Wellbeing Studies and Research*, 2011).

The international exchange platform *Re-thinking Property* later in August 2011 at Chulalongkorn University, Bangkok, included – in addition to scholars from Chulalongkorn

University – regional social activists and public intellectuals, including Sulak Sivaraksa, Thailand, Nicanor Perlas, Philippines, Dasho Karma Ura, Bhutan, Sombath Somphone, Laos, Silke Helfrich, Germany, François Bafoil, France, and others.

Silke Helfrich, Germany, of the *Commons Strategy Group*, highlighted the work of Nobel laureate Elinor Ostrom, an unconventional economist from the USA whose Nobel Prize acceptance speech was titled *Beyond Markets and States: Polycentric Governance of Complex Economic Systems* (Ostrom, Elinor, 2009). The exchange platform was a first step in the exploration of the "commons", another powerful constituting element of a new development paradigm (Bollier & Helfrich, 2012).

Two important results had emerged from the earlier *GNH and Economic Development* conference in Bhutan: 1. The Royal Government of Bhutan was granted the opportunity to organize a global gathering on Happiness at the UN Headquarters in New York and undertake an international research project. 2. Jeffrey Sachs, Lord Richard Layard and John F. Helliwell decided to co-publish the annual *World Happiness Report* (WHR).

The WHR is now published annually. It depends entirely on secondary data and not on a participatory survey methodology like the GNH Index in Bhutan. Also at other points the WHR deviates from the GNH Index. It depends to a high extent on GDP per capita rankings.

In Thailand, within the limitations of our moderate means, the progress of the School for Wellbeing's efforts both in civil society collaboration and in the business sector can be highlighted as in Figure 2.

In the civil society sector the Towards Organic Asia (TOA) network was started as an initiative of the School for Wellbeing, while our colleagues from the International Network of Engaged Buddhists (INEB) shaped a major initiative called ICE (*Interreligious Climate and Ecology Network*).

In the context of the business sector we moved beyond the CSR approach to articulating Suan Nguen Mee Ma publishing

house more radically as a social enterprise: an actor in social enterprise advocacy. Moreover we actively engaged with the "commons movement" (van Willenswaard, 2017).

At the overarching level, related to the fourth pillar of GNH: environmental conservation, our major initiative for future consensus building is emerging from both the GNH and Economic Development and Re-thinking Property findings: we try to co-develop a global Earth Trusteeship Platform.

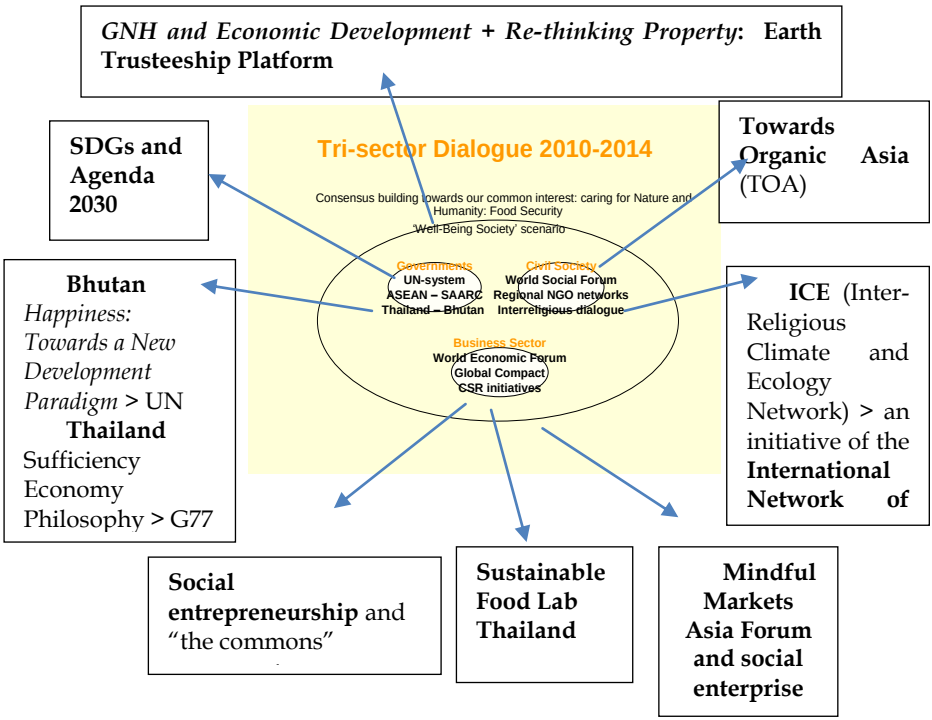

Figure 2. Follow-up of School for Wellbeing *action-research* 2010 – 2017

In terms of business development and networking we started organizing an annual Mindful Markets Asia Forum as a meeting point for Asian entrepreneurs active in the food sector (producers, consumers and 'mediators') (van Willenswaard, 2015). This culminated in an annual *international social enterprise course*: capacity building for sustainable food system leadership.

And most recently we started the Sustainable Food Lab Thailand, a company set-up by three partners: Social Lab Thailand maintaining connections with the Academy for Systems Change in the USA, co-founded by Peter Senge, author of *The Fifth Discipline* (Senge, 2016), Hal Hamilton and others; Sampran Riverside – an eco-cultural destination, offering hotel, conference and recreation facilities in collaboration with local farmers' communities; and Innovation Network International – initiative for creative space.

Happiness: Towards a New Development Paradigm

On 2nd April, 2012, the Royal Government of Bhutan convened the High-level Meeting on Wellbeing and Happiness: Defining a New Economic Paradigm. More than 800 participants including political and government leaders, representatives of governments, international organizations, civil society organizations, media, and business, as well as leading economists, scholars, academics, and spiritual leaders from the world's major faiths participated in the proceedings (UN Sustainable Development Knowledge Platform, 2012).

As a result of the High-level meeting at the UN Headquarters in New York an International Expert Working Group (IEWG) was formed with 71 eminent experts from all over the world.

The IEWG met in Bhutan, January-February 2013 and by September 2013 the Report *Happiness: Towards a New Development Paradigm* (the Bhutan Report) was submitted by the Royal Government of Bhutan to the UN General Assembly. (NDP Steering Committee and Secretariat, 2013).

In July 2013 a new government had taken the stage after elections in Bhutan. The new government emphasized initially domestic development efforts over participation in global dialogue. The number of 70 foreign eminent experts co-drafting the Bhutan Report may indeed have felt overwhelming. However, full commitment to GNH continued and the quotes from the Bhutan Report reproduced here are to our assessment valid in both local and international contexts.

The Bhutan Report places the Four Pillars of GNH and the 9 domains of the GNH Index in one conceptual framework. The Four Pillars represent a Holistic Development Agenda while the indicators under the 9 domains of GNH assess progress in order to articulate the outcome of development efforts in terms of to which degree an equitable & sustainable Society is realized, also translated in responsible use of resources. In other words how far *societal happiness* is experienced by citizens as a result of the Holistic Development Agenda.

The Bhutan Report concluded with three general recommendations:

- **Happiness** be adopted as the overarching goal for the future development of the post-2015 development agenda.
- **Wellbeing and happiness** be included in the suggested Sustainable Development Goals.
- Relevant UN research institutes and independent researchers take up the task of elaborating the details and mechanisms of the proposed new paradigm for global application (NDP Steering Committee and Secretariat, 2013, p.45).

In light of the *GNH of Business* conference, November 2017, relevant analysis and recommendations formulated in the Bhutan Report focus on one of the Four Pillars: ***Sustainable and equitable socio-economic development.*** The Bhutan Report, 2013, says:

Socio-economic development that depletes resources at the expense of other species and future generations is unsustainable. Similarly, inequitable development that benefits only a few and excludes the vast majority cannot bring societal happiness. Socio-economic development must therefore:

- Be fully aligned with nature
- Use natural resources equitably (since they are the common property of all beings)

- Be based on equity between groups, genders and generations, and in the distribution of power.

In sum, the new development paradigm recognizes that *the wellbeing of each individual depends upon the wellbeing of all* (Ibid., pp.22-23; emphasis added).

Moreover, under the same socio-economic GNH pillar:

> Sustainable agriculture and its products are the very basis of our survival and health. The New Development Paradigm approach recognizes that responsible food production, distribution and consumption are vital components of equitable and sustainable development (NDP Steering Committee and Secretariat, 2013, p.23).

The special importance attributed to sustainable agriculture raises questions about the present state of affairs in Bhutan, Thailand and in other countries of the world.

How sustainable are our food systems? BioThai

A full answer to the question how sustainable our food systems are transcends the limitations of this paper. But let us make some observations from our professional perspectives. Are food production, distribution and consumption sustainable in Thailand and the region?

BioThai, a major NGO in Thailand for sustainable agriculture advocacy has a long history of combating authorities on various fronts: to uphold the precautionary principle and prevent the introduction of GMO's, to ban hazardous pesticides and herbicides, to reveal the extremely intensive use of imported poison by Thai industrial agri-business and to protect 'seed freedom' of traditional and small-scale farmers. The struggle to transform the conventional supply chain of our food into a genuinely sustainable food system that restores climate stability starts at the regulatory framework around seeds.

At this very moment BioThai is entangled in a fierce dispute (not the first one) with the Department of Agriculture (DOA) in

Thailand which quietly tries to replace or amend the Plant Variety Protection (PVP) Act of 1999, bypassing parliament which should play a leading role as the proposed amendment has international implications.

Here is how BioThai clarifies the situation. The one and half page detailed description provides due insight into the ultra complex regulatory environment in which small-scale farmers deliver their services and goods to society:

> … the new draft law would violate peasants' rights, increase monopolization of giant seeds companies and support biopiracy:
> - The new law would abolish peasants' rights to save seeds and regrow them by removing Article 33 (4) of the former law. If the law passes, peasants would be punished or imprisoned for re-growing plants from saved seeds.
> - The new law (…) would extend the duration of the patent on new varieties from 12-17 years to 20-25 years (except tree plants).
> - The new law would expand the restrictions and patents on "new plant varieties" to also include "produces" and "products."
> - The new law would also allow patents on sub-varieties of a new plant variety or 'Essentially Derived Varieties (EDVs)'.
> - The new law would increase support for biopiracy, by not requiring the companies to identify the source of genetic materials when they want to acquire the patents. It also redefines local breeds, which allows companies not to share benefits when they use local breeds. The companies only have to take local breeds and take it "through a genetic improving process" before being allowed to use them.
> - The new law would take out the requirement to go through a process of checking biological safety for GMOs before these new varieties are patented.

> - The new law would not have the conditions for the state to intervene or suspend patent rights if the price becomes too costly for farmers and may threaten food security.
> - Under the new law, the decision making committee, consisting of honorary members such as farmers, academics, non-profit organizations or private sector, would be selected, not elected as before.

In conclusion, the new draft would allow giant corporations to monopolize rights over plant varieties, punishing peasants and farmers who keep and protect seeds—the fundamental basis to sustain biodiversity. *In the end, this would be detrimental to our food security* (BioThai website, 2017).

The dispute on seeds stands model for one of the many fronts where corporate agribusiness tries to overtake power and convert the agriculture sector into an industrial operation. Adoption of the amendment would undermine the pivot role of agriculture (the middle ground between wild nature conservation and extractive industry) as a health-bringing sector and as a support system towards sustainable development.

Business responsibility for food safety: UNICEF

Another rationale for advocacy towards prioritizing sustainable food systems is the required access to healthy food and snacks for children. UNICEF South East Asia made a report on growing malnutrition among children in South East Asia. (UNICEF, 2016). Under the title *The double burden of malnutrition: Under-nutrition and overweight* the UNICEF Regional Report on Nutrition Security states:

> Bangkok, 28 March 2016 – A joint report from UNICEF, WHO and ASEAN has shed new light on the nutrition situation of children across South East Asia. The report finds that several ASEAN countries are facing simultaneous crises of over and under-nutrition, with some children overweight while

> their peers suffer from stunting and wasting. This 'double burden of malnutrition' is happening in middle income countries such as Indonesia, Malaysia, the Philippines and Thailand.
>
> In Indonesia, the proportions are exactly the same: 12 percent of children are overweight and 12 percent are wasted. In Thailand, child wasting and overweight are both on the rise: between 2006 and 2012, wasting increased from 5 percent to 7 percent, and overweight from 8 percent to 11 percent.

Recently UNICEF, the Global Compact and Save the Children released a manual *Children's Rights and Business Principles.* (UNICEF, 2013). Apart from issues like child labour and decent employment the document spells out a range of principles which can directly be applied to *agriculture products*, food processing and marketing:

> Children are even affected by everyday hazards differently and more severely than adults. Due to their physiology children absorb a higher percentage of pollutants to which they are exposed, and thus their immune systems are more compromised and vulnerable. (UNICEF, 2013)

Responsibilities of corporations for children's rights include:

- Ensure the protection and safety of children in all business activities and facilities.
- Ensure that products and services are safe, and seek to support children's rights through them.
- Use marketing and advertising that respect and support children's rights.
- Respect and support children's rights in relation to the environment and to land acquisition and use. (UNICEF, 2013).

In addition to the rights responsible business should respect and possible sanctions for them if they do not, the question also rises: what are the economic costs for society at large of non-compliance?

The True Cost of Food

GNH not only records happiness of citizens, it also serves as a screening tool for policy decisions. Therefore the costs and benefits of choices-to-be-made should be evident.

Clarification of the true costs and benefits of various food systems, financially, socially, environmentally and culturally, is still work in progress, though essential for decision making.

Many positive impacts of sustainable agriculture are not recognized or not accounted for like maintenance and rehabilitation of landscapes by organic farmers, voluntary work in farmers' families, mitigation of climate change by organic practices, educational impact of living in and caring for nature, and the generation of intuitive and traditional wisdom.

A recent report of the International Panel of Experts on Sustainable Food Systems (IPES-Food) in collaboration with the Global Alliance for the Future of Food, titled *Unravelling the Food-Health Nexus* (de Schutter, 2017), brings fully to the light the impacts of food systems on health, and the estimated costs incurred at a global level.

IPES-Food is Co-chaired by Olivier de Schutter, former UN Special Rapporteur on the right to food and Olivia Yambi, formerly UNICEF Country Representative in Kenya. The experts' panel includes Hans R. Herren, World Food Prize laureate 1995 (one of the co-initiaters of the IFOAM conference in Thimphu, 2014, and an impressive diversity of experts. Here are the nine points (two pages) that substantiate the panel's appeal to politically prioritize the food – health nexus:

1. Alongside many positive impacts, our food systems have increasingly affected health through multiple, interconnected pathways, generating severe human and economic costs. People get sick because: 1) they work under unhealthy conditions; 2) they are exposed to contaminants in the water, soil, and air; 3) they eat certain unsafe or contaminated foods; 4) they have unhealthy diets; and 5) they can't access adequate and acceptable food at all times.

2. … Many of the most severe health impacts of food systems trace back to some of the core industrial food and farming practices, e.g., chemical-intensive agriculture; intensive livestock production; the mass production and *mass marketing of ultra-processed foods*; and the development of long and deregulated global commodity supply chains.
3. The health impacts of food systems are *interconnected, self-reinforcing, and complex* — but we know enough to act. Food systems impacts are caused by many agents, and interact with factors like climate change, unsanitary conditions, and poverty — which are themselves shaped by food and farming systems. ….
4. The low power and visibility of those most affected by food systems jeopardizes a complete understanding of the health impacts, leaving *major blind spots in the evidence base.* The precarious working conditions across global food systems create a situation in which those exposed to the greatest health risks are not seen or heard. (…).
5. Power — to achieve visibility, frame narratives, set the terms of debate, and influence policy — is at the heart of the food–health nexus. *The industrial food and farming model that systematically generates negative health impacts also generates highly unequal power relations.* This allows powerful actors including the private sector, governments, donors, and others to set the terms of debate ….
6. Urgent steps are required to reform food systems practices, and to transform the ways in which knowledge is gathered and transmitted, understandings are forged, and priorities are set. *Silos in science and policy mirror one another.* Governance and knowledge structures are currently ill-adapted to address the systemic and interconnected risks emerging from food systems. Steps to build a healthy science-policy interface may be just as important as steps to reform food systems practices.

7. The evidence on food systems impacts must continue to grow, but a new basis is required for reading, interpreting, and acting on that evidence in all of its complexity. (…).
8. Five co-dependent leverage points can be identified for building healthier food systems: 1) promoting food systems thinking at all levels; 2) *reasserting scientific integrity and research as a public good;* 3) bringing the positive impacts of alternative food systems to light; 4) adopting the precautionary principle; and, 5) building integrated food policies under participatory governance.
9. The *monumental task* of building healthier food systems requires more democratic and more integrated ways of managing risk and governing food systems. A range of actors — policymakers, big and small private sector firms, healthcare providers, environmental groups, consumers' and health advocates, farmers, agri-food workers, and citizens — must collaborate and *share responsibility* in this endeavour. (de Schutter, IPES-Food & Future of Food, 2017)

The research group calculated that only the unaccounted *health care expenses* (apart from environmental damage including climate change, cultural, social damages as well as resulting happiness impact) of our food systems amounts to billions of dollars annually.

Agriculture continues to be the sector of the economy with the highest occupational risk, even in highly developed nations (Nelson et al., 2012 cited in IPES-Food report).

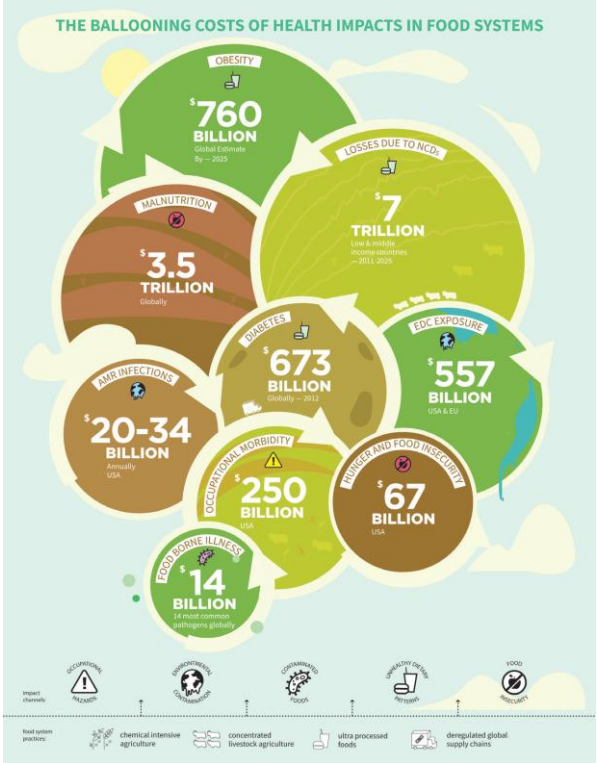

Figure 3. The ballooning costs of health impacts in food systems. Health impacts cause major economic damages. This illustration brings together the estimates of health impacts associated with food systems (de Schutter, Olivier. IPES-Food & Future of Food, 2017).

Contrary to the persistent use of 'GDP contribution' as an indicator for the importance of economic sectors [Appendix], and a narrow perception of agriculture implying that loss of employment in agriculture 'does not disrupt the economy' [Appendix], an appropriate system approach reveals (tentatively) that food systems have huge impacts on life style (culture), community resilience, public health, education systems, governance (science and policy), the environment and thus on sustainable development. *Sustainable Food Systems leadership development* and *collective management models* are needed to build adequate governance dynamics (Senge, 2015).

So, why are farmers NOT happy?

One of the striking outcomes of the Provisional Findings of 2015 GNH Survey, is the low position of farmers in the 'GNH by occupation' ranking (Centre for Bhutan Studies & GNH Research, 2015).

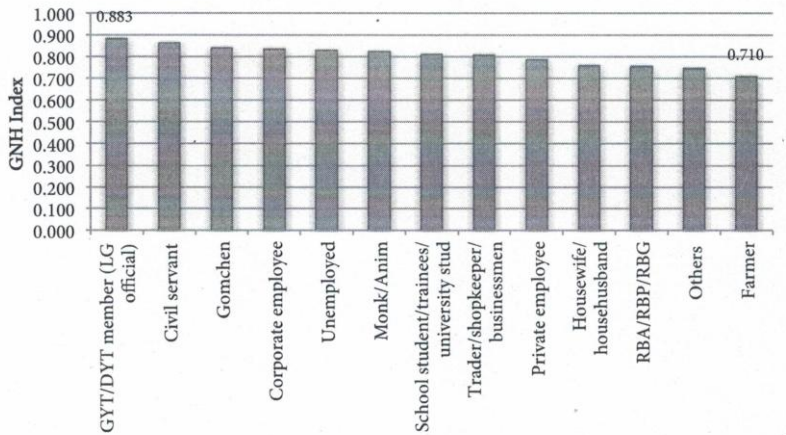

Figure 4. GNH Index, by occupational group. From: Provisional Findings of 2015 GNH Survey, Centre for Bhutan Studies & GNH Research, Figure 14, p. 45.

From all occupations farmers are least happy: "72% of the GYT/DYT (local government) members are happy. 64% of civil servants are happy followed by *gomchen* (Vajrayana Buddhist priest) (60%). Around 55% of monks/anims are categorized happy. Only 33% of the farmers are classified happy" (Ibid. p. 44).

For traditional farmers in Bhutan unhappiness may have different reasons than for farmers in industrial agriculture. One factor of relative unhappiness in Bhutan is the pressure and recurring damages caused by wildlife.

For whatever reason farmers may experience unhappiness – wildlife interference in Bhutan or exposure to hazardous chemicals in Thailand – qualitative research into the psychological wellbeing of farmers and circumstantial

conditions is essential for policy development and business strategy. This research may cast the needed light on the factors that cause rural-urban migration, or affect community resilience and cultural decline. If urban citizens alienate from the farmers' population and its cultural traits rooted in nature, this may result in unsustainable business practices and reductionist worldviews guiding education and science.

Equally important it would be to know more about possible improvements by meaningful rural – urban exchanges and collaboration, education, access to media etc.

A TOA experiment in participatory action research in Thailand comparing conventional farmers with organic farmers indicated that organic farmers are far happier than their colleagues who apply industrial practices (TOA action research project, by Keadtisak Yungyuen, Sustainable Agriculture Foundation). While conventional farmers were heavily influenced and even dependent on the industrial paradigm, organic farmers derived happiness from both meaningful collaboration with urban consumers, as well as from mutual help and joint advocacy which gave them a strong sense of common purpose (Yungyuen, 2015).

One issue that may influence farmers' happiness strongly is land tenure. Whether it be inheritance arrangements splitting land into plots too small for decent livelihood in Bhutan, or land loss due to debts (often caused by dependence on expensive inputs) in Thailand, insecurity on land ownership can cause severe feelings of unhappiness. In India land rights movements unites thousands and thousands of farmers in long walks to advocate land security. Land grabbing all over the world destroys communities and livelihoods.

The Art of Happiness Research

Happiness research among farmers can be interesting but difficult, also as farmers tend to be traditionally strong in contentment, inner happiness independent from outside conditions or equanimity, which is hard to measure. Respondents may say, with a corresponding sense of modesty, that they feel moderately happy under all circumstances.

During the Re-thinking Property exchange platform in Bangkok, 2011, it was postulated that there may be a resonance between modes of happiness and modes of property (van Willenswaard, 2016). Farmers tend to detach from feelings of private land ownership both in a context of feudal reliance on aristocratic/monastic ownership or on public, collective, ownership exercised by the State in communist regimes. A 'modern', neo-liberal, mode of happiness in terms of satisfaction, utility, correlates with private ownership, both in a positive ("my sacred home") as in a more negative connotation ("conquering empire"). An altruistic mode of outgoing happiness resonates with common property, with the spirit of "the commons" and with trusteeship.

For the future of happiness research in collaboration with the business sector it could be helpful to explore possible correlations between modes of happiness and modes of ownership in that context, and in more depth. If the "the future we want" (UNCED+20) is to make our economies sustainable, a fundamental transition from prioritized private ownership and individual utility towards common ownership and trusteeship may well be required. This transition may only be achievable if we re-vitalize and cultivate a mode of inner happiness – contentment – that is independent from outer conditions and will allow us to cope with changes.

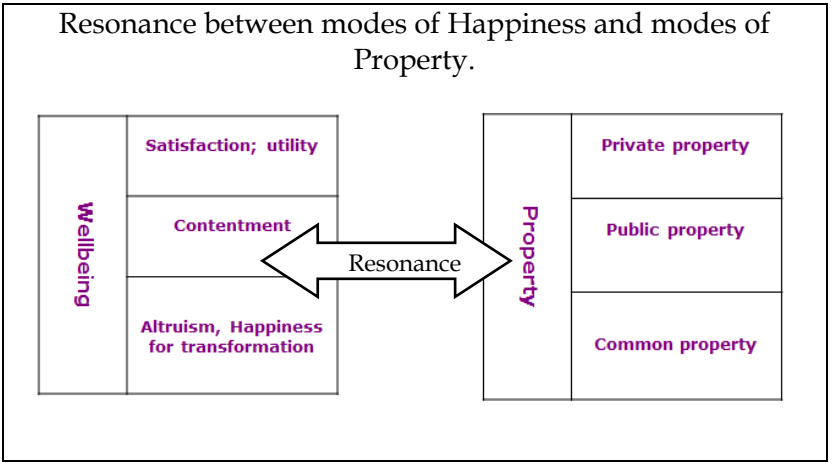

Figure 5. Resonance between modes of happiness (together constituting wellbeing) and modes of property (*The Wellbeing Society: A Radical Middle Path to Global Transformation,* Hans van Willenswaard, 2016).

A true understanding and appreciation of the life of farmers and of *agroecolgy* is, in our opinion, decisive for the choices stakeholders make in the economy. Farmers are business persons themselves in the modern societal context.

Organic farmers could be alternatively seen as *healers* of humanity and the Earth.

The TOA action research pilot project in Thailand comparing happiness levels of conventional and organic farmers, applied a research framework near-identical with the GNH Index and its 9 domains (TOA, 2015). Could this experiment be out-scaled and replicated and how does this action research framework relate to other research approaches?

The Sustainable Development Goals (SDGs): New partnerships for development

The Sustainable Development Goals (SDGs) have by now succeeded the Millennium Development Goals (MDGs). In September 2015 the SDGs were unanimously adopted by the UN's 193 Member States. It was indeed a historic positive achievement in terms of consensus building. The monitoring

and evaluation process has taken off only recently, so no final judgment can be made on the effectiveness of the framework and the implementation process. Critics say that even if all goals will be met in time, in the year 2030, the world would not yet be sustainable. Observations have been made that it will be difficult to reconcile the contradicting SDG 8 targets for economic growth – stubbornly measured by GDP – with environmental preservation.

An article by *Global Footprint Network* co-founder Mathis Wackernagel, one of the IEWG experts who advised the Bhutan Report *Happiness: Towards a New Development Paradigm* observes (2013):

> If we want to have a future, the SDGs need to robustly embrace the reality of resource constraints and climate change. Also, we need robust accounting tools that track the outcomes. Without such rigorous metrics, there is great risk to misallocate development investments. (Wackernagel, 2017)

Can the full happiness and wellbeing impact of crucial decisions on agriculture and food system development be made visible with the help of the SDGs?

The Bhutan Report (2013) recommended to adopt "Happiness … as the overarching goal for the … development of the post-2015 agenda" and "Wellbeing and happiness be included in the … Sustainable Development Goals".

It has to be concluded that the recommendations Bhutan Report have not been adopted. Although wellbeing is included in SDG 3 "Good Health and Wellbeing" the corresponding indicators show that wellbeing has not been given any substance. All indicators are (important) health-related indicators, but none related to happiness, psychological wellbeing, mental health and, for example, in terms of health: epidemic depression as a symptom of suppressed unhappiness in industrialized countries.

In general the 17 SDGs, obviously interdependent and overlapping, do not show much coherence or a logical order.

Agriculture has been given its place under SDG 2: "End hunger, achieve food security and improved nutrition and promote sustainable agriculture". The second sub-goal under SDG 2.3 reads:

> By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment. (SDG 2.3., UN Sustainable Development Knowledge Platform, website)

The two indicators for this target can stand example for a conventional *reductionist* approach:

- Volume of production per labour unit by classes of farming/pastoral/forestry enterprise size.
- Average income of small-scale food producers, by sex and indigenous status. (Ibid.)

The transformative impact of governance of food systems, and appropriate sustainable food system realization, can be considered extremely strong in a truly holistic perspective. Without a proper framework this transformative potential will get lost.

Can the *system leadership approach* (Senge, 2015) contribute to assessment of possible choices for alternative business models in the agriculture sector? Recently the *Sustainable Food Lab Thailand* was set up, inspired by Peter Senge and Hal Hamilton (Hamilton, 2015).

The Gross National Happiness philosophy as developed by the Royal Government of Bhutan, interacting with stakeholders (including the hands-on business community), can pioneer a globally inspiring direction in doing business – once fully applied to food sector governance.

This should be included in the formation of broader development partnerships in the framework of SDG 17, the ultimate Sustainable Development Goal.

A Wellbeing Society?

October 2013: Dasho Karma Ura, President of CBS & GNH, expressed right after the publication of the *Bhutan Report* his own insights by means of the 29th Distinguished Speaker Lecture at Hiram College, Ohio, US. His speech was titled "Sustainability and Three Debts of Mankind." It was reproduced in *The Bhutanese* with his permission, but without correction. Among many issue raised he said:

> … we should adopt a third way of middle path between capitalism and socialism. Half of the previous century was particularly dominated by ideologies of free market liberalism and trade that advocated widespread network(s of) international production. But the third way of middle path is not a quantities balancing of capitalism and socialism. It is a qualitatively different system, where even the measurement of progress will be different, not a mixture of either capitalism or socialism. (From: shortened version of the Distinguished Speaker Lecture in *The Bhutanese,* 26-10-2013) (Ura, 2013)

Articulating a contribution to the construction of this "qualitatively different system" has been the main direction of our action research in the last decade, while knowing our contribution would only be marginal. In order to a create a conceptual framework with appropriate depth we explored resonance with great visions and analyses from the past and the present, attempting to put the four pillars and 9 domains, as unified in the Bhutan Report, "in perspective".

In 2016 the School for Wellbeing Studies and Research published a book titled *The Wellbeing Society: A Radical Middle Path to Global Transformation* in which we try to paste some pieces together (van Willenswaard, 2016). In the book we refer to the *Third Way* as promoted by Tony Blair and Bill Clinton

around the year 2000 (Giddens, 1998). It failed to shape a 'qualitatively different system'. It evolved from a compromise into a neo-liberal mono-culture which dominates the world economy until today and will do so in the years to come. Simultaneously a hope-giving counter-movement is emerging of hands-on alternative business initiatives, mindful consumers' activism, sustainable food systems networks and likeminded trends. More and more people wake up to the fact that sustainability will remain out of reach in a 'business-as-usual' scenario. As Joseph Stiglitz said: "Nothing less than a paradigm shift will do." (Stiglitz, 2010).

Will the brand new *Commission on Global Economic Transformation* force a breakthrough? (Institute for New Economic Thinking, 2017).

Our contributing analysis can be briefly summarized in two charts from the book *The Wellbeing Society.*

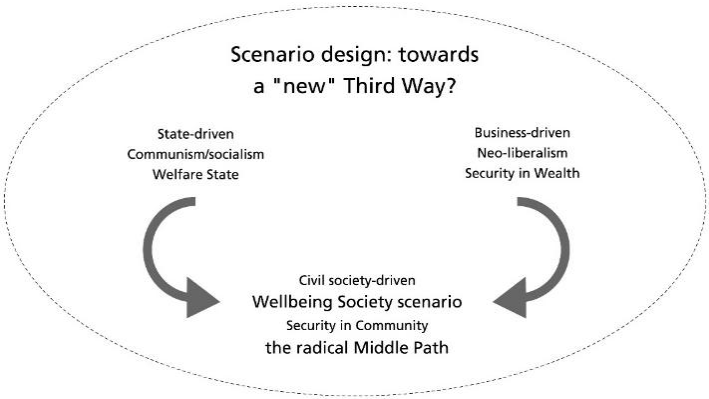

Figure 6. Outline for scenario design towards a "new" Third Way. (From: *The Wellbeing Society*, 2016). The two extremes 'Communism/socialism' and 'Neo-liberalism' co-create a civil society-driven 'radical Middle Path'. Security is not primarily found in State Welfare or private Wealth but in Community.

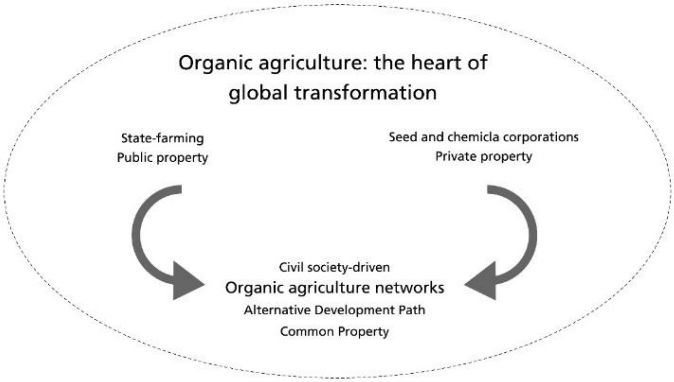

Figure 7. The 'Wellbeing Society' is possible if rooted in the principles of common property, in contrast with private and public property, and when the economy is centered around organic agriculture and *agroecology* networks. More details of a Wellbeing Society scenario are drafted in the namesake book (van Willenswaard, 2016).

Business for the *Common Good*

The growing counter-movement in this direction as induced from within the business sector is well captured in the book of the young Austrian social entrepreneur Christian Felber titled *Change Everything: Creating an Economy for the Common Good* (Felber, 2015 English edition). One of the statements he makes is:

> The values and goals laid down in our constitutions should be systematically implemented in business practices. The currently existing economic order, which has been constituted by the system itself, diametrically contradicts the spirit of many political constitutions or parts thereof. (Ibid. p.xvii)

In the chapter *Mapping an Emerging New Economic Paradigm in Practice*, concluding part of her groundbreaking book *The Great Mindshift: How a New Economic Paradigm and Sustainability Transformations go Hand in Hand*, Maja Göpel, Wuppertal Institute, Germany, describes four leading trends among

stakeholders: 1. Pioneering Business for the Common Good, 2. Pioneering Civil Society, as in the Transition Towns (and Resilient Communities) movements 3. Pioneering Governments adopting Beyond GDP Measures where she focuses with enthusiasm on GNH in Bhutan, and 4. Pioneering multi-stakeholder Governance as in the "commons" movement (Göpel, 2016, pp.119-147). She recognizes similarities between GNH and the "commons" movement in, among others, shared engagement with what is called "commoning" (a term explained by Silke Helfrich during the *Re-thinking Property* exchange platform in Bangkok, 2011). Referring to the book *The Wealth of the Commons: A World Beyond Market and State* (Bollier, David & Helfrich, 2012.) Maja Göpel observes:

> … practice characteristics and hints at what social life would feel like if commoning became the common-sense of normal way of life of viewing and doing things. Here we find quite a few overlaps with the 'novel' dimensions of the GNH Index like cultural and community vitality (belonging), the connection of one's own happiness with that of a wider community (responsibility), and the spiritual aspects of psychological wellbeing.

Here, in our opinion, the notion of *Mindful Markets* comes in. Can we maintain the free market as it is, and by redefining entrepreneurship chance capitalism as Muhammad Yunus said? Can we imagine an economy without market? Aren't traditional markets places where we "common"? How can modern market dynamics be transformed? Dasho Karma Ura at the first *Mindful Markets Asia Forum*, 2014, presented his insights as follows:

> … social relationship(s) are something the market should not, and cannot substitute, yet the market does intervene. The markets tries to replace social relationships with transactions. … There is an irony in the situation where individuals are conferred equal human rights on the one hand, while on the other hand inequality of income is rising. Inequality is thus one area where the market and mindfulness

> are in collusion. The market logic … favours inequality. (Ura, 2015)

In order to co-create a synthesis between mindfulness and the positive elements of market-dynamics, a synthesis from where a 'qualitatively different system' might emerge, we have to open our minds to a state of 'no-selfness'.

> The loosening of clinging begins when the dawn of 'no-selfness' is experienced in one's mind. It is a moment of inner revolution towards mindfulness, towards freedom from the conventional sense of the self that has gripped and tied us like an iron shackle. The discovery of no-self is said to be the discovery of our true nature, which is free and luminous. (…) During those moments, we can feel a state of inter-being, perfectly reflecting each other in each other like images reflected, and counter-reflected and counter-counter reflected in diamonds. This metaphor of images reflecting endlessly comes from the Buddhist sutra, a chapter in the scriptures, on the Indra's diamond net. (Ibid., pp.57-58)

This understanding of active "happiness for transformation" is also expressed by Laszlo Zsolnai, professor and director of the Business Ethics Centre in Budapest, Hungary in his book *Beyond Self: Ethical and Spiritual Dimensions of Economics.* He contrasts his vision expressly with the views of Amartya Sen who, as Zsolnai paraphrases, bases economics on self-centered welfare, self-welfare goals and self-goal choice (Zsolnai, 2014, Preface).

> If we want to survive and flourish in the material world we have to transcend the self and embrace wholeness. This value shift requires enormous changes in economics, politics, and social life but there seems to be no other option in view of today's state of ecological degradation and human suffering. (Ibid.)

Elinor Ostrom (1933 – 2012) evoked confidence in the complexity of "commons"- driven governance as an alternative to state- and corporate-dominated models. If applied to co-operative food system management it may find a possible foundation, in Bhutan – and in countries, organizations that want to follow – not only in Gross National Happiness in general, but as well more specifically in Article 5 of the 2008 The Constitution of the Kingdom of Bhutan: "Every Bhutanese is a *trustee* of the Kingdom's natural resources and environment for the benefit of the present and future generations …. (Constitution, 2008; emphasis added).

Trusteeship can be understood as an authentic mode of ownership emerging from a synthesis of the contrasting forces of private and public ownership. This broad understanding of trusteeship, we assume, provides solid ground for the 'qualitatively different system' (Ura, 2013) nurtured by a new paradigm of which it is part. It is not rooted in compromise, mere opportunism or 'quantitative balancing' between neo-liberalism and communism, but in a radically new Middle Path.

Sustainable food system development embedded in global tri-sector partnership (SDG17)

Trusteeship is a well-known arrangement in Anglo-Saxon law where ownership is bound to serve the specific interest of others. It can be considered a form of common property if the beneficiary is a community or group of persons. In a broad sense it is equally applicable to social applications of private property, business operations and state property like national parks evolving into community forests. In the business sector trusteeship is especially manifested in *social entrepreneurship*. It corresponds to the mode of happiness generated by altruism.

Earth Trusteeship makes one more step: trusteeship it no longer attached to a specific interest, it is an attitude (a combination of rights and responsibilities; or the dynamics of freedom, equality and 'brotherhood' combined, the values of the French Revolution) that permeates with service the inter-connectedness of humanity, sentient beings and the Earth as a whole. It is similar to "our common heritage" (Taylor, 2011) but

now not limited by boundaries and the sovereignty of nation-states. It does not contradict private or public ownership, but adds a dimension to it, infused with the common responsibility needed to govern our Earth in a sustainable way, so that it/she can be transferred in a better condition to future generations. In this light social entrepreneurship is trying to undertake business 'for the *Common Good*'.

Judge Weeramantry (1926 – 2017), Sri Lanka, the former Deputy President of the UN International Court of Justice, The Hague, undertook in the last years of his long and fruitful life the mission, while following the strict rules and professional discipline of international law, to establish consensus – and thus valid evidence based on customary law – among the world religions: "Humanity is in a position of *trusteeship* of the environment and not in a position of dominance." (Weeramantry, 2009, 2014, p.251; emphasis added).

The spirit of trusteeship can serve as the binding principle for multi-stakeholder dialogue and collaboration on sustainable food system design and realization. The GNH Index approach can be applied as a creative educational instrument for genuine transformation in *learning organizations* (Senge, 2006).

Humanity, according to Weeramantry, is now on its way to adopting a *Universal Convention on Environmental Rights and Duties* – "going three steps further than the Universal Declaration of Human Rights which only spoke of Rights and not Duties, which had little to say on environmental rights, and was only a non-binding Declaration as opposed to a binding Convention (Ibid., p. 251).

This may sound too far-reaching and in the context of this paper it can be just taken as a background note for contemplation.

But recently, 21 April 2017, Klaus Bosselmanna, Professor of Law and Director, New Zealand Centre for Environmental Law, University of Auckland, presented his views at the *Interactive Dialogue of the United Nations General Assembly on Harmony with Nature*, at the UN Headquarters in New York. He said:

> I have a simple proposition to make, and I hope that it will be perceived with the same sincerity that has guided the General Assembly in its long-standing and ongoing work for more effective governance. The proposition is to accompany the current SDG process with a push for substantial institutional reform. Such a push would not in any way oppose or threaten the SDG process, but to the contrary strengthen it.
>
> Nation-states need to engage in a long overdue ethical dialogue with civil society on how we meet our responsibilities towards the Earth system. We believe, that an Earth Trusteeship Council would be a most suitable platform for such a dialogue. (Bosselmann, 2017)

The 'simple proposition' of Bosselmann fits perfectly within the framework of SDG17 "strengthen the means of implementation and revitalize the global partnership for sustainable development". New legal and organizational structures may be needed for full implementation. And his proposition indeed adds a paradigmatic perspective. Not only in terms of institutional reform of the UN, but in the same time in terms of vision development as equally inherent in GNH, the commons movement, transition towns and resilient communities as well as business for the common good (Göpel, 2016).

If this dialogue would focus on sustainable food systems with *Towards Organic Asia* as initial actor gradually collective leadership can emerge in SDG2: Zero Hunger (and all SDGs related to the environment), SDG3: Good Health and Wellbeing and SDG12: responsible consumption and production, dialogue, collaboration and partnerships are within achievable dimensions. *Social entrepreneurship* fits well within SDG12: Responsible Consumption and Production.

The dimension of institutional reform Bosselmann ads to this cluster, would activate a framework of international law

development that matches with SDG16: Peace, Justice and Strong Institutions.

Dialogue and partnership related to SDG3 not only would involve the IPES-Food & Future of Food research and advocacy initiative. It would provide Bhutan, and in particular the Centre for Bhutan Studies & GNH, with an appropriate platform to fill "wellbeing" and happiness with more content and lift it to an overarching inspiration transcending the reductionist tendency inherent in the heavily statistics-supported *Agenda 2030* operations.

> Achieving the ambitious targets of the 2030 Agenda requires a revitalized and enhanced global partnership that brings together Governments, civil society, the private sector, the United Nations system and other actors, mobilizing all available resources. … Increasing support to developing countries, in particular the least developed countries, landlocked developing countries and small island developing States, is fundamental to equitable progress for all. (Unstat, 2016)

Remarkable is that the UN proposes partnership here engaging the three sectors 'Governments, civil society and the private sector' as equal stakeholder categories.

SDG17 is, like MDG8, the most challenging goal as the partnership for development will risk to continue being based on the seemingly unbeatable *business-as-usual* paradigm. Or can a paradigm securing wellbeing for future generations really be articulated, understood, broadly accepted and fully included in the world views of policy makers, business leaders and practitioners by 2030?

Maja Göpel observes that:

> large scale transformations are tremendous, conflict-laden and long-term tasks. The outcome will typically be different to what the individual actors in the process foresaw. Nor are the processes lineary predictable. A comparably small change in one subsystem may have huge ripple effects in

> another. Often there are time delays between cause and effect, especially between single causes and the accumulated effect of a tipping point. (Göpel, 2016, p. 160)

Gross National Happiness and the business world are unexpected partners and the effect of collaboration may become the spark of light we all are hoping for.

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Appendix

Employment in agriculture and GDP contribution in Thailand

(Nations Encyclopedia) Traditionally an agrarian economy with rice as its main product, the country's agricultural sector has since expanded to cope with the demands of its newly industrialized state. Thai agriculture has a clear advantage over other newly industrializing economies, namely the large portion of land allocated for cultivation, a climate suited to the growth of a wide variety of crops, and high quality strains of agricultural products.

In 1960, agriculture contributed over 40 percent of the national income. This contribution steadily declined due to the intense and rapid growth of the manufacturing sector. By the end of the 1980s, agriculture merely accounted for 17 percent of GDP, which declined even further to 12 percent until the late 1990s, to below 10 percent in 1999.

However, these figures do not indicate a weakening of the sector's significance to the Thai economy, but more a strengthening of the industry and service sectors. Agriculture still accounts for 4 of the country's top exports— rice, canned fish, frozen or chilled shrimp, and rubber— and continues to serve as the foundation of booming manufacturing ventures such as food processing. Processed food such as canned fruits, vegetables, seafoods, and ready-to-eat meals, also enjoy a healthy domestic market, along with sugar and flour.

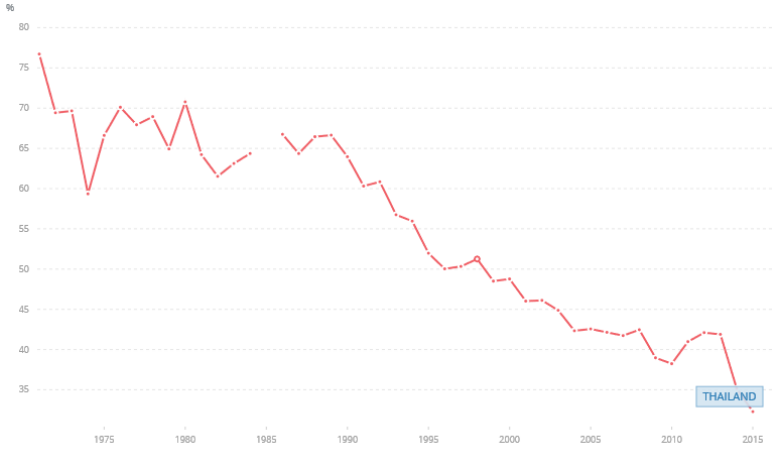
The agricultural sector has consistently employed about 50 percent of Thailand's 30 million-strong work-force. In 1993, farm population accounted for about 57 percent of the total workforce. If those indirectly engaged in agribusiness industries were included, the estimate would be even higher. Economists predicted that the 1 to 4 million people left unemployed by the 1997 financial crisis in the late 1990s would be absorbed by the agricultural sector.

In the mid-1970s, farmers began to organize to express their discontent over the disparity between farm and nonfarm incomes. To improve farm conditions, the government

legitimized squatters' rights to nearly 500,000 hectares (1,236,000 acres) of land classified as forest reserve and established credit and crop insurance programs for farmers. The government Marketing Organization for Farmers, founded in 1975, allows farmers to buy fertilizers, machinery, and equipment at the lowest possible prices and assists in crop marketing.

Employment in agriculture (% of total employment). International Labour Organization, Key Indicators of the Labour Market database.

Thailand 1970 - 2015



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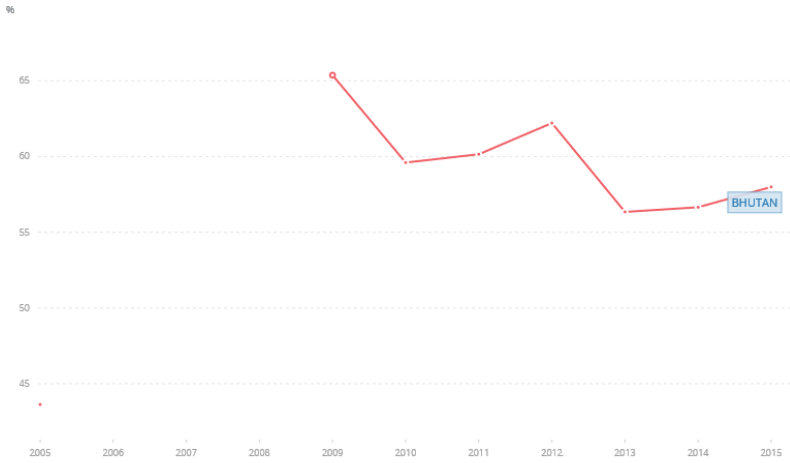

Percentage agriculture production to GDP – Agriculture, value added (% of GDP)
World Bank national accounts data, and OECD National Accounts data files.

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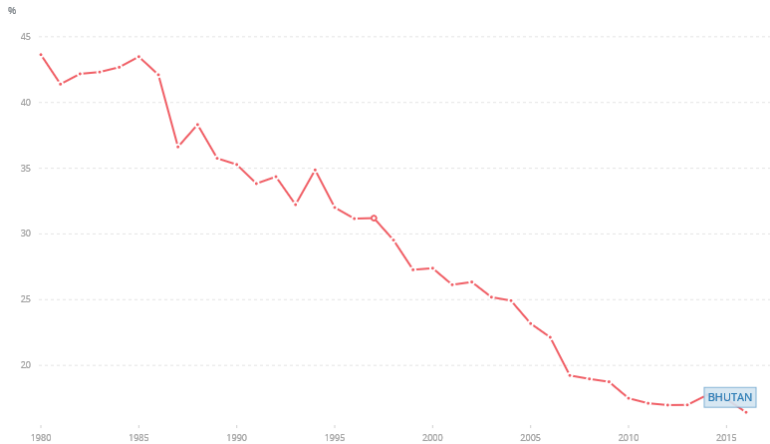

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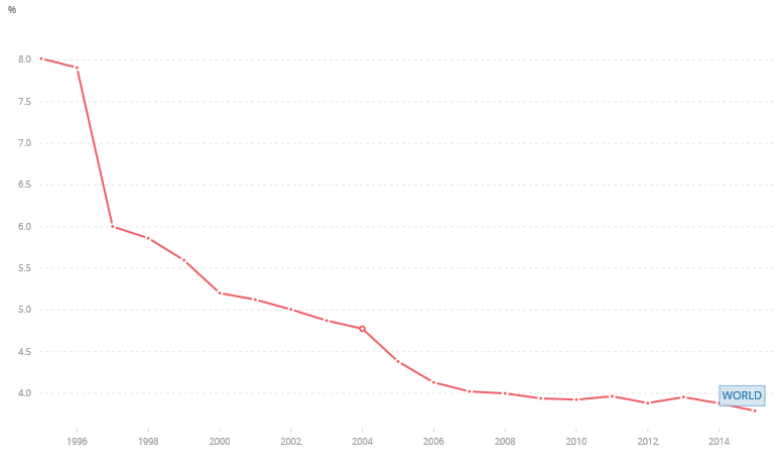
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GNH and Corporate Social Responsibility

GNH in Business: A Business Approach that Goes Beyond Corporate Social Responsibility

Isabel C. Sebastian

Abstract

Sustainability and corporate social responsibility (CSR) are often promoted as a way of instilling ethical and sustainable conduct in businesses. However, reoccurring corporate scandals demonstrate that even the best CSR strategies do not guarantee good business ethics, accountability and responsibility and therefore do not ensure societal and planetary wellbeing. This paper represents one component of a PhD study (Sebastian, in press), based on data from observation of Bhutanese conferences and meetings, media, literature and interviews with 15 Bhutanese business and government leaders and their perceptions of Gross National Happiness (GNH) and CSR applied in business. The study found the worldview that GNH and the Buddhist philosophy of Bhutan create offers a more mature approach to ethical and sustainable decision-making compared to what a conventional CSR business approach can offer. The worldview underlying GNH, views reality and self as interdependent, and therefore understands causes and effects not as linear but as mutually conditioning. Instilling this view in businesses is the key to going 'beyond CSR' and the key difference between a GNH in Business and a conventional CSR approach. A 'GNH in Business Maturity Model' was developed as part of this study, which can be used to assess business maturity at five different levels. The incentives and support required at low GNH maturity are based on external motivators whereas businesses at an advanced level of GNH maturity respond to very different and intrinsic motivators. The model suggests indicators to identify the five different levels of GNH maturity and suggests ways for government and development partners to support businesses at the various levels.

Introduction

This paper presents one component of a PhD study that investigates international and Bhutanese businesses that go beyond CSR (Sebastian, in press). The objective of this paper is to present the Bhutan component of this study, which examines the Gross National Happiness philosophy in Bhutan and its potential as a 'beyond CSR' approach for business. The paper briefly highlights that conventional CSR approaches are not able to ensure ethical and sustainable business conduct under the intense pressures of competitive market economic conditions. This is demonstrated by corporate scandals such as the VW emissions falsification in 2015 and the Kobe Steel case in 2017.

Relevant terms are defined and a brief overview of the CSR literature and in particular 'phase models' is discussed. This provides the context for exploring the literature on the current state of CSR and GNH practices in Bhutanese businesses. The methodology outlines the research questions and clarifies the various interpretations of GNH. This is followed by the findings from the data collected in Bhutan including interviews with Bhutanese leaders, outlining their perceptions of CSR compared to GNH in business. These findings are then used to form the basis of the GNH in Business Maturity Model and a GNH in Business system and formula. The paper concludes with recommendations for further study of these GNH in Business theories.

Is 'conventional CSR' enough?

For much of the last 50 years, business sustainability efforts, expressed through concepts such as corporate social responsibility, corporate sustainability, corporate citizenship, triple bottom line, shared value and net positive, have been taken as proxies for how much a company cares about society and the environment. They are also often taken as an indication for companies' good intentions and the level of responsibility they take for their impacts on the environment, stakeholders and society at large. Conventional CSR activities solely inspired

by productivity and profit gains are not enough to direct business strategy and purpose towards responsible values, transparent business ethics and beneficial actions in order to solve societal, environmental and systemic problems.

Corporate scandals, such as the Volkswagen (VW) factories deliberately manipulating software to falsify emissions readings of 11 million diesel vehicles (Arnett, 2015) indicate that conventional CSR is not able to prevent unethical business conduct. Ironically, the news of the VW corporate scandal broke only 2.5 months after VW became the world's largest car seller, as measured by the number of vehicle sales in the first half of 2015 (Harrison, 2015). As news about the emissions falsification continued to emerge, VW engineers apparently admitted rigging the NOx (nitrogen oxide) emissions data because of the tough sales goals set by the company's CEO (Reuters, 2015).

This is in stark contrast to VW's long track record of environmental awards for its vehicles, and a deeply enshrined commitment to CSR and sustainability efforts. The VW leadership even agreed on a 'mission statement for responsible actions in business' in 2010 (Farfan, 2017). These commitments now seem hollow after the report by the US EPA in mid-September 2015 revealed the extent of the emissions data manipulation and the revelation that unethical business conduct was to blame. Unfortunately, such corporate scandals are not limited to the automotive industry and occur across a wide range of industry sectors across the world.

It would appear that in the light of business-value driven only by financial results, conventional CSR or sustainability efforts could not sufficiently represent authentic and honest efforts that address the negative impacts of businesses on global and local socio-ecological conditions. This is the challenge for businesses in the 21st century, and this paper investigates the lessons that can be learned from Bhutan where some businesses operate, behave and conduct themselves in a 'beyond CSR' mode guided by the GNH philosophy and Bhutanese cultural norms.

Definitions of terms

There are a number of terms that are relevant to define in this study. They include CSR and the difference between 'conventional CSR' and 'beyond CSR' businesses. Another important term used in this paper is 'worldview'. These terms are synthesized from the extensive CSR and other literature reviewed in the full PhD thesis (Sebastian, in press).

CSR

Firstly, this paper adopts the definition of CSR by Matten and Moon (2007, p.179), which sees CSR as "…a cluster concept, which overlaps with such concepts as business ethics, corporate philanthropy, corporate citizenship, sustainability and environmental responsibility".

In short, the term CSR draws together a wide range of concepts in relation to 'good', ethical and sustainable business conduct.

The difference between the definitions of the terms 'conventional' and 'beyond' CSR in this paper is as follows:

Conventional CSR

This term describes businesses that use a business case to justify their engagement in CSR activities. Their primary purpose is profit maximization and managing operational, reputational and competitive risks. They operate from a worldview that is self-interested and which uses CSR as an engagement and marketing tool. CSR represents a way to compensate for social and environmental damage or negative impacts that the business is causing as a result of its operations. In other words, these businesses adopt a reactive and mitigation approach. They are also described in CSR phase models as 'second wave' businesses in Benn, Dunphy and Griffiths (2014) and as 'elementary to innovative' by Mirvis and Googins (2006).

Beyond CSR

This term describes businesses that operate from a worldview and ethics that draws on a systems view. They recognize the inextricably interconnected and complex nature

of the world where all life forms and individuals relate to and influence each other. This view informs values and ethics that value relationships, take time for participatory decision-making and are prepared to take risks and adapt. These businesses do not consider CSR as a vehicle for achieving their purpose but as a practice embedded in all aspects of business operations. This is reflected in deliberately designing a business purpose and products and services to make a positive contribution to societal and planetary wellbeing. 'Beyond CSR' business leaders are prepared to adapt or discontinue a product or service that does not fulfill the purpose of contributing to planetary wellbeing. They experiment, they are comfortable with uncertainty and they trust that success will follow if they stay true to their intentions and purpose. In other words, these companies adopt an intelligent, pro-active, dynamic and generative approach to business. They are also described in CSR phase models as 'third wave' businesses in Benn et al. (2014) or 'transforming businesses' in Mirvis and Googins (2006).

Worldview

Another term central to this paper is the concept of worldview, which is defined by de La Sienra, Smith and Mitchell (2017, p.1) as: "A worldview is a unique arrangement of meaning each person builds, and lives through."

The worldviews of business leaders are of interest in this paper as they reveal their ability to work with 'beyond CSR' approaches such as the GNH concept. This is discussed in more detail throughout this paper.

CSR literature and phase models

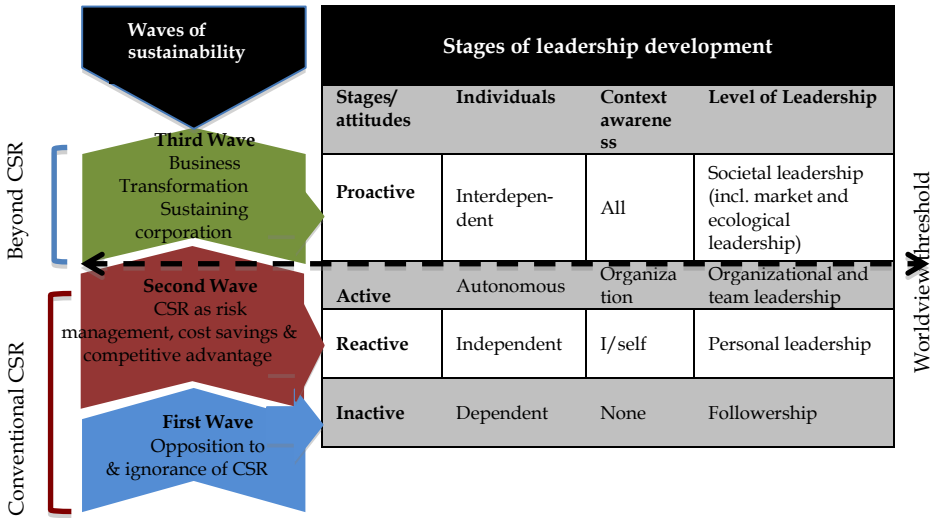
Visser (2010) suggests that CSR, despite contributing many positive outcomes to communities and the environment, has failed and is declining. Similarly, business leaders such as Jochen Zeitz, former CEO of PUMA and academic authors such as Waddock and McIntosh (2009) and Antal and Sobczak (2005) have also argued that it is time for companies to expand their responsibility and care beyond CSR towards global responsibility.

In the words of Jochen Zeitz:

> The term CSR limits us as it does not even include nature. We have to be responsible in a full spectrum way in every part of our institutions. We must realize that a fundamental shift is required in the way we think, act and manage our businesses sustainably and beyond CSR. There is no alternative. (Zeitz 2011)

Such a shift towards an expansion of responsibility is described in various CSR phase models of business sustainability, which have emerged over the last 15 years in the literature. Some of these include Benn et al. (2014) 'waves of sustainability' or Mirvis and Googins (2006) 'stages of sustainability'. They suggest that businesses progress from a low to a high level of engagement in sustainability with the ultimate state describing a business that is proactive in its leadership, with a clear purpose and vision and a transformed approach to ethical business conduct.

Similarly, Tideman (2016) proposes a framework based on four stages of leadership development. Each successive level is more conducive to promoting sustainability than the one before it. For each level Tideman (2016) describes the individual's view of themselves, the context in which they operate and the relevant type of leadership required at each of the four stages. This approach is similar to the stages suggested in various CSR phase models for businesses, but Tideman (2016) applies them to business leadership. This framework therefore provides a useful complement to the CSR phase models as it suggests individual leaders' views of themselves have to evolve towards an interdependent worldview for them to be able to function at the highest level of socio-ecological leadership. Figure 1 illustrates how Tideman's stages of leadership development relate to Benn et al.'s (2014) waves of sustainability in business.



Stages of leadership development			
Stages/ attitudes	**Individuals**	**Context awarene ss**	**Level of Leadership**
Proactive	Interdepen-dent	All	Societal leadership (incl. market and ecological leadership)
Active	Autonomous	Organiza tion	Organizational and team leadership
Reactive	Independent	I/self	Personal leadership
Inactive	Dependent	None	Followership

Figure 1. Stages of leadership development matched with waves of sustainability
Source: Adapted from Benn et al. (2014, p.22) and Tideman

In Bhutan's case the GNH approach in business lends itself to supporting businesses and their leaders to operate at the third wave level (or 'beyond CSR') with proactive, societal and planetary leadership. However, while the CSR phase models suggest that a natural progression through these stages is possible, this is only possible if there is a fundamental shift in worldviews to move from a conventional to a beyond CSR approach. This shift requires the individuals within a business to radically transform their view of themselves and the world to an interdependent systems view that recognizes the rich interconnectedness of all life. In other words, they need to move across a worldview threshold.

CSR in economically less developed countries

The CSR literature distinguishes the development of CSR practices in economically developed and less developed countries. Bhutan is considered one of the smallest economies in the world, and is ranked at 170 out of 195 countries (World

Bank, 2015a & 2016b; Economy Watch, 2016). Bhutan is also classified by the United Nations as one of the 48 'Least Developed Countries' in the world (UN, 2016), but it has made significant progress in reducing poverty and in achieving its Millennium Development Goal targets (UNDP, 2016).

It is therefore relevant to briefly consider the literature on business responsibility and CSR in economically less developed countries with a particular focus on Asia. CSR in Asia started to appear in the literature more frequently since 2004 (Chappel & Moon, 2005; Visser & Tolhurst, 2010). Despite the vast differences in histories and cultures of Asian nations, Alfonso et al. (2010) suggest that CSR in Asian countries is very often linked to underlying value systems. It appears that in many Asian nations, similar phenomena albeit based on different religious and cultural traditions, have been found to emphasize the concepts of cooperation and the collective wellbeing of family, society and the nation rather than the wellbeing of the individual (Alfonso et al., 2010). This is also the case in Bhutan, where the values system is profoundly influenced by the Vajrayana Buddhist tradition and the GNH concept is concerned with societal wellbeing.

While conventional thought assumes that CSR develops with a developing economy (Visser, 2010), others have argued that CSR is more implicit in Asian countries and therefore it is more a function of social institutions (such as political, financial, educational and cultural institutions) rather than a function of the state of development of a country (Chappel & Moon, 2005). Also, Visser (2008) proposes that Carroll's (1979) traditional pyramid of CSR has a different emphasis in economically less developed countries. Visser argues for a rearrangement of the CSR pyramid as shown in Figure 2. He agrees that economic responsibility builds the basis of the CSR pyramid in both economically developed and developing country businesses, but he suggests that developing countries with 'strong indigenous traditions' place a higher priority on philanthropy than on legal and ethical responsibilities (Visser, 2008; Jamali & Mirshak, 2006).

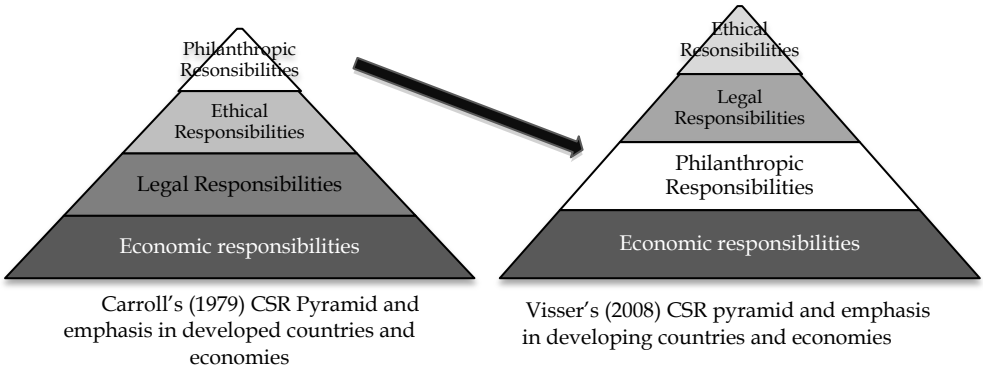


Figure 2. Rearrangement of Carroll's (1979) traditional CSR pyramid as proposed by Visser (2008)
Source: Adapted from Visser (2008)

The interpretation of CSR as having a philanthropic focus is also noticeable in Bhutan. However, the GNH philosophy and its instruments offer a more sophisticated and holistic perspective that considers socio-economic equality, ecological preservation, cultural diversity and governance issues as equally important. Visser (2008) also proposed a number of drivers for CSR practice in economically developing countries that differ from drivers in developed countries. He suggests that pressures from within a developing country include cultural traditions, political reform, socio-economic priorities, governance gaps, crisis response and market access. In contrast, he identifies external global pressures on CSR practice in Asia occurring from international standardization, investment incentives, stakeholder activism and supply chain demands by multinational companies.

A positive relationship between strong religious beliefs and business ethics has also been established. In particular, Buddhist ethics and concepts have been applied to questions of business ethics. The concepts include interconnectedness, compassion, generosity, gratitude and care and they have been proposed as useful guiding principles for difficult decision-making situations (Zsolnai, 2011). However, these ethics and values are being displaced as market economies take shape in

developing countries, as there is a fundamental contradiction between the ontological and epistemological assumptions of capitalism and those of traditional cultures.

State of CSR and GNH in business in Bhutan

One of the earliest studies that investigated the relationship between the concepts of CSR and the GNH four-pillars framework (Ura et al., 2012) was a master's thesis by Bhutan's former Minster for Labour, Dorji Wangdi (Wangdi, 2004). He found that three of the GNH pillars correlated with the CSR concepts of 'people, planet, profits' (Elkington, 2004) and concluded that the GNH pillar that differentiated GNH from CSR was the pillar of cultural values and ethics.

While the preservation of cultural values and ethics was beyond the scope of Wangdi's (2004) study, it was covered in another master's thesis which investigated CSR in public sector entities in Bhutan (Lhaden, 2010). This study found that in the ten surveyed public sector commercial entities, 64% of respondents felt that unethical practices existed (Lhaden, 2010). Of those companies that implemented practices to improve business ethics, the most common methods included having a code of ethics and frequent messages from the CEOs on business ethics. Lhaden's (2010) study also found that 91% of perceived unethical practices that respondents had experienced were not reported due to uncertainty of how regulations defined unethical conduct. Employee engagement and sharing benefits with local communities were also found by the majority of respondents to be lacking. Interestingly, 74% of respondents thought that their companies did not initiate enough training on Bhutan's traditional etiquette and code of ethics *driglam namzha,* although 76% agreed that their companies stressed the importance of the national dress code during working hours.

At a compliance level, the Anti-corruption Commission of Bhutan (ACC) is currently the only watchdog that is concerned with unethical and corrupt conduct. It has the power to suspend business operations. Since 2009 the ACC has revoked or suspended 14 contract licences and/or business operations

for corrupt conduct, mostly in the construction sector (ACC, 2015). This needs to be considered in the context of the Transparency International global rankings of corruption control where Bhutan was placed in 30th position out of 175 countries, ahead of countries like Botswana, Cyprus and Portugal and just behind St Vincent, Qatar and France (ACC, 2015). The ACC deals specifically with compliance issues, and their mandate does not extend to the corporate sustainability activities of companies and businesses in Bhutan.

The first legal CSR requirement in Bhutan appears in the Companies Bill of Bhutan, 2015 (RGoB, 2015), adopted in May 2016 (NAB, 2016), which requires incorporated companies to embed CSR practices. The Bill includes clause 244.(e) which features a mandatory annual reporting mechanism requiring incorporated companies to outline their *"policy on corporate governance and corporate social responsibility"* (RGoB, 2015, p.53). While this initiative is in line with many of the non-financial-reporting trends in European countries it will affect only the small number of businesses in Bhutan that are incorporated.

The first business initiative by a privately owned Bhutanese company attempted in 2010/11 to incorporate principles of GNH into a corporate sustainability strategy and developed a framework aligned with the four pillars of GNH. The focus areas for this GNH in Business project included a) greening the business, b) driving community vitality, c) evolving individuals and d) doing business, ethically and viably. The monitoring results and frameworks from the 2010/2011 efforts were published in a project report (Sebastian, 2012), which was the first CSR/GNH report of its kind published by a private Bhutanese company.

A study on the perceptions of CSR undertaken in 2013 by the Bhutan Chamber of Commerce and Industry (BCCI), found that most businesses in Bhutan do not have CSR strategies in place and engage with their stakeholders on an ad hoc basis (BCCI, 2013). Interestingly, the businesses surveyed as part of the BCCI study did not see it as part of the private sector's role to generate employment or to tackle corruption. However, businesses saw it as one of the private sector's roles to ensure

environmental protection although they noted a lack of enforcement of environmental and labour regulations. Lastly, the BCCI study found that CSR was mostly perceived as philanthropy by the business community in Bhutan, involving donations to education, sporting and monastic causes. These results, while providing some insights from the larger industrial type companies in Bhutan only partially support the CSR literature on developing countries in their focus on philanthropy.

The above examples of Bhutan's engagement with CSR implementation and ethical business conduct indicate that most of the internal drivers for CSR identified by Visser (2008) that can occur within a developing country are present in Bhutan. They include cultural traditions, political reform, socio-economic priorities, governance gaps, crisis response and market access. However, most of the external pressures, such as international standardisation, investment incentives, stakeholder activism and supply chain demands by multinational companies are not widely experienced by businesses in Bhutan. This is because the country has largely resisted globalization pressures so far due to its GNH philosophy, the GNH screening tool and the Foreign Direct Investment Policy. As a result there is a distinct absence of large multinational companies, with only a small number of foreign investment companies being present and a small fledgling manufacturing industry. This means that the pressures on Bhutan's business sector to be responsible and ethical are currently still dominated by internal drivers and in particular its Buddhist cultural and religious tradition. The forthcoming GNH certification tool for business has the potential to further strengthen the internal pressures for businesses to meet high standards of ethical, responsible and sustainable conduct.

Therefore, operational sing GNH for the business sector means that government policies require a carefully designed approach if the business sector is to contribute to the overarching goal of societal wellbeing in Bhutan in a more structured way. Bhutan's efforts to increase its engagement in the global economy could however, increase the external

pressures for conventional CSR practices. At the same time, Bhutan's Foreign Direct Investment policy is aligned with the GNH values and therefore may assist in limiting the external pressures identified in other developing countries.

In summary, it is important to note that the concept of CSR is not very well understood in Bhutan, although some ad hoc efforts to introduce it are being undertaken by some businesses. The recently introduced Companies Act includes the first regulatory introduction of CSR reporting for incorporated companies. However, since there are only a small number of companies incorporated in Bhutan, this requirement will only reach 1.5% of all businesses. The benefit of such legislation is that the incorporated companies represent some of the larger industrial companies that are most likely to have impacts on Bhutan's communities and environment.

Requiring incorporated companies to have a CSR policy in place through regulatory mechanisms encourages compliance behaviour, which has been classified as a 'second wave' approach that is concerned with risk management as illustrated in Benn et al.'s (2014) phase model of sustainability (see Figure 1). However, enabling business stewardship that focuses on transformational 'third wave' values and leadership will require a completely different set of conditions to ensure implementation of GNH principles and CSR practices.

GNH with its focus on cultural and ethical values steeped in an interdependent worldview therefore offers an opportunity for the Bhutanese business sector to model a 'beyond CSR' approach. This is possible because GNH is based on Buddhist values and ethics, which emphasise relational responsibility (McNamee & Gergen, 1999) for the entire socio-ecological system and are well understood, widely practised and revered in Bhutan.

Methodology

The methodology for this paper is based on Sebastian's (in press) PhD study and the findings in this paper are based on a variety of data collection points with Bhutanese business,

government and NGO leaders' to elicit perceptions of GNH and CSR applied in business in Bhutan.

The study uses a constructivist grounded theory (CGT) approach (Glaser & Strauss, 2009; Charmaz, 2014) and data collection in Bhutan between 2013 and 2015. Data was drawn from:

a. observation of six Bhutanese conferences and meetings,
b. an in-depth review of academic and professional literature and of available government and media reports, civil society publications and publications in the fields of corporate social responsibility, corporate sustainability, business and society, philosophies of happiness, systems change, systems thinking and Bhutan studies, and
c. semi-structured interviews with 15 business, government and NGO leaders in Bhutan.

The study uses a theoretical sampling strategy, which is in line with the theoretical approach of CGT. Theoretical sampling considers divergent and extreme cases as important for enabling a constant comparison method for analysing qualitative data (Covan, 2007). CGT is used to develop a new theory as the outcome of the research rather than testing a theory from the outset of the study.

The study is also shaped by my experience of living and working in Bhutan for a nine-year period between 2006 and 2015. The experiences and insights from this period add an informal ethnographic aspect to this study.

The industry sectors represented among the business interviewees in Bhutan include small and medium-sized enterprises (SMEs) in hospitality, tour operation, tertiary education, media and mining, all of which had between 50 and 300 employees, plus one large state-owned commercial entity with more than 9000 employees. Findings from the international aspect of this study are not included in this paper and can be found in the full PhD thesis (Sebastian, in press).

Reason for choosing Bhutan and GNH as the research focus

The reason for choosing Bhutanese businesses for this study is Bhutan's unusual approach to development and progress with the government setting societal wellbeing as its overarching aim to guide all government and business activities within the country. His Majesty, the Fourth King of Bhutan articulated this approach in 1970s, when he famously declared that *"Gross National Happiness is more important than Gross National Product"* (Ura & Galay, 2004, p.vii). Initially, the statement provided an intuitive guiding principle, however over the past 10 years three tools for operationalising GNH have been developed – the GNH Index (Ura et al., 2012), a GNH policy-screening tool (Hayden, 2015) and most recently a GNH of Business certification tool (Zangmo, Wangdi, & Phuntsho, 2017) .

An extensive body of research has been published on the measurement approach of the GNH index (Helliwell et al., 2012; Ura et al., 2012; Alkire, 2015) and its application in policy decision-making (Hayden, 2015). However, very little research has explored the impact of a GNH on the business sector (Martin, 2012). Hence, business sustainability and conduct in Bhutan informed by GNH are not only of interest to Bhutan but can also inform international business leadership and CSR practices. This study is important, as it seeks to differentiate conventional CSR from a GNH in business approach. The latter has the potential to create long-term positive and sustainable impact on societal and planetary wellbeing.

Research questions

The research questions that are the focus of this paper represent one of three components of the full PhD thesis (Sebastian, in press). The research questions addressed in this paper include:

1. Bhutan is an example of a country and economy focused on a 'beyond-GDP' approach to development, through its philosophy and metric of Gross National Happiness

(GNH). Does this GNH development philosophy inspire a 'beyond-CSR' outlook and behaviour in Bhutanese businesses? If so, how?

2. What are the perceptions of Bhutanese leaders of CSR compared to GNH, and how do these concepts manifest in Bhutanese businesses?

Limitations of the study

There are a number of limitations to this study that include the sample size of interviews, which was small for a study that uses a grounded theory approach. Grounded theory benefits from a larger sample size to reach a point of saturation. However, with nine years of experience of living in Bhutan and working in the area of sustainability and GNH in business, this may provide a balance to the small sample size. Some authors (Labaree, 2002) consider such a level of familiarity as problematic. However, it also eliminates the 'romanticising Bhutan' phase (Teoh, 2015) that other researchers experience when they choose Bhutan as a research site and visit the country for the first time to conduct their research. The deeper insight into many nuances in relation to Bhutanese culture, history and the country's philosophy provide an additional aspect that informs this research.

Furthermore, Bhutan's GNH concept has only been operationalized relatively recently, since 2008, and it may therefore be too soon to try to evaluate its effect on businesses. Although, GNH emerged out of Bhutan's 1,300 year Buddhist culture and therefore has a solid philosophical and cultural grounding in Bhutan. Also, by drawing on the extensive research in the field of CSR in developed and developing countries it is possible to draw some conclusions from Bhutan's case that highlight the potential of GNH in business as a 'beyond CSR' approach.

Many interpretations of GNH

His Majesty King Jigme Khesar Namgyel Wangchuck highlighted in 2009 that there are many different interpretations and meanings of GNH: *"Today, GNH has come to mean so many*

things to so many people but to me it signifies simply – development with values… development guided by human values" (Bhutan Research, 2015). There is much literature that describes the evolution of the GNH concept from intuitive philosophical approach to formalized frameworks such as the GNH Index, four pillars, nine domains and policy screening tool (Ura et al., 2012). This literature is not covered here but instead some non-academic perspectives on GNH offered by organizations and thinkers within Bhutan provide some additional interpretations of GNH.

For example, GNH described by Tho (2014) is a multi-dimensional concept with two main applications:

1. GNH as an overarching development philosophy operationalized through:
   - the GNH Index as an alternative progress measurement tool
   - the GNH policy screening tools to guide balanced and holistic policy decisions
   - GNH initiatives applied in the education system and
   - soon the GNH of business certification tool
2. GNH as a shift in consciousness, living GNH values in action

Furthermore, an insightful interpretation of GNH is offered by the former Secretary of the Ministry of Information and Communications in Bhutan, Dorji (2012, p.7): "GNH is a value system that has had an impact on Bhutanese society at four different levels of perception". He explains these perceptions as:

a) Intuitive GNH values handed down from generation to generation based on Buddhist teachings, the wisdom of ancestors and practical needs of subsistence farming lifestyle that valued the interdependent existence of all life forms
b) Academic construction of the GNH concept, defined via the four pillars and nine domains and operationalized as a measurement tool

c) GNH as a government responsibility – basis of mainstream policy thinking and way of focusing national priorities and
d) Internationalization of GNH as a framework for global sustainable development resulting in the New Development Paradigm initiative and report (NDP, 2013).

In this paper, four main interpretations of GNH are considered as illustrated in Figure 3 below. They include GNH as:

a) Buddhist values and ethics
b) decision-making, measurement and certification tools
c) a balanced development philosophy (including sense-making frameworks such as the four pillars, nine domains, and New Development Paradigm) and
d) active individual engagement and practice in increasing levels of consciousness, compassionate action and daily living of Bhutanese/Buddhist values and ethics.

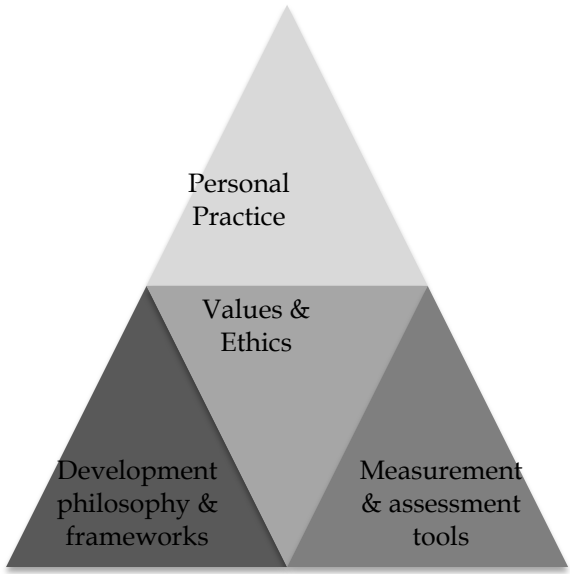


Figure 3. Four aspects and interpretations of GNH

Bhutanese leaders perceptions of happiness, CSR and GNH

This section firstly presents the perceptions by Bhutanese leaders of happiness, of CSR compared to GNH and lastly how these concepts manifest in Bhutanese businesses. The key findings from the data collection and interviews with Bhutanese leaders are summarized here.

Perceptions of happiness

While there are a wide variety of perspectives on what happiness means in Bhutan, all of them differ from most of the 'Western' interpretations in that they don't focus solely on the pursuit of individual happiness. They are profoundly based on the interconnectedness of 'the self' in context with 'the other', recognizing the interdependent nature of life and all phenomena. This finding indicates that the foundations of the GNH philosophy are based on societal wellbeing rather than only individual happiness.

CSR and GNH perceptions

Perceptions by the Bhutanese leaders comparing CSR and GNH included the following:

- Bhutanese business can learn much from CSR practices and initiatives
- GNH is superior to CSR, as GNH is based on (Buddhist) ethics and values
- Conventional CSR is limited due to its primary concern of profit maximization
- Conventional CSR is about efficiency and GNH in business is about sufficiency
- GNH is based on an interdependent worldview, rather than independence
- GNH requires individual learning and transformation of mindset/worldview, which is not required in CSR
- GNH means a continuous learning journey to increase levels of awareness, intelligent compassion and an interdependent worldview

- Suggested 10th domain for GNH in business: equal respect and rights for all

GNH is relevant in business

The Bhutanese leaders thought that GNH is relevant in business due to the following:

- Buddhist values and 9 domains provide guidance
- GNH in business means business with values and ethics, which were referred to as Buddhist or Bhutanese values and ethics rather than as GNH values
- Varying degrees of "GNHness" across Bhutanese businesses

GNH manifests in business

Perceptions about how GNH manifests in business operations included:

- environmental, social and philanthropic initiatives similar to CSR
- setting up business with a purpose to benefit society - participatory and collaborative (more than competitive)
- taking time for decision-making, long-term outlook (letting conditions ripen)
- a highly committed form of GNH in business was thought to prioritize societal/environmental impact before financial performance
- curiosity to learn and develop
- businesses in service sector seemed more advanced in their approach to GNH than other business sectors

Challenges of applying GNH in business

The Bhutanese leaders also suggested some challenges they face when applying GNH in business such as:

- competitive environments in international markets may mean that businesses need to compromise GNH values
- GNH sets very high expectation of businesses especially for young entrepreneurs
- there is currently no culture of CSR or GNH reporting among businesses in Bhutan

- GNH makes capitalist model of business difficult

Businesses are looking for

The Bhutanese leaders also suggested ways that could help businesses to better incorporate GNH in their daily business operations through:

- practical skills & knowledge to implement a GNH approach
- Bhutanese role models in business and other sectors of society
- national, collaborative, participatory approach together with stakeholders, business sector, NGOs and government

Like in any other economy in the world, the interviews with Bhutanese leaders also revealed that there are business operators at different levels of commitment to sustainable and responsible practices, Buddhist ethics, GNH and ethical business conduct. There are those who are exemplary in their approach and contribution to societal wellbeing as a primary business purpose. There are also others who consider their sole business responsibility as financial survival and profit maximization.

Overall, business leaders indicated that Bhutan's Buddhist values as expressed in the GNH philosophy had a strong influence on setting up businesses with a societal or environmental purpose that guides their ethical values, worldviews and business conduct.

The Bhutanese leaders consider Buddhist values in their business decision-making, not necessarily consciously but as the underlying way of being and seeing that they grew up with. One of them suggested that this gives business leaders an intuitive understanding of the principles of interdependence, which predisposes them to ethical conduct in their businesses. The GNH nine domains were considered relevant to business owners as they can create the conditions for happiness for their staff members, the families of their staff members and community stakeholders in general. However, Bhutanese

businesses competing in international markets found it challenging to maintain strong GNH values and business conduct. This may indicate that Bhutanese businesses competing in an international context may require additional support from government to be able to maintain a GNH in business approach. Also, young Bhutanese entrepreneurs were identified as needing mentoring and business support to maintain a GNH mindset and processes in their enterprises.

Bhutanese leaders gave examples of how GNH manifests in their daily business operations that involve social and environmental initiatives similar to conventional CSR or sustainability programs. However, a GNH approach also manifests in decision-making based on Buddhist or GNH values and ethics. In particular, a key insight shared by the interviewees in this study was that a GNH approach in business requires time for contemplation and for letting the conditions of a situation ripen before making decisions. This reflects in essence the understanding of what is called emergent behaviour in complex systems that appears through the constant flux of conditions, causes and effects interacting with each other. This is a distinctive phenomenon that occurs in a GNH way of doing business that seems counterintuitive to Western approaches to business decision-making.

A GNH approach as described by the Bhutanese business leaders in this study manifests to varying degrees. For example, a GNH approach to business appears to influence some to select specific businesses or sectors that can contribute to Bhutan's societal wellbeing. The more exemplary GNH businesses also take a very participatory approach to management and deliberately collaborate and share expertise, including intellectual property for the common good of an industry sector and society. Another phenomenon that occurs in businesses in Bhutan that take a strong GNH stance is that they prioritise their impact on the issue they are trying to address in society above financial performance. This includes prioritising people, managing relationships, and environmental considerations. This seems counterintuitive to Western notions of conventional business management and thinking today. However, this is

another defining characteristic of an exemplary GNH business, which prioritizes the impact of actions on the broader socio-ecological context over immediate financial returns.

When comparing the concepts of CSR and GNH, the Bhutanese leaders thought that while Bhutanese business operators can learn much from conventional CSR practices and initiatives, they also thought GNH represents a superior concept to CSR. A CSR approach was thought to be driven by the goals of profit maximization and efficiency, and they therefore believed CSR was driven by motives that were inferior to those that motivated a GNH approach. They perceived that a GNH approach is motivated by Buddhist (or Bhutanese) ethics and values. This is one of the key distinctions, which emerged from this study that is also reflected in the general admiration by the international community for the GNH concept. There seems to be an intuitive recognition that the intention and motivation behind the GNH approach to development stands for a more holistic, ethical and relational approach as it has a concern for the happiness of people, society and nature. The Bhutanese leaders also indicated that a GNH approach is more exploratory and emergent, and requires individual transformation and a continuous learning journey that increases levels of awareness that leads to an interdependent worldview. They also felt that a GNH approach expands the capacity for intelligent compassion (Trungpa, 1973) and relational responsibility (McNamee & Gergen, 1999).

In addition, the Bhutanese leaders in this study recognized that GNH implicitly sets high expectations and standards for ethical and responsible conduct by businesses. At the same time these implicit standards were considered challenging for businesses to achieve and business leaders feared a regulatory approach that would impose more responsibility for their impacts and conduct. Both government and business leaders promoted a collaborative approach to operationalizing GNH in business, which indicates a willingness to engage and move forward together.

While the business sector is still developing, and globalization has not interfered too much in Bhutan's economy,

GNH in business seems to require a mindful and balanced approach by the government. However, as the business sector in Bhutan develops and gains in strength and power, it will be vital for government to engage with business leaders who already operate from a GNH or Buddhist perspective, and to constructively engage with those businesses that may pursue a more self-oriented approach and those engaged in international competitive markets. In particular, businesses in the service industries in Bhutan may be able to provide some good examples and role models for others to experience how a GNH approach can be implemented.

Bhutanese business leaders also expressed the need for practical and structured guidance on implementing CSR and GNH business practices. This presents a great opportunity for Bhutan's government and business community to develop programs that will support this learning process. In particular, one interviewee suggested a networked learning approach could support GNH businesses by connecting business leaders across Bhutan who are committed to progressing the GNH way of doing business.

Discussion of comparison between CSR and GNH perceptions

The GNH setting in Bhutan fosters a more holistic approach to sustainable business development than conventional CSR could provide on its own. This is due to the fact that GNH is based on relational values and ethics and is grounded in an interdependent worldview that considers all components in a socio-ecological system to be connected. In the Western language of systems science, GNH requires a systems thinking ability combined with a specific ethical stance that prioritizes intelligent compassion and concern for the larger system over the individual. The observation that GNH has more to offer than conventional CSR was also made by Confino (2014, p.1) who pointed out that "[i]t is a shame, for example, that the [Bhutan] Chamber of Commerce focuses on talking about the Western concept of corporate social responsibility, when it has something much more powerful that is home grown".

However, the GNH philosophy and its values present a conundrum in relation to the phase models of business sustainability, which suggest that there is a incremental and linear progression from the rejection of the responsibility to society, to the adoption of risk management and compliance thinking that eventually leads to a transformed mindset that manifests in ethical conduct and values-based business with a societal and planetary purpose. This is in direct contrast to a GNH approach, where the values, worldview and ethics form the basis for the purpose of business and the way the business is run. This is illustrated in the next section that outlines the GNH in Business system, formula and Maturity Model outlined in the next section.

There are a wide range of businesses with different levels of commitment, engagement and maturity of a GNH approach in Bhutan. The interdependent worldview that recognises the interconnectedness of all phenomena offers a more mature approach to ethical and sustainable decision-making compared to what a conventional CSR business approach can offer. The worldview underlying GNH, views reality and self as interdependent, and therefore understands causes and effects not as linear but as mutually conditioning. Instilling this view in businesses is the key to going 'beyond CSR' and what differentiates GNH in Business.

The comparison of the CSR and GNH perceptions suggests that the GNH setting in Bhutan has the potential of being a 'beyond-CSR' approach for Bhutanese businesses and their leaders. Therefore, a GNH approach may be able to promote business sustainability that goes beyond conventional CSR.

GNH in Business Maturity Model

A 'GNH in Business Maturity Model' was developed as part of this study, which can be used to assess business maturity at five different levels, outlined in Table 2. The incentives and support required at the lowest level of GNH maturity (survival) are based on external motivators whereas businesses at the highest level of GNH maturity (role model) respond to very different and intrinsic motivators. The model suggests

indicators to identify the five different levels of GNH maturity. Other ways of making sense of the GNH in Business approach are shown in Figure 4 as the GNH in Business System and Figure 5 as the GNH in Business Formula.

As the GNH in Business systems (Figure 4) outlines, CSR practices are embedded as a natural component of the business operations, which are determined by the business purpose. The purpose is in turn guided by the Buddhist or GNH values that form the business ethics. These GNH ethics prioritize relational responsibility through intelligent compassion. While GNH ethics influence the implementation of CSR initiatives, the CSR initiatives themselves do not have the power or capacity to bring about the adoption of GNH values and ethics.

GNH values and ethics can best be influenced and activated through the interdependent worldview that in Bhutan's case is culturally embedded through the Buddhist philosophy. Therefore, GNH values and ethics are themselves embedded in an interdependent view of reality that sees all life forms and phenomena as interconnected.

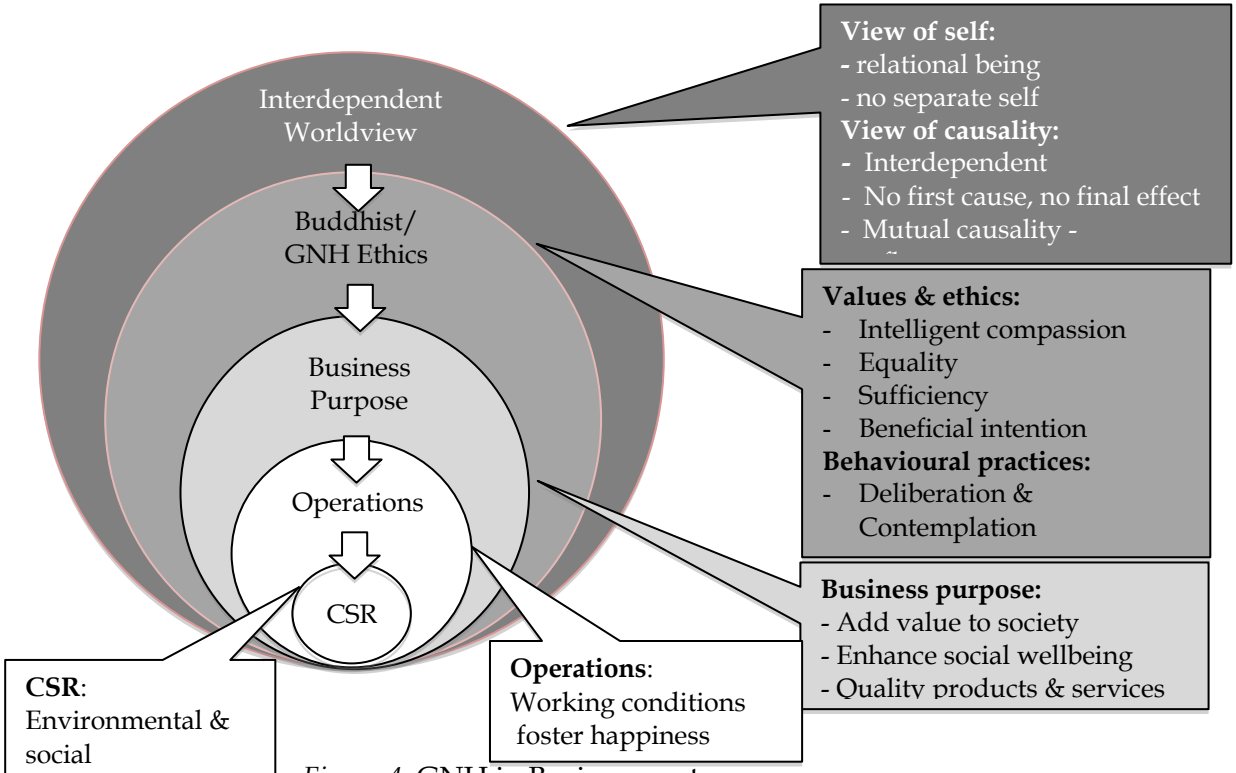


Figure 4. GNH in Business system

Another way to express the GNH in Business system is as a formula or recipe of ingredients as shown in Figure 5.

GNH in Business Formula

GNH in business =

Interdependent worldview

+ GNH values & ethics (intelligent compassion)

+ Business purpose

+ Working conditions that foster happiness

+ CSR practices

Figure 5. GNH in Business Formula

While GNH had not necessarily been adopted consciously by all of the businesses in this study, they all acknowledged that their conduct and approach to business were based on Buddhist values and ethics. The Bhutanese business leaders in this study appeared at various stages of maturity on the path of practicing GNH and /or implementing CSR practices in their business and they all had different needs. Therefore, different approaches and support will be required to assist them in their progression towards operationalizing GNH in their businesses.

The challenge for the Bhutanese government and business community is to be able to identify the stage of maturity of business operators in Bhutan with regard to implementing a GNH approach in their businesses. Table 1 below presents a GNH in business maturity model that outlines indicators that can be used to determine the level of maturity of a business on their path to operationalizing GNH. While the GNH of Business certification (Zangmo et al., 2017) aims to rate GNH compliance, the model outlined in Table 1 offers additional indicators to identify business at various levels of GNH maturity. It also suggests some ways in which government, NGOs and business associations can support businesses at the various stages to assist their progress and engagement with implementing GNH as a 'beyond CSR' approach to business.

There are five levels of 'GNHness' that are described in the GNH in business maturity model which include:

1. Survival level – not actively engaged in GNH or CSR
2. Conventional CSR level – compliance and risk management focus
3. GNH interest level – willingness and commitment to GNH but lack of skills, resources and guidance
4. GNH engaged level – demonstrated application of GNH approach in business
5. GNH role model – recognized as role model by peers of practicing GNH in business

The model suggests mandatory and regulatory measures for low-level maturity businesses and progresses to voluntary engagement and eventually supporting more mature business to engage in continual learning and collaboration to help other businesses on their journey to becoming role model GNH organizations. As the maturity level increases in the model, the support for businesses by government and development partners shifts from extrinsic motivators such as taxes and incentives to intrinsic motivators such as opportunity to empower others and support for continual learning. Businesses at the engaged and role model levels of GNH maturity are those that Tideman (2016b, p. 8) describes as *"instruments for positive societal change"*. At this level the business leaders display distinct qualities that are aligned with the mindsets and skills of an interdependent worldview.

The implications from this section of the study are that the model of GNH in business and levels of maturity have the potential to assist Bhutan in developing a tailored approach to engaging business operators at various levels of maturity in a GNH in business approach.

The purpose of the GNH in Business Maturity Model in Table 1 is to make sense of the various manifestations of 'GNH in Business' in Bhutan and lays out suggested indicators and necessary support and engagement at the different levels. This model is one of the building blocks of Sebastian's (in press) broader PhD research study.

Table 1. Suggested model to identify Bhutanese business maturity levels in operationalizing GNH and ways to support their development

Levels of business maturity	Business areas of responsibility	Values, Business Ethics, worldview (Axiology)	Motivations, behaviour, skills (Behavioural)	Stakeholders, relationships (Relational)	Timescale, outlook (Temporal)	Mechanisms, measurement (Structural & metrics)
Survival: Not actively engaged GNH or CSR						
Indicator	No or narrow understanding of business responsibility. Unwilling to take responsibility.	Self-interest (Egoism). Disregard rules and regulations. Linear worldview Separate self.	Motivated by security and survival. Business case driven Profit maximization. Highly competitive, non-collaborative.	Centralised power, ownership and/or management structure. No community or stakeholder engagement.	Short-term thinking and decision-making	Only respond to regulation, financial incentives and punishment
Support	Connect with an advanced GNH level business as mentor. Engage in compulsory government program on GNH/CSR activities.	GNH values and ethics education that supports interdependent worldview. Compulsory membership of GNH business network.	Set mandatory GNH and CSR performance standards. Mandatory training program on implementing GNH Standards for leadership and management level.	Engage in mandatory collaboration projects within industry and stakeholders such as through Chamber of Commerce or GNH business members association.	Incentives that increase outlook Mandatory contribution (human resources and financial) to long-term social and environmental projects in Bhutan.	Tax levies and/or fines for environmental pollution and adverse impacts on society. Environmental protection, human rights and labour legislation and enforcement. Annual compulsory CSR/GNH audits and reporting.
Conventional CSR: CSR Compliance & Risk-management						
Indicator	Some	Self-interest and	Motivated by	Centralised power,	Short- to	Respond to standards

	understanding of responsibility for stakeholders, society and environment. Some ability and resources to implement initiatives.	mutual interest if it reduces business risk. May be aware of rules and respect others' rights when it reduces business risk. Linear worldview.	competition and achievement. Business case driven. Profit maximization. Efficiency. Highly competitive, some collaboration if it serves the business.	ownership and/or management structure. Community and stakeholder engagement as needed.	medium-term thinking and decision-making. Voluntary contribution (human resources and financial) to long-term social and environmental projects in Bhutan.	and voluntary schemes
Support	Connect with a GNH engaged or leading business as mentor. Engage in voluntary government or program on GNH/CSR activities.	GNH values and ethics education that supports interdependent worldview. Voluntary membership of GNH business network.	Set mandatory GNH and CSR performance standards. Free training on advanced GNH and CSR initiatives for leadership, management and relevant staff.	Engage in voluntary collaborative projects within industry and with stakeholders such as industry-led programs	Incentives that increase outlook	Tax incentives and/or fines for environmental pollution and adverse impacts on society. Environmental protection, human rights and labour legislation and enforcement. Mandatory reporting of CSR/GNH initiatives and impact.
Levels of business maturity	Business areas of responsibility	Values & Business Ethics (Axiology)	Motivations, behaviour, skills (Behavioural)	Stakeholders, relationships (Relational)	Timescale, outlook (Temporal)	Mechanisms, measurement

						(Structural & metrics)
GNH interest: Willingness and commitment to GNH but lack of skills, resources, guidance						
Indicator	Clear understanding of responsibility for stakeholders, society and environment. Business established to contribute to Bhutanese society, nature or nation. Lack of skills, resources or guidance.	Mutual interest. Reciprocity. Interdependent worldview.	Motivated by stimulation. GNH-driven business purpose. Impact on society and/or environment or nation. Sufficiency. Balance competitive and collaborative approaches.	Some sharing power, ownership and/or management structure. Occasional community and stakeholder engagement.	Medium-term outlook and decision-making. Voluntary contribution (human resources and/or financial) to long-term social and environmental projects in Bhutan.	Respond to regulations and structured guidance and capacity building. Voluntary reporting or sharing of CSR/GNH initiatives and impact.
Support	Introduce to a GNH leading company. Assist with capacity building and resources to participate in free voluntary training on GNH/CSR activities.	Acknowledge importance of interdependent worldview.	Acknowledge importance of motivation, actions and skills. Assist with developing a continuous learning journey for GNH operationalization	Acknowledge participatory stakeholder and community events. Engage in voluntary collaborative projects within industry and stakeholders such as industry-led programs	Incentives that increase outlook. Recognition for voluntary contribution to long-term social and environmental projects	Tax incentives. Eligible to participate in collaborative industry initiatives. Assist with goal setting and objectives. Support with capacity building.
GNH engaged: Demonstrated application of GNH approach in business						
Indicator	Responsibility for stakeholders,	Systems interest Reciprocity	Motivated by self-direction and learning.	Prefer collaboration if possible.	Long-term outlook and decision-	Respond to learning opportunities.

	society and environment part of business purpose. Business established to contribute to Bhutanese society, nature or nation and beyond. Adequate skills and resources to implement comprehensive GNH/CSR initiatives	Interdependent worldview Intelligent compassion	GNH-driven business purpose. Impact on society and or environment. Sufficiency Collaborative approach Technical CSR and emotional intelligence skills	Some sharing of power and/or ownership. Participatory management. Regular community and stakeholder engagement. Share knowledge, tools, and intellectual property with industry sectors for common improvement	making. Develop some business products and services that contribute to long-term social and environmental projects in Bhutan and beyond	Initiate and lead collaborative industry initiatives to improve societal wellbeing. Voluntary reporting or sharing of CSR/GNH initiatives and impact
Support	Provide resources for mentoring of non-engaged and compliance focused businesses. Contribute to capacity building and resources to participate in free voluntary training in GNH/CSR activities	Provide resources to demonstrate how interdependent worldview leads to benefits for the business and Bhutan (i.e. through case studies, sharing of experience)	Acknowledge importance of motivation, actions and skills. Assistance with developing a continuous learning journey for GNH operationalization and sharing results	Provide resources to demonstrate stakeholder engagement benefits to business and Bhutan. Provide resources to develop voluntary collaboration projects industry and stakeholders	In ways that demonstrate long-term outlook. Recognition for products and services that contribute to long-term social and environmental projects beyond Bhutan	Provide innovation support for them to lead collaborative industry initiatives to improve societal wellbeing. Eligible for scholarships and learning programs in Bhutan and internationally
Levels of business maturity	Business areas of responsibility	Values, Business Ethics, worldview (Axiology)	Motivations, behaviour, skills (Behavioural)	Stakeholders, relationships (Relational)	Timescale, outlook (Temporal)	Mechanisms, measurement (Structural &

						metrics)
GNH role model: Recognized by peers as role model of GNH in business approach						
Indicator	Responsibility for stakeholders, society and environment part of business purpose. Business established and all products and services designed to contribute to Bhutanese society, nature, nation and beyond. Advanced skills and resources to implement comprehensive GNH/CSR initiatives	Systems interest Reciprocity Interdependent worldview Intelligent compassion	Motivated by universalism and benevolence. GNH-driven business purpose. Impact on society and or environment. Sufficiency Collaborative approach High technical CSR and emotional intelligence skills	Demonstrate collaboration as the GNH way. Power and/or ownership sharing. Participatory management. Regular community and stakeholder engagement. Share knowledge, tools, and intellectual property with industry sectors for common improvement. Empower others to engage in a GNH approach	Long-term outlook and decision-making. Develop all business products and services that contribute to long-term social and environmental projects in Bhutan and beyond.	Regular sharing of CSR/GNH initiatives and results. Share stories and experiences. Measure through quantitative and qualitative methods
Support	Provide resources for mentoring of non-engaged and compliance focused businesses. Contribute to capacity building and resources to participate in free	Provide resources to demonstrate how interdependent worldview leads to benefits for the business and Bhutan (i.e. through case	Acknowledge importance of motivation, actions and skills. Eligible for business innovation grants to develop and share a continuous learning journey for GNH	Provide resources to demonstrate how power and/or ownership sharing, participatory stakeholder and community engagement processes benefit the	Engage with stakeholders in ways that demonstrate long-term outlook. Recognition for all products and services that contribute to long-term social and	Eligible for scholarships and learning programs in Bhutan and internationally. Eligible for business innovation grants to experiment with new ways of

	voluntary training on GNH/CSR activities	studies, sharing of experience)	operationalization and sharing results with GNH business network in Bhutan	business and Bhutan. Provide resources to develop voluntary collaboration projects within industry and stakeholders	environmental projects in Bhutan and beyond through GNH of Business certification	monitoring and reporting GNH progress and outcomes. Eligible for start up funding to create new businesses that improve societal and/or environmental wellbeing. Eligible to lead learning programs on operationalizing GNH in business

Conclusion

The frameworks offered in this paper include the GNH in Business system (Figure 4), GNH in Business formula (Figure 5) and maturity model (Table 1). They are offered as a new theory to contribute to the field of CSR and GNH studies to differentiate CSR and GNH, and how they can be applied in business. As is customary in a constructed grounded theory approach these sense-making tools offered here are to be critiqued, discussed, adapted and developed further as only a collective approach can construct a useful view of reality and increase the impact of GNH on business ethics and responsibility. These frameworks, while based on the interviews with Bhutanese leaders, will therefore benefit from further research, testing and refinement to improve their robustness and usefulness. The insights gained from this study can also provide lessons for international businesses that want to go 'beyond CSR' and use their businesses to contribute to planetary wellbeing.

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National Happiness: A Neo-utilitarian Corporate Objective or a Social Responsibility?

Austin Chia

Abstract

Businesses form an inseparable part of our social fabric, in that their actions and activities have far-reaching implications for the wellbeing and happiness of individuals and the communities in which they operate. While national happiness has been a topic of interest for scholars and policymakers in recent years, its intersection with organizational research and practice is largely unexplored. This paper commences with a review of the scholarly and philosophical arguments related to two competing notions of the corporate objective: shareholder primacy versus stakeholder primacy. Through this review the paper argues that while instituting stakeholder happiness enhancement as a universal corporate objective would yield positive externalities on the wellbeing and happiness of society, such a proposition is merely a thought experiment without practical merit within capitalist systems. Instead positioning stakeholder happiness enhancement within the purview of corporate social responsibility (CSR) would be a more realistic and practical measure of creating the necessary institutional pressure to motivate corporate behaviours that promote flourishing of society and its citizenry. This paper will also review approaches for conceptualizing happiness (e.g. objective versus subjective, hedonic versus eudaimonic) and will present a bottom-up and top-down framework that demonstrates the various ways in which business activities can enhance the wellbeing of society. Further, by engaging stakeholder theory as an organizing device for operationalizing 'society', this paper will outline a high-level conceptual framework that links business activities with national happiness. The paper will conclude with a discussion of future research directions for

organizational researchers, as well as practical measures relevant to businesses seeking to contribute to gross national happiness.

Introduction

> There is one condition in doing business [in Bhutan]… Companies will need to take Gross National Happiness (GNH) very seriously; your business will be respectful and add value to the good of society, respect our values and culture, add to the wealth of our environment, and help us to achieve a green economy, one that is fuelled by sustainable competitiveness
>
> − Lyonchhen Dasho Tshering Tobgay, Prime Minister of Bhutan (as cited in Confino, 2008, para. 12)

There is no shortage of social issues in this world. One only needs to peruse the daily paper or tap into their social media to see an endless stream of breaking news portraying the various challenges and issues facing society and humanity today. Within the mix of germane social issues in the modern era – such as environmental degradation, global poverty, and growing income inequality – wellbeing and mental health have emerged as significant global public health concerns (Jané-Llopis, Anderson, & Herrman, 2014; Licinio & Wong, 2014; Patel, Boyce, Collins, Saxena, & Horton, 2011). Successive epidemiological studies have identified poor mental health as the single most significant contributor to the global burden of disease (Collins et al., 2011; Murray & Lopez, 1997; World Health Organization, 2017). Yet, it is important to note that, while being free of mental illness and infirmity (e.g. depression, anxiety, alcoholism, etc.) is one face of living and functioning well in life, there is broad consensus among public health experts that mental health is not merely the absence of mental disorders and illnesses (Keyes & Martin, 2017). In other words, individuals striving for the highest levels of mental health should not only seek to prevent the onset of mental illness, but

also aspire for happiness by incorporating into their lives positive things and experiences that engender meaningful engagement, positive feelings and emotional vitality.

Against the backdrop of the myriad of social issues in our world, business organizations today are expected not only to mitigate the potential social harms of their commercial activities but, in the spirit of good corporate citizenship, are also increasingly called upon to engage in redressing various societal problems and issues (Margolis & Walsh, 2003; Schrempf-Stirling, Palazzo, & Phillips, 2013). Within the post-capitalist world, the social responsibilities of businesses are evolving to reflect ever-changing public expectations that incorporate enlightened moral values and new understandings of the complex interactions and wide-ranging consequences of business in society. Doing no harm and mere compliance with laws and regulations no longer suffice in preserving the social legitimacy of business organizations (Solomon, 1992). Instead, like other social institutions, businesses are expected to engage with society, as socially-minded citizens and positive social change agents, and are evaluated in multi-faceted ways in terms their products and services, the business practices they engage in and their philanthropic activities (Fitzgerald & Cormack, 2006; PwC, 2016). These contributions can meaningfully shape the social, economic and environmental conditions of society that substantively improve, or deteriorate, the quality of life, health and wellbeing of communities they operate in and beyond (Bies, Bartunek, Fort, & Zald, 2007; Hall, 2011).

For organizational scholars and practitioners, sentiments such as the one expressed by Bhutan's Prime Minister in the opening quote, provoke an interesting question: Should corporations be concerned with national happiness and, if so, why? Presently, the idea that corporations should conduct their activities with the aim of promoting national happiness is more of a novel proposition than something featured as a prominent priority. However, with mounting evidence showing that happiness is a desirable outcome for individuals and nations (see Diener & Chan, 2011; Diener & Tov, 2012; Lyubomirsky, King, & Diener, 2005), some organizational scholars have

proposed that happiness (a term used interchangeably with various manifestations of wellbeing) should become an alternate raison d'étre for corporations (Georgellis, 2014; Harrison & Wicks, 2013; Jones & Felps, 2013).

Over the past decade, happiness has emerged as an important topic that has captured the attention of various intergovernmental agencies, politicians, researchers and the general public. At the policy level, there is heightened awareness of the need to incorporate broader and more accurate measures of social progress (Diener, 2000; Michaelson, Abdallah, Steuer, Thompson, & Marks, 2009; Organization for Economic Co-operation and Development (OECD), 2013). As Stiglitz, Sen and Fitoussi (2009) articulated in their landmark report, the 21st century is an opportune time to re-evaluate and modernize the societal measurement systems that inform policymaking. More specifically, there is broad consensus that, while traditional economic and fiscal indicators, such as gross domestic product (GDP), consumer confidence and inflation rates, serve an important role in monitoring the development and progress of nations, such indicators reveal very little about people's subjective wellbeing and the things they value in life (Diener & Tov, 2012). In fact, contrary to conventional capitalist wisdom that social life can be evaluated through a financial lens, various population surveys have found that, while Western countries like the United States have become richer with each passing decade, their citizenry are not necessarily happier than they were 60 years ago (Blanchflower & Oswald, 2011; Layard, 2006).

Interest in happiness at the policy-level has also corresponded with an upswing in scientific and lay interest at the individual-level. Today, a review of the health and behavioural science literatures reveals an impressive body of research that sheds considerable light on the various determinants and health consequences of happiness. Research on happiness has encompassed a broad range of topics which, amongst many others, include: resilience (e.g., Cohn, Fredrickson, Brown, Mikels, & Conway, 2009), positive emotions, (e.g., Lyubomirsky et al., 2005), hope (e.g., Wnuk,

Marcinkowski, & Fobair, 2012), spirituality (e.g., Kamitsis & Francis, 2013), character strengths (e.g., Park & Peterson, 2006), personal meaning (e.g., Steger, Frazier, Oishi, & Kaler, 2006), and gratitude (e.g., Watkins, Woodward, Stone, & Kolts, 2003). Interdisciplinary scientific efforts across these topics have unveiled important empirical features of happiness which have led to significant progress in our understanding of happiness and its relationship to human functioning, psychological health and the etiology and management of illness (Aspinwall & Tedeschi, 2010; Røysamb, Tambs, Reichborn-Kjennerud, Neale, & Harris, 2003)

It is evident from the preceding discussion that much of the focus on happiness has occurred at the macro- (e.g. economic and social policy) and micro-levels of analysis (e.g. psychological processes of individuals and teams). In relative terms, the research literature is bereft of meso-level theories and empirical works that examine how national happiness can be explained by organization-society interactions and relationships. Herein lies the opportunity for organizational scholars to fill the void of meso-level theories; an undertaking that promises to fuel the generation of new insights and understandings of happiness and its correlates (Ashkanasy, 2011). At this point in time, the growing interest and scientific advancements in the study of happiness should pique greater empirical and theoretical attention among organizational scholars. It presents a unique opportunity for organizational scholars to become more deeply and actively engaged in social issues of public interest, and to align their work with social objectives of our industrial society; a focus that has been lacking in contemporary organizational scholarship (Hinings & Greenwood, 2002; Walsh, Weber, & Margolis, 2003).

To explore the role and responsibilities of business in the national happiness equation, this paper will commence with a brief review of the scholarly and philosophical arguments related to two competing notions of the corporate objective: (1) shareholder primacy, and (2) stakeholder primacy. Through this review, it will be argued that, whilst regulatory interventions to impose national happiness would – albeit

theoretically – promote desirable corporate behaviours, this course of action is both unrealistic and untenable. Instead, it is contended that situating national happiness as a social responsibility of businesses and corporations (i.e. a non-regulatory approach) is a more realistic and practical measure for creating the necessary institutional pressure to motivate corporate behaviours that promote flourishing of society and its citizenry. By leveraging the literature from positive psychology and stakeholder theory, this paper will also review approaches for conceptualizing and operationalizing happiness and society. A multilevel conceptual framework that links business activities with national happiness will be presented, before concluding with a discussion of future research directions for organizational researchers, and some practical measures relevant to businesses seeking to enhance national happiness.

National happiness: A corporate purpose or social responsibility?

The proposition that managers should be concerned with gross national happiness goes to the heart of enduring debates on the corporate purpose. That is, what is the objective function of a business (or corporation)? Based on neo-classical economic reasoning, economists and shareholder theorists have long argued that managers should primarily be concerned with maximizing returns to shareholders. This sentiment is most saliently captured in the famous words of Nobel Prize laureate, Milton Friedman (1970), who stated: "There is one and only one social responsibility of business – to use its resources and engage in activity designed to increase its profits so long as it… engages in open and free competitions, without deception or fraud". Consistent with Friedman's declaration, various commentators and scholars (e.g., Karnani, 2011; Sundaram & Inkpen, 2004) have argued against the active involvement of businesses in social issues. As has been previously argued, addressing social ills is a matter outside the core expertise of business and is a matter best resolved by governments.

When considering the role of business in national happiness, examining the normative propositions about the corporate

purpose is necessary because it is what drives managerial decision-making and behaviours. That is, if managers believe the role of business is only to maximize shareholder value, then social goals, such as national happiness, will not be featured as criteria in the decision-making process. Despite the apparent nihilist core of the shareholder primacy perspective, shareholder wealth maximization is widely accepted across many western societies as the normative purpose of corporations. Within this paradigm, the proposition that businesses should be concerned with national happiness may be viewed by some scholars and practitioners as an unnecessary distraction from the core purpose of business (i.e. to maximize profit).

In their recent article, Jones and Felps (2013) highlighted a raft of failures associated with modern market capitalism and the moral limitations of shareholder primacy, and contended that stakeholder happiness enhancement could viably supplant shareholder wealth maximization as the normative corporate objective. They convincingly argue that some of the high-profile corporate failures and wrongdoings in recent times can be attributed to the myopic focus of managers on corporate profits and using the corporate objective of shareholder wealth maximization to justify morally questionable managerial decisions and actions. To redress such shortcomings and to improve social welfare, Jones and Felps (2013) presented two possible pathways: (1) changing the corporate objective itself to incorporate happiness, or (2) reforming the institutional context within which corporations currently operate to normalize a corporate focus on happiness. Jones and Felps (2013) proceed to argue that the first pathway would be more practical and realistic, given the political impediments and challenges associated with making meaningful changes to the institutional environment.

While there is substantial merit for considering alternative or broader notions of the corporate objective, this paper takes a slightly different position to that of Jones and Felps (2013) by asserting that the institutional context could serve a critically important and effective role in bringing the concept of

happiness to the forefront of the corporate agenda. Specifically, Corporate Social Responsibility (CSR) – broadly defined as a corporation's duties and obligations to society beyond their profit-making objectives (Berger, Cunningham, & Drumwright, 2007) – has been a significant and highly influential institutional force, in the modern era, in driving positive non-regulatory change within the corporate sector for the mutual gain of corporations and society (Falck & Heblich, 2007).

Despite its prominence and influence as a management concept, CSR is not easily definable. The characterization of CSR is perhaps best captured in a classic quote from Votaw (1973), who once described CSR as a term that "means something, but not always the same thing to everybody" (p. 11). The breadth and heterogeneity of the field is exemplified in reviews conducted by Dahlsrud (2008) and Peloza (2009) who identified 37 definitions and 36 distinct measures of CSR, respectively. Although the interpretations of what CSR is and what it constitutes vary greatly across geographic boundaries (Freeman & Hasnaoui, 2011; Matten & Moon, 2008) and time (Pinkston & Carroll, 1996), at the heart of the concept is the assertion that corporations, as social institutions, have duties and obligations to society beyond their profit-making objectives and that they should strive to maximise the positive impact of their operations in society (Dillard & Murray, 2012).

In recent decades, the social responsibilities of corporations have been increasingly defined in broader terms, in-line with ever-changing public expectations (Warhurst, 2005). Corporations are not only expected to 'do no harm' and to comply with relevant laws and regulations, but they are also expected to be good corporate citizens and to engage in society as positive social change agents. In particular, the emerging trend in CSR is the heightened focus on corporations to engage pro-socially with local and global communities to enhance public health and wellbeing (Bies et al., 2007; Du, Bhattacharya, & Sen, 2011). Given the growing body of evidence to corroborate the positive health outcomes associated with happiness (Judge & Kammeyer-Mueller, 2011; Veenhoven, 2008), the degree to which corporate activities affect the

happiness and wellbeing of society will come under greater scrutiny in the future.

Corporate initiatives that proactively seek to enhance national happiness are doing so on discretionary terms; that is, contributing beneficially to society in a way that extends beyond their legal and regulatory requirements (Carroll, 1991). By doing so, corporations are decisively engaging in activities to 'do good' in society, rather than merely minimizing the potential harms of their activities. The merits of the 'do good' approach are highlighted in a study of 129 non-governmental firms which found that firms who partake in 'do good' rather than 'do-no-harm' CSR initiatives foster more cooperative behaviours and intentions among their stakeholders, whilst also reducing the probability of stakeholder conflict (Crilly, Ni, & Jiang, 2015). Further, it can be argued that by pre-empting and responding to growing public interest in notions of happiness, corporations are able to enhance their social legitimacy and longevity by ensuring that their managerial and economic activities are conducted in a way that meets or exceeds public expectations (Aguilera, Rupp, Williams, & Ganapathi, 2007; Wood, 1991).

It is important to note that CSR is a voluntary practice without regulatory enforcement. A corporation's social responsibilities arise from its interdependence with society and, therefore, are informed, in part, by the needs and legitimate concerns of individuals and groups within society (Business for Social Responsibility, 2001; Davis, 1976). It could also be argued that corporations that engage in activities that adversely affect national happiness are acting in a socially irresponsible way.

National happiness as a social responsibility

If national happiness is situated within the purview of CSR, then attention must be given to explicating corporate responsibility 'for what' and 'to whom'. That is, if we assert the normative claim that corporations *are* – in part – responsible for national happiness, then what do we mean by happiness and how should it be operationalized? Further, consideration must be given to understanding 'to whom' corporations are

responsible (i.e. everyone in the world or only particular stakeholder groups?). The following discussion will clarify some of these pertinent questions.

Operationalizing happiness

Happiness can be defined in objective or subjective terms. Objective states of happiness refer to the objective facts surrounding people's lives, or are sometimes referred to as social welfare, whereby the focus in on the role that public and private institutions play in enhancing the *quantity* of wellbeing rather than the *quality* (Huppert, 2014). For instance, it could be said that a company that provides local employment is improving the 'happiness' of a community or employee. However, employment rate figures alone do not reveal the quality of the experiences within the employer-employee relationship.

In contrast, subjective experiences of happiness describe how people experience their lives – both cognitively and affectively – which may or may not be related to the objective facts surrounding people's lives (Huppert, 2014); that is, the quantity of objective factors in a person's life may not correlate with the quality of their experiences of life. For instance, research has found that objective factors, such as unemployment and poor health, are negatively associated with subjective experiences of wellbeing, whereas other objective factors, such as average incomes, may not bear any relationship with subjective experiences of wellbeing (Layard, 2006). There is also evidence indicating that, as societies become wealthier, it often corresponds with increases in mental health and social problems and a plateau in life satisfaction (Diener & Seligman, 2004). Accordingly, measurement of the objective facts in people's lives is insufficient in understanding happiness and, thus we must also seek to understand how people experience happiness.

Psychology has typically approached the study of subjective experiences of happiness by operationalizing them as various manifestations of wellbeing. As a cautionary note, the psychological literature on happiness consists of a multitude of

concepts and constructs related to 'happiness', such as subjective wellbeing (Diener, 1984), psychological wellbeing (Ryff, 1989), flourishing (Keyes, 2002), authentic happiness (Seligman, 2002), and subjective happiness (Lyubomirsky & Lepper, 1999). When reviewing the operational definitions of variant forms of wellbeing and happiness, it is evident that, whilst each definition yields its own unique merit in understanding happiness, no single definition or conceptualization is able to capture the full breadth and complexity of the concept (Nisbet, Zelenski, & Murphy, 2011). However, a notable pattern in the psychological research is that investigations of happiness are derived from either the hedonic or eudaimonic philosophical traditions, which inform the way in which happiness is conceptualized (Deci & Ryan, 2008; Delle Fave, Brdar, Freire, Vella-Brodrick, & Wissing, 2011; Kashdan, Biswas-Diener, & King, 2008).

Research conducted in the hedonia paradigm views the attainment of wellbeing as involving the maximization of pleasure and the minimization of pain (Peterson, Park, & Seligman, 2005). The type of pleasures that yield hedonic wellbeing outcomes can range from the enjoyment experienced from social interactions, to emotional-cognitive ones, such as perceptual appraisals of how one is progressing in life (Huta & Ryan, 2010). Hedonic-oriented approaches have tended to adopt Diener's (1984) conceptualization of happiness as subjective wellbeing (SWB) which is comprised of three focal components: (1) high positive affect, (2) low negative affect, and (3) high levels of satisfaction with one's life (Diener, Emmons, Larsen, & Griffin, 1985; Diener et al., 2010).

Rooted in Aristotelian philosophy (i.e. The Nichomachean Ethics), the eudaimonia paradigm stands on the other end of the conceptual spectrum and argues that happiness can only be found in the expression of virtue and the realization of one's full potential (Ryan & Deci, 2001). Eudaimonic wellbeing outcomes are typically associated with concepts such as personal growth, self-actualization, and meaning (Delle Fave et al., 2011), which can be achieved through exercising virtues like compassion or altruism, and a person's commitment to

realizing their strengths and full potential (Huta & Ryan, 2010). Ryff's (1989) The psychological wellbeing (PWB) model has been the most common approach in the conceptualization of eudaimonic wellbeing, which is comprised of: (1) self-acceptance, (2) positive relations with others, (3) autonomy, (4) environmental mastery, (5) purpose in life, and (6) personal growth.

Although research on wellbeing has typically been conducted along hedonic- eudaimonic lines, many agree that the two concepts are not independent of each other and that happiness is comprised of both components (Delle Fave et al., 2011; Huppert & So, 2013; Huta & Ryan, 2010; Kashdan et al., 2008). As such, it can be argued that corporations seeking to promote national happiness may do so by using top-down or bottom-up approaches. Figure 1 below expands on what it means to be a socially responsible business by encompassing both objective and subjective facets of wellbeing. From this diagram, it appears businesses can adopt a *top-down approach* to improve national happiness by improving objective facets of objective wellbeing, which also has cascading effects on people's subjective experiences. Conversely, businesses can affect public happiness via a *bottom-up approach* with activities that are intentionally designed to promote positive subjective experiences, which may, in turn, lead to improvements in the objective conditions surrounding people's lives.

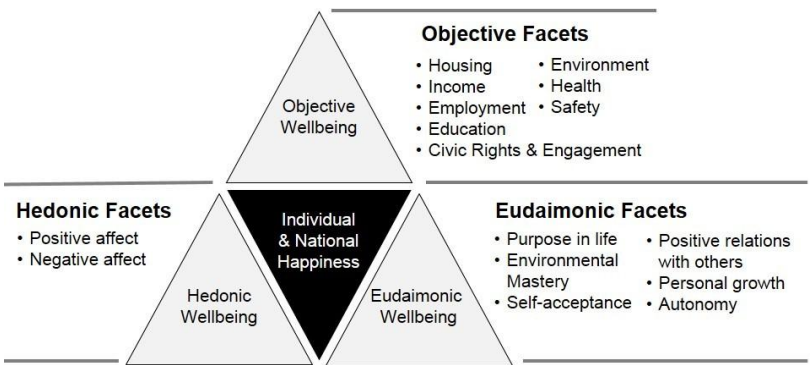

Figure 1. Facets of wellbeing

Operationalizing society

Within the academic literature, society is typically defined in very broad terms with no definitive bounds. The absence of clear parameters has been the result of the increasingly dynamic and complex environment within which corporations have to operate, the evolving social contract and the multi-purpose function corporations serve as social institutions (Carroll & Buchholtz, 2008). When used within the CSR context, society is an all-inclusive term that encompasses various groups and individuals, the external environment, and a myriad of local and global social issues, such as public health, environmentalism, human rights, economic development and labour rights (Bies et al., 2007). Clearly, there is a need to articulate a more precise definition of society to enable empirical inquiry.

Drawing on Freeman's (1984) seminal work, stakeholder theory can be used as a means for conceptualizing and operationalizing society and its relationship to corporations. A principal proposition of stakeholder theory is that value creation and overall corporate success are contingent on a corporation's ability to balance and harmonize the interests of all stakeholders (Evan & Freeman, 1988; Smith, 2003). By conceiving of the firm as a point of convergence for diverse stakeholder interests, rather than just a profit-maximizing vehicle for equity owners (i.e. the neoclassical shareholder perspective), stakeholder theory incorporates a broad base of social considerations and constituents to reframe traditional thinking about the responsibilities and the duties of care of corporations (Clarkson, 1995; Jamali, 2008; Simmons, 2004).

As illustrated in Figure 2, a stakeholder refers to any person or group who can *affect* or be *affected* by the activities, practices, decisions and policies of the corporation (Freeman, Harrison, & Wicks, 2007; Freeman & Reed, 1983). Primary stakeholders are those individuals or groups who have a direct stake in the corporation and can affect the viability or capacity of the corporation to achieve their objectives, whereas secondary

stakeholders, albeit influential, have an indirect stake in the corporation (Carroll & Buchholtz, 2008).

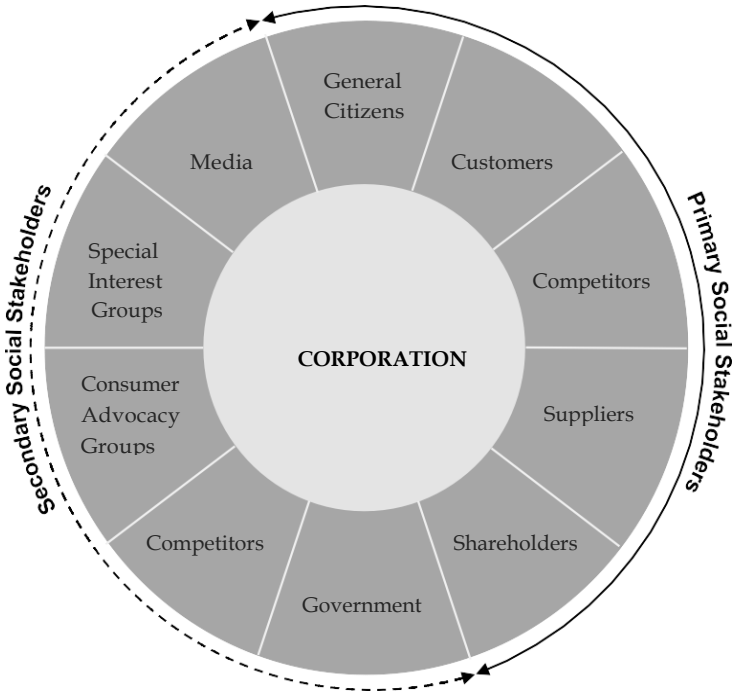

Figure 2: Stakeholder Map
Note: Adapted from Freeman, Harrison and Wicks (2007)

CSR scholars have used the stakeholder concept to operationalize society as being comprised of various stakeholders with whom a corporation has a relationship (Jamali, 2008). This approach offers a systematic frame for identifying the specific interests of various stakeholders and to facilitate the analysis and evaluation of responsibilities and social outcomes within corporation-stakeholder dyads (Clarkson, 1995; Melé, 2008). From a stakeholder perspective, 'society' can be operationally defined as comprised of corporations, suppliers, shareholders, customers, general citizens and employees (Schwartz & Carroll, 2003).

The stakeholder wellbeing nexus

Integrating the operationalization of 'society' and 'happiness' discussed in the preceding section, the conceptual diagram in Figure 3 proposes that corporations and their stakeholders exist within a stakeholder wellbeing nexus (SWN), whereby the relationships that corporations have with their stakeholders invariably affect the wellbeing of stakeholders in either positive or negative ways. This framework can be used to understand the impact of corporate activity on happiness across multiple levels of analysis; individual stakeholder happiness (e.g. individual customer) is nested within group stakeholder happiness (e.g. customer group) which, in turn, is nested within national happiness. With this chain of logic in mind, measures of individual-level happiness can be used to infer group- and national-level happiness.

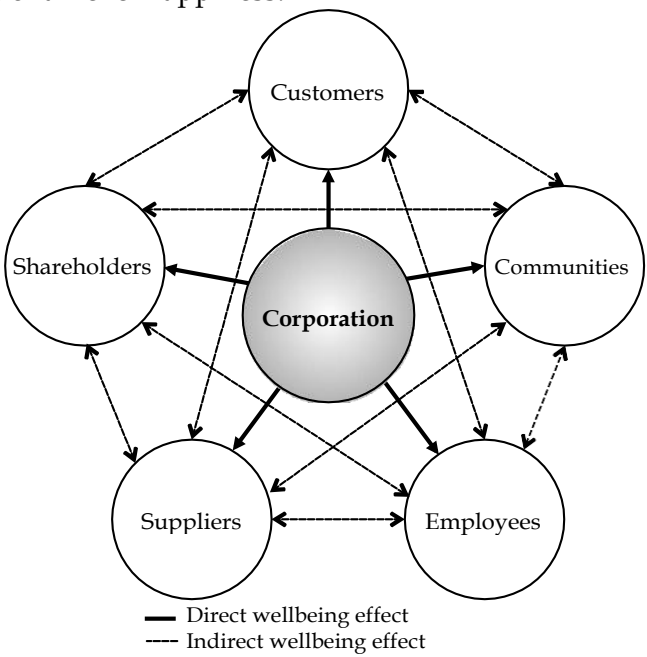

Figure 3: A stakeholder conceptualization of society

Within the SWN, corporations have an ability to affect stakeholder wellbeing directly or indirectly. Direct effects refer

to first-order wellbeing consequences on a stakeholder who directly *experiences* a corporate activity. Indirect effects refer to second-order wellbeing consequences on a stakeholder who *observes* or *learns about* the direct effects of corporative activities on other stakeholder groups. A focal proposition of the SWN is that the wellbeing consequences of corporate activities ripple and extend beyond the immediate stakeholders who are affected. To elucidate this, we can turn to past high-profile examples of corporations alleged to have knowingly engaged sweatshops in their supply chain and production activities (e.g. Nike, Apple, Gap, etc.). For these corporations, unethical sourcing has obvious, direct, wellbeing impacts on suppliers and their workers who experience poor working conditions. However, as these activities come to light in the public sphere, these activities may also impact on the happiness of other stakeholders, such as employees and consumers, who empathize or feel compassion toward those stakeholders affected.

A research agenda moving forward

The arguments and ideas presented in this paper form part of a larger research project that is being undertaken on the role of corporations in national happiness. Scholarly endeavours to understand the effect of corporate activities on national happiness are in their infancy, and future progress hinges on parsimonious operationalizations of the 'happiness' and 'society' constructs. In facilitating this, Figure 3 provides a tiered-inquiry framework that illustrates numerous ways in which happiness-related concepts can intersect with CSR. The intersection of the two focal constructs can be examined on four different levels of analysis: philosophical, theoretical, phenomenological, and measurement. Stakeholder theory and positive psychology concepts have been used as the bases for developing the inquiry framework.

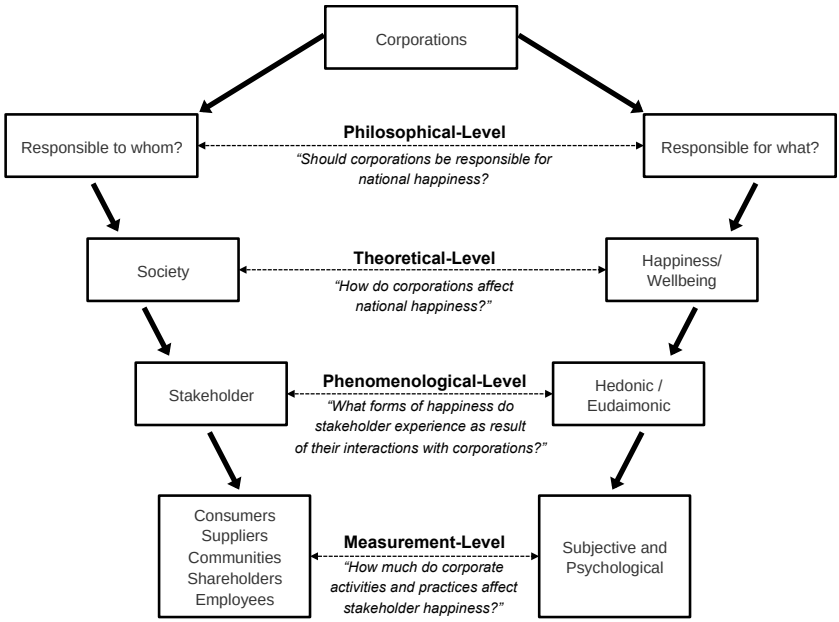

Figure 4: An Inquiry Framework

Philosophical-level

Walsh (2004, p. 349) has described the corporate objective as "arguably the most important theoretical and practical issue confronting us today". Research at the philosophical-level is primarily concerned with the corporate objective and invites debates on '*to whom*' corporations are responsible and '*for what*'. As such, the research questions at this level of analysis may resemble: "Should corporations be responsible for national happiness?" The answer to this question will largely depend on who you ask, and their philosophical perspectives, motivations and disciplinary allegiances. Although debates to date are far from converging toward universal consensus, such discourse is critical to informing normative understandings of the nature and purpose of corporations.

Theoretical-level

The theoretical-level of inquiry is concerned with the theorizing of the happiness consequences of corporation-society

relationships. This level is premised on the assertion that corporations are not passive entities in our lives, but instead are an inseparable part of our social fabric and their actions bear far-reaching consequences on the wellbeing and happiness of individuals and communities across our society (Hastings, 2012; Wiist, 2006). Hence, the research question at this level is concerned with: "How do corporations affect national happiness?"

Research undertaken at this level may adopt a sociological or epidemiological approach to understanding the interactions between, and social impacts of, corporations on society. This may encompass the identification of various channels through which corporations affect public wellbeing and happiness, such as marketing and advertising, procurement and distribution activities, products and services, philanthropy and various other corporate practices (Hastings, 2012; Wiist, 2010).

Phenomenological-level

The phenomenological-level of inquiry is concerned with how people experience happiness, both cognitively and affectively. 'Happiness' is universally understood to be desirable in one's life, but it is a concept that means different things to different people and varies across cultural and historical contexts (Oishi, Graham, Kesebir, & Galinha, 2013; Wierzbicka, 2004). As such, the research question at this level is: "What forms of happiness do stakeholders experience as a result of their interactions with corporations?"

Within the positive psychology literature, investigations of happiness are derived from either the hedonic or eudaimonic philosophical traditions (Deci & Ryan, 2008; Delle Fave, Brdar, Freire, Vella-Brodrick, & Wissing, 2011; Kashdan, Biswas-Diener, & King, 2008). When conceptualized within the hedonia paradigm, happiness is associated with the maximization of pleasure and the minimization of pain (Peterson, Park, & Seligman, 2005). In contrast, the eudaimonia paradigm views happiness as relating to a sense of meaning and purpose in one's life through the expression of virtue and the realization of one's full potential (Ryan & Deci, 2001).

Measurement-level

The measurement-level of inquiry is concerned with how the happiness consequences of corporate activities are measured for each stakeholder the corporation interacts with (i.e., consumers, suppliers, communities, shareholders and employees). The research question at this level would relate to: "How much do corporate activities and practices affect stakeholder happiness?"

Following from the preceding level of inquiry, the way in which happiness is measured would be based on whether happiness has been conceptualized within the hedonia or eudaimonia paradigm. Hedonic approaches have tended to adopt Diener's (1984) conceptualization of happiness as subjective wellbeing (SWB), which is comprised of three focal components: (1) high positive affect, (2) low negative affect, and (3) high levels of satisfaction with one's life (Diener, Emmons, Larsen, & Griffin, 1985; Diener et al., 2010). In contrast, eudaimonic wellbeing outcomes are typically associated with concepts such as personal growth, self-actualization, and meaning (Delle Fave et al., 2011). Ryff's (1989) Psychological wellbeing (PWB) has been the most common approach in the conceptualization of eudaimonic wellbeing, which is comprised of: (1) self-acceptance, (2) positive relations with others, (3) autonomy, (4) environmental mastery, (5) purpose in life and (6) personal growth.

Practical implications and conclusion

Increasingly, the idea that businesses and corporations should contribute to national happiness is a cause that has both intuitive and moral appeal among practitioners. Right across the world, social enterprises are emerging and operating to create positive social change, and private enterprises are making commitments – symbolically and substantively – to sustainable development and creation of a better world. This is evidenced in the 12,000 plus companies that have made a pledge to the ten principles of the Global Compact and the BCorp movement seen around the world (Chen & Kelly, 2015). As the former UN Secretary-General, Ban Ki-moon, stated in his

opening remarks at the UN Global Compact Leaders' Summit: "Increasingly, as companies, you are embracing the Global Compact not because it makes for good public relations, or because you have paid a price for making mistakes. You are doing so because in our interdependent world, business leadership cannot be sustained without showing leadership on environmental, social and governance issues" (Ki-moon, 2007).

Indeed, businesses and companies around the world are stepping up to the many social and environmental challenges of the 21st century. However, as companies continue to make meaningful contributions to the objective conditions of society, the aspiration of creating a happier society demands consideration of people's subjective experiences. For corporations, contributing to national happiness does not only involve discrete philanthropy, but could entail very basic changes and initiatives in the way they do business (e.g. customer service, workplace culture, etc.). When companies engage in activities (however large or small) that create or promote emotional vitality and meaning in their stakeholders, they are making a positive social contribution. At least within the context of this article, it can be said that those companies are acting in a socially responsible way.

Happiness is a topic with alluring appeal to laypeople and scholars alike. However, at the beginning of this paper we acknowledged that national happiness is a line of inquiry that has received scant scholarly attention in organizational research (Judge & Kammeyer- Mueller, 2011) and, more surprisingly, has not featured on the radar of the CSR domain within which the issue of national happiness would naturally reside. Drawing on an interdisciplinary research base on mental health and wellbeing, we highlighted how national happiness is a social issue of relevance and importance to business organizations. A review of different conceptualizations of happiness was provided, which emphasized the need for greater focus on the effects businesses have on the subjective experiences of societal constituents in the forms of hedonic and eudaimonic wellbeing. Using stakeholder theory as an organizing device, a conceptual

framework labelled 'stakeholder wellbeing nexus' was presented.

By intersecting organizational concepts with research from adjacent disciplines, this paper has sought to bring to the fore a broader awareness of national happiness as an emerging social issue, and to highlight the opportunities for meaningful contributions by business and organizational scholars.

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The Blazing Dragon: The impact of Dungsam Cement Corporation Limited (DCCL) on development, and some discussions on corporate culture and GNH values

Karma Gayleg

Abstract

This paper presents an overall impact on social, cultural, environmental and ecological changes brought about by the Dungsam Cement Project (DCP) at Nganglam, under Pemagatshel District, in Bhutan to its surrounding and environment. It will also share general perspectives on the present scenario of the overall corporate environment in Bhutan's context. It will recommend the way forward for Bhutan's corporate sector to imbibe the values of GNH to balance the material pursuit with promoting wellbeing and to achieve a holistic development in society for now and in the future.

In the first part of the paper, a brief project history of DCP will be presented. After that the changes and the benefits brought about by DCP to the local area and the region will be evaluated. These would include changes in economic, social, environmental, cultural spheres and other aspects of the societal changes and developments.

In the second part of the paper, an attempt will be made to present the current corporate scenario in Bhutan, in comparisons with the civil service and other corporate organizations. This study will use the data from the Annual Organizational Climate Survey, Market Feedback and Survey, Annual Dealers Meet and Annual Vendors Meet in DCCL and some of the DHI-Owned and DHI-linked companies. The findings from the Organizational Climate Survey conducted for DCCL will also be shared.

Lastly, this paper will provide suggestions for including some policies, principles, corporate culture alignment and other influencers for linking the corporate arena with the principles and benefits of GNH.

Background

Dungsam Cement Corporation Limited (DCCL) was incorporated on September 10, 2009, under the Companies Act of the Kingdom of Bhutan- 2000, as a fully owned subsidiary of Druk Holding & Investments (DHI). DCCL owns integrated green field cement manufacturing facility with a production capacity of 1.0 million tonnes of clinker and 1.36 million tonnes of cement per year. Its product is marketed under the brand name of "Dragon Cement".

DCCL owns two captive mines: Kanagrizhe and Marungri mines. The two combined mines have a total area of 676 acres out of which 271 acres is registered in the name of DCCL and the balance 405 acres on is 25 years lease from RGoB. However, during the year 2015, the ownership of 271 acres was resubmitted to the government.

The Kangrizhe mines has limestone reserve of 9.48 million tonnes with mining life of 24 years and Marungri mines has limestones reseve of 38.79 million tonnes with mining life of 31 years. The mining ratio of Kangrizhe to Marungri is 20:80 which may slightly vary depending on raw mix design.

Regarding the market for Dragon cement, in the export market it mainly comprises of seven North East Indian states (Assam, Nagaland, Tripura, Mizoram, Meghalaya, Arunachal Pradesh and Manipur), and North Bengal, Sikkim and East Bihar, while the domestic market is divided into three regions- eastern, central and western. The eastern region covers the Samdrup Jongkhar, Pemagatshel, Tashigang, Tashiyangtse, Mongar and Lhuntse districts; and the central region covers Sarpang, Tsirang, Zhemgang, Wangdue, Punakha, Dagana, Tongsa, Gasa and Bumthang districts; while the western region covers the districts of Chukha, Thimphu, Samtse, Paro and Haa.

The plant facility is located at Chengkari, Nganglam under Pemagatshel district in eastern Bhutan, spread over an area of

187.87 acres, which is located at an approximate distance of about 150 km from Guwahati, Assam, India. The plant started its commercial operation from 1st January, 2014.

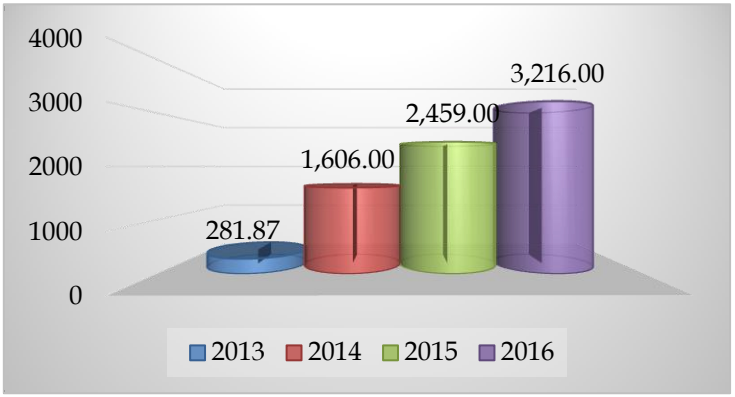
The employee profile and its categorization is shown below:

Table 1. *Employee category*

Employee Category	Number
Executive	5
Managerial	49
Supervisory	37
Operational	294
GSC	22
Total	407

It can be clearly seen from the above data that the operational level employee comprises of almost more than 72% of the total strength due to the fact that the Company is a manufacturing, process-oriented entity, with more than 400 odd motors of various sizes in operation at any point of time, including thousands of instrumentation signals, and with an average monthly power consumption of 23 MW. The main operational machinery units consist of crushing unit; lime stone stacker & reclaimer; raw mill unit; vertical roller mill (VRM); coal stacker & reclaimer; kiln; cement grinding mills; cement storage silos; and the packing & dispatch plant.

Over the past years, starting from the year 2013, and considering till the year end of 2016, there had been a constant growth in the revenue generation by DCCL, as shown in the chart below. In the financial year 2016, DCCL had generated more that Ngultrum 3.0 Billion as its total revenue, which translates to almost 50% of its revenue-generation capacity.



Revenue generation of DDCL

Project history, background and overview

Based on the noble vision of the Fourth Druk Gyalpo, His Majesty Jigme Singye Wangchuk, the Dungsam Cement Project (DCP) was initiated by the Royal Government of Bhutan (RGoB) in 1982, but the main physical project activities started only in 2009 with the incorporation of DCP as a wholly owned subsidiary of Druk Holding & Investments (DHI). Till the year 2009, the DCP was managed by and was under the then Ministry of Trade and Industry, during which numerous field activities and preliminary feasibility surveys were carried out to take the project forward.

Some of the important project milestones and the chronology of main events are highlighted below, which would give the general idea of how the project was delayed for implementation:

1982 – Upon the Royal Command of His Majesty the Fourth Druk Gyalpo, and with support from the Government of India (GoI), the geological investigation of the limestone deposits in the Nganglam area was started under the supervision of the Penden Cement Authority Limited (PCAL) at Gomtu, Samtse.

1985 - Detailed feasibility report on the Dungsam Cement Project (DCP) for 1500 tonnes per day (TPD) cement production capacity by the Cement Corporation of India Ltd. was completed.

1986 – Single Lane Road from the Indo-Bhutan border to the cement plant site was constructed. (Turning point activity for the development of Nganglam)

1992 - Cement Corporation of India and Planning Commission, Government of India, completed the revised techno-economic feasibility report on DCP.

2001 - The project activities had to be suspended indefinitely in January 2001 due to unfavorable security situations in the region.

2002 - Techno- Economic Friendly Feasibility Report for a 0.5 MTPA cement project was prepared by HOLTEC Consulting Private Limited, a consultancy firm in India.

2005-06 – On command of His Majesty the Fourth Druk Gyalpo, the Royal Government of Bhutan, with support from the Government of India (GoI), decided to reactivate and implement the proposed project for the overall development benefit of eastern Bhutan in particular and the overall economy of Bhutan in general.

2009 - Contract agreement for the supply of main cement Plant and Machinery starting from crushing plant to packing plant was signed with Humboldt Wedag India Private Limited (HWI), a branch office in India of the overall global, Germany based Humboldt company, on 9th September 2009. Contract agreement for Plant's civil construction works was signed with Petron Civil Engineering Pvt. Ltd on 20th November 2009.

2010 - Contract agreement for supply and erection of electrical, control and automation works was signed with ABB Ltd (a global brand with a branch office in Bangalore, India) on March 25-26, 2010. Contract agreement for Plant mechanical erection and fabrication works was signed with Ayoki Fabricon Pvt. Ltd on 25th June 2010.

2013- The first product from the plant, i.e Clinker, was produced and sold in the Indian markets in May 2013, and subsequently, the cement production started sometime by October 2013.

2014- The official commercial operation date (COD) was declared as the 1st of January 2014.

As of today, the Company is in its fourth year of commercial operation.

The Overall Impact of the Project (DCCL)

In this section of the paper, the overall impact of the project to the region as a whole and in particular the impact to Nganglam region will be highlighted.

To draw a picture of the development status of Nganglam in the early 1980s, a detailed feasibility report on Dungsam Cement Project by Cement Corporation of India Limited, in March 1985, stated

> At present, no appreciable infrastructural facilities like schools, bank, post office, telephone and telegraph links, recreational clubs, hospitals etc are available. Facilities for housing the labour and workers are also not available and would require to be developed. Arrangements for construction power would also require to be made. Provision of school, bank, post office, club, health centre, shopping centre and guest house has been made in the project cost estimates.

However, by the year around 2010, the same town had become a hub of development activities, as reported in the article in Bhutan Observer, titled "Cement plant to make Nganglam a business hub," by Rabi C Dahal, featured on March 8, 2010, the overall impact of the project to Nganglam is aptly described as reproduced below:

> The construction of mega Dungsam Cement Corporation Limited (DCCL) in Pemagatshel is in full swing promising many economic opportunities for the local communities. As part of the project, the 15-km road from Indo-Bhutan border to the project site at Chenkari is being broadened to two lanes. Broadening of the road, which is expected to be complete by mid April this year, has been delayed by a few months. A 38-km two-lane highway from Pathshala in Assam in India to Nganglam is

> expected to be complete in a month. The upgraded highway will improve connectivity to the cement plant and help export cement to the north-eastern states of India.
>
> The road will not only provide access to the DCCL, Bhutan's biggest cement plant, but also provide travellers in India and Bhutan a faster means of transport. Today, it takes four hours to reach the Indian town of Pathshala from Nganglam. Once the road is complete, it will take less than an hour to reach the national highway (NH-31) in Pathshala, which is used by Bhutanese to go to various southern border towns."

The overall impact and the development benefits that the project brought to Nganglam shall be discussed under the sub-headings of road and bridge construction, Nganglam Central School construction, other contributions and donations, urban growth and expansion, and social and cultural impact as presented below.

Road and bridge construction

When the first, single-lane, vehicular road from the Indo-Bhutan border to the cement plant site was constructed in the year 1986, it was the biggest milestone event for Nganglam region and the Pemagatshel district, because it was the prime, trigger factor for all forms of development including economic, social, educational, cultural and environmental aspects. Due to this opening of the road, the path was cleared for connectivity of Nganglam with Pemagatshel, Panbang, Yangbari, Weringla, Gyelposhing in Mongar district in the subsequent years to come. It also enabled Nganglam to be connected with Guwahati and other parts of India, Samdrup Jongkhar, Gaylegphug and Phuentsholing towns. This connectivity advantage opened up a huge potential for trade and commerce in the region, while at the same time, the RGoB was able to take the development initiatives and activities right to the remote villages in the region.

Later, in the year 2010, this same road stretch was further improved with widening and black topping works, including the construction of numerous bridges and culverts along the way till the cement plant site. In total, the project had invested a total of Nu 348,228,519.00 on road and bridges from border point to cement plant, which was later handed over to the department of roads (DoR), under the Ministry of Works & Human Settlement (MoWHS).

Similarly, to facilitate the project activities, the GoI had also constructed an excellent, double-lane, black-topped road from Pathsala to the India-Bhutan border linking the Indian towns of Bagmara, Anchali, Shimla, Rangapani and Daodara in between.

Further, a single-lane, bituminous access road was also constructed from the cement plant till the Kangrezi and Marungri Mines. This road also serves as the initial access point to Decheling Gewog Community road, which would have helped in saving the cost to the RGoB.

Nganglam central school construction

The central school that we see today was constructed during the early phase of the project in 1980s, and the school in its own right had contributed immensely to improving the people's access to modern education and overall educational infrastructure development in the region. Today, when the Ministry of Education reintroduced the concept of central schools in 2015-16, the pre-existence of school infrastructure had proven to be an added advantage as no additional investments had to be made on the physical infrastructure. On the other hand, the Company had also benefited through this as most of the local employees in the Company had graduated from this school. And, many more graduates of the school are serving in various parts of the country in different sectors and agencies.

Other contributions and donations

As a kind of corporate social responsibility (CSR) activity, the project office at that time had also made contributions towards enhancement of security and health services by

donating one DCM truck to the Royal Bhutan Police (RBP), Nganglam Outpost, and X-ray machine, dental equipment, and ultra sound units to the Basic Health Unit (BHU), Nganglam. The total cost of the above equipment was Nu 1,283,426.00. Moreover, based on the recommendations of His Holiness the 70th Je Khenpo Rinpoche, DHI companies, including DCCL had contributed Nu 4,975,000.00 for the construction of *Neykhang* (worship abode for the local deity) at Nganglam, which is on-going.

Urban growth and expansion

With the development works mentioned above taking place gradually, the Nganglam township had grown into a urban growth-centre for the region and it was slated for further scope of expansion with more connectivity and the central point location of the place. Along with the project development activities also came the establishment of public and government institutions such as the Dungkhag administration office, Basic Health Units (BHU), Gewog Centres, RBA & RBP centres, financial institutions such as the Bank of Bhutan (BoB), Royal Insurance Corporation of Bhutan (RICB), Bhutan Development Bank Limited (BDBL), and Bhutan National Bank (BNB), etc. Side by side, the growth of demand for housing, grocery shops, hardware stores, local transport for both light and heavy vehicles also increased proportionately, and with this new-found business opportunity, citizens from all nearby districts such as Samdrup Jongkhar, Pemagatshel, Tashigang, Mongar, Tashi Yangtse, and Lhuentse, flocked towards and made their establishments in Nganglam.

Some of the minor project civil infrastructure works were contracted out to the local entrepreneurs and builders, whereby they gained invaluable experience of modern design, construction and the art of executing the civil works and other contracts. Due to such learning experiences, numerous entrepreneurs from this area had been launched onto a greater and bigger business dreams. Today, most of them are Class-A contractors, proprietors of major business units, transporters and so on.

For the years to come, there is a huge scope for the growth of urban township here in Nganglam, mainly propelled due to its nodal connectivity with all the major districts and towns in this region, and also other industries such as the stone quarry, Dungsam Polymers Limited (DPC), and Druk-Gyp Products Limited are already established and operating here.

Social and cultural impact

Given the present total population of Nganglam which is more than 11,000 head counts, along with the rapid urban expansion, there is a social growth and development taking place, as the population and human interaction goes on increasing due to the newer business opportunities and the urban facilities. There is a general trend for the rural folks to move from their rural and far-flung areas to the urban, electrified and road-connected townships such as Nganglam. Further, growth potential is also huge due to it being a nodal township which is connecting Gyalposhing, Panbang, Samdrup Jongkhar, Dewathang, Pemagatshel, Gelephu, and Guwahati. Thus, a unique societal growth has taken place with a mix of different ethnic groups from all the major six eastern districts and also from the western and central regions of Bhutan. With the increase in spending power of people due to employment opportunities afforded by DCCL, DPL, Druk Gyp products and other commercial entities, and also due to their exposure to modern amenities and exposure such as the cable TV, mobile telecommunications, internet, FM radio stations, etc, the commercial activities are on the increase.

In addition to creating employment opportunities, the Company also organizes social and sports events from time to time. Since the year 2015 winter, the Company had organized an Open Marathon to spread social messages such as STD, AIDS, Fitness & Health, Birth of our Gyalsey and so on. Also, so as to encourage productive life and to discourage school youths from engaging in disruptive and drug-abuse etc, the Company tries to provide them temporary jobs in cutting the bushes and grasses in and around the Company premises during their winter and summer vacations.

With the social growth and changes, the commensurate development of vibrancy and vitality in the cultural aspect also takes place side by side. There had been a gradual development and construction of cultural monuments and symbols such as the *Lhakhang, Chortens*, and accompanied by organization of annual *Kanjur* recitation, *Drupchens* and other religious ceremonies. The community vitality also gets more vibrant with social, religious, cultural and spiritual events and functions. Definitely, there is a presence of age-old culture of *Driglam Choesum* through Dungkhag administration office, wherein Cultural Officers are appointed for this very specific purpose of organizing, enacting and displaying cultural and traditional etiquettes during official functions such as Zhugdrel Phuensum Tshogpa, Marchang ceremony, Chipdrel Ceremony and other religious processions. These displays of colorful, rich, symbolic and meaningful cultural heritage goes a long way in instilling the sense of pride and belonging in the hearts of your younger generations. In a way, this is one very affective method of passing down the rich culture and tradition to the future generations.

Nganglam being located near the border Indian State of Assam, the local people in the ancient times maintained the culture of "*Kurma-Kurmi*" which is loosely translated as "*Host-Guest*" relationship, and this culture continued till the 1970s and 1980s, just before the modern developments actually came to Nganglam. This tradition of "*Kurma-Kurmi*" facilitated and enabled the peoples of the two countries in the border areas to conduct trade and barter system of goods exchanges in those days. Therefore, as a celebration and the symbolic appreciation of age-old friendship between India and Bhutan, the Nganglam Chapter of the Bhutan India Friendship Association (BIFA), during the celebration of Fourth Druk Gyalpo's birthday on November 11, 2015, enacted the actual scene of "*Kurma-Kurmi*", wherein the peoples from two sides of the border exchanged their gifts, and demonstrated the linguistic skills by Nganglampa speaking a fluent *Assamese*, and then duly reciprocated by Assamese speaking fluent *Sharchopkha*.

Therefore, the social and cultural growth and impact is also felt due to the growth of township, and the lives and livelihood of the people around are also improving year by year with the advent of economic development.

The current corporate scenario and GNH values

Since, most of the bigger corporations are under DHI, major emphasis shall be given to the DHI and its portfolio companies, because in the near future too, they would lead and influence the corporate governance and its cultural developments in Bhutan.

The Druk Holding and Investments (DHI) was established on 11 November, 2007, through the issue of a Royal Charter, with the primary mandate "to hold and manage the existing and future investments of the Royal Government of Bhutan for the long term benefit of its shareholders, the people of Bhutan."

The Royal Charter for the Druk Holding & Investments (DHI), in its very first line states:

> Recognizing the need to accelerate socio-economic development to achieve the goals of *Gross National Happiness* for our people……Taking into account the need to conscientiously lead and stimulate private sector development through a culture of innovation, creativity and enterprise, while preventing the spread of *corruption and other undesirable activities* … I, Jigme Khesar Namgyel Wangchuck, King of Bhutan, on the Eleventh of November Two Thousand and Seven, hereby issue this Royal Charter and the Annexes to establish Druk Holding and Investments to hold and manage the existing and future investments of the Royal Government of Bhutan for the long term benefit of its shareholders, the people of Bhutan.

Thus, the DHI was established with clear mandates based on the Royal Charter, and the vision, mission and values of DHI are also deliberately and consciously aligned along the lines of GNH-centric development principles as can be seen from its

vision statement, "To be a leading sovereign wealth management and creation organization that helps transform Bhutan into a globally *competitive economy guided by the principles of GNH*." Further, the core values statement by DHI also reinforces the GNH principles stated in the above vision, as shown below:

- Integrity – conduct business with *honesty and transparency* at the highest level of corporate governance.
- Teamwork - work collectively across all levels and partners, building strong relationships based on *respect, understanding and cooperation*.
- Responsibility - Strive to be responsible in keeping with *the values of GNH*, be sensitive to the environment and accountable to the people of Bhutan."

It may be mentioned here that after the establishment of DHI, the streamlining of the corporate governance of major corporate entities took place with the inclusion of international best practices in the day-to-day functions of the corporate entities. With the above improvement came the efficiency, productivity and the professionalism in the overall system of corporate governance. This is evident from the Royal Decree issued on September 28, 2010, which stated: "Druk Holding and Investments (DHI) has performed admirably since its establishment in 2007. It has built a strong foundation for effectively fulfilling the goals of holding and managing the commercial investments of the Royal Government for the *long-term benefit of the Bhutanese people."*

DHI governs and manages its portfolio companies through the implementation of its Ownership Policy, 2013. DHI Portfolio Companies (DPCs) consists of all the companies in which DHI has shares. These companies are classified into three sub-groups based on DHI's shareholding: (a) DHI Owned Companies (DOCs)–those companies that are fully owned by DHI; (b) DHI Controlled Companies (DCCs) – those companies in which DHI owns more than fifty percent of the paid up equity share capital; and (c) DHI Linked Companies (DLCs) –

those companies in which DHI owns fifty or less percent of the paid up equity share capital. In addition, all DOCs and DCCs are required to adopt the Corporate Governance Code and associated guidelines such as the Board Charter, the Audit Committee Charter, Corporate Social Responsibility and the Code of Conduct, which are appendices to the Corporate Governance Code. The Code provides a set of guidelines on good corporate governance based on internationally accepted standards. To promote good board practices, DHI also introduced and conducts regular board orientation programs and organizes directorship skills development programs for the directors of the boards of its portfolio companies.

The DHI's Corporate Social Responsibility (CSR) Guideline, 2013, also states, "More importantly, as the commercial arm of the government, DHI acknowledges its responsibility to deliver and set precedence for sustainable CSR guided by the country's development philosophy of Gross National Happiness (GNH)."

Therefore, we can see from the above discussions and references that the basic foundation stone of DHI and its portfolio companies are deeply intertwined and infused with the principles of GNH, which is currently being practiced and implemented and all the current generation of Bhutanese must ensure that it is passed down to the future generations in the years to come.

Dungsam Cement Corporation Limited (DCCL) is one of the portfolio companies under the DHI, and falls in the category of DHI-Owned Company (DOC) or a fully owned subsidiary company. As mandated by DHI, DCCL has adopted all the regulatory and governing principles and policies mentioned in the above sections to encompass the values such as ethical standards, employee welfare, work-life balance, and safety standards, feedback and organizational climate assessment surveys, fair treatment of customers (by conducting customer satisfaction & market survey), quality assurance and respect for the consumers or our customers, managing our stakeholders (by holding annual vendors' meet, transporters' meet, regulatory bodies' meet, and so on). In addition, as a DOC, DCCL also signs an Annual Compact Targets with DHI since

2013, and also has a Corporate Strategic Plan (CSP) in place. Due to space constraints, the discussions will be limited to the internal service rules (ISR), which is mandated by the Labour & Employment Act, 2007; customer satisfaction survey findings for the year 2016; organizational climate assessment survey findings of 2016; and the environmental monitoring and control measures adopted by DCCL.

Internal Service Rules (ISR)

The Labour and Employement Act of Bhutan, 2007, Chapter V, Contracts of Employment, under the section (76), page 19, requires each corporate entity to have its own internal service rules (ISR) for ensuring harmony and proper relationships between the employer and the employed. Under this Act, various tenets and clauses are enshrined in various chapters that ensures employee-employer relationship in terms of issues such as the contract of employment, compensation and benefits, hours of work and leave, wages, occupational health and safety, and resolution of disputes, etc.

In almost all legislative framework development and enactment of various Acts for the country, the Druk Gyalpos have laid great emphasis on the sacred fulfillment of the vision of Gross National Happiness, as can be seen from the *Preamble* to the Labour and Employemnt Act 2007, which states:

> Whereas, the wellbeing of workers contributes to the Gross National Happiness.
>
> Whereas, workers play a crucial role in the development of the Kingdom, it is essential that their welfare is promoted and protected through a fair and just labour administration system suitable for Bhutan.
>
> Whereas, it is the desire of His Majesty the King Jigme Singye Wangchuck, that all Bhutanese, particularly the educated youth are gainfully employed.

Therefore, the DCCL's ISR was also drafted under the guidance of DHI and approved by the Ministry of Labour & Human Resources (MoLHR), as mandated by the above Act. The ISR provides a fair ground for both the employer and the employed to have a common understanding and harmonious co-existence. Due to want of time and space only the relevant clauses of the ISR shall be highlighted below so as to justify the GNH-centric value system embedded in the ISR, which would ultimately lead to work-life balance.

The ISR, leave policy states, "The objectives of providing leave benefits by the company are to release its employees from the *pressure of work* and to provide them *time-off under circumstances such as sickness, marriage, pregnancy and bereavement*. "

Also, very soon, the maternity and paternity leave durations are going to be revised for the corporate sector (it was already introduced for the Civil Service) as well by the Ministry of Labour & Human Resources from January 2018 onwards, as mentioned in the Kuensel article of October 21, 2017, titled, "SOEs to implement six months maternity leave from 2018."

Again, the ISR Code of Conduct & Ethics states,

> Treat members of the local community, guests to the company's facilities, contractors, and suppliers with *courtesy and professionalism* at all times… Take special care of the *safety and wellbeing* of co-workers, colleagues, and customers and their properties while carrying out duties and responsibilities… Maintain *harmony and create team spirit* with superiors, subordinates, and co- workers.

Under the work place safety policy, it states:

> The safety and *welfare of the employees* shall be considered as very important aspect of the company's values. Although the company is committed to providing a *safe working environment* for its entire staff at all times, accidents are unforeseen. Hence it is important that as part of the safety value of the company, the company provide

> insurance schemes to compensate employees who fall victims to accidents…In order to ensure that employees have a reasonable *period of rest and recreation* following each year of employment, and to see that the company operates at *maximum efficiency and optimum level of performance*, employees are encouraged to take leave that is accrued to them each year.

There are such similar rules and principles in place to ensure the safety, insurance and work-life balance of employees, which would go a long way in ensuring the achievement of overall national policy of Gross National Happiness.

Customer satisfaction survey

In addition to employees happiness and satisfaction, it is very critical that the Company also ensure that the customers are given a fair deal by treating them with respect and courtesy, supplying them with quality and timely goods and products, addressing their concerns and complaints, incorporating their genuine feedback and suggestions into future development of the company's policies and rules and so on. Thus, DCCL carries out the customer satisfaction survey on an annual basis, and a partial reproduction of one such survey is being presented below, so that the reader develops some understanding of the current corporate scenario.

One of the objectives of the customer survey of year 2016 states as,

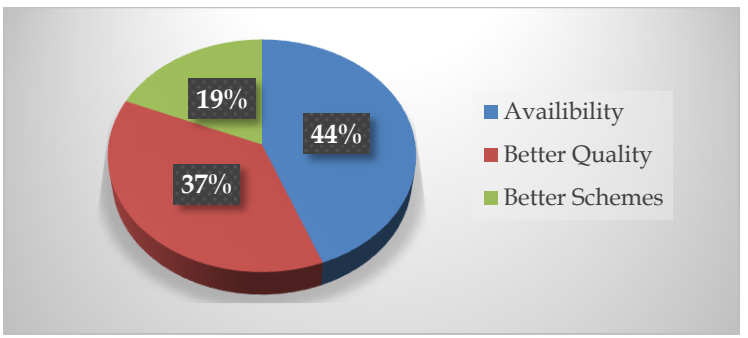
> … the report also covers an analysis on customer satisfaction in Assam and Eastern Bhutan market. The purpose of this survey is to gauge how satisfied the customers are. A happy customer is extremely valuable to the company. Happy customers come back and make repeat purchases; they have higher customer lifetime values and are less likely to deflect to competitors. On the flipside, unhappy customers are more likely not to continue buying the product and shift their preferences to other

better products. In the worst case, they are more likely to share their bad experiences about a product to others and the bad words would continue to proliferate till the company counter positively, otherwise it will collapse the company.

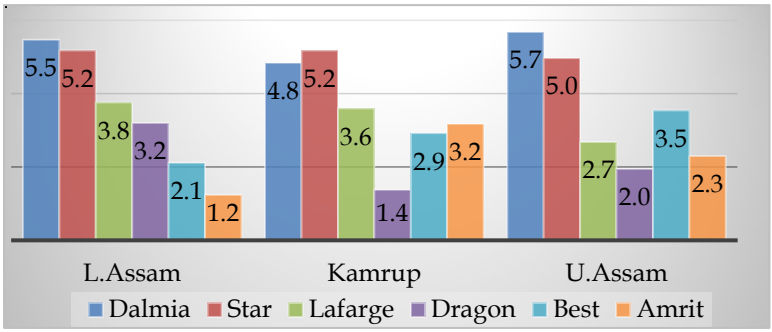
From the above objective it is clear that the happiness of the customer and the value for money that they get from buying cement is given utmost importance and highest consideration, while still maintaining the competitive spirit of the corporate world. However, it must not be such that in the aggressive spirit of competition, all the ethical standards and mandates are overlooked, whereby, a corporate entity goes to the extent of disparaging or damaging the image of its competitors by negative campaigns and lobbying through schematic plots of bribing, buying the customers, bad-mouthing about its competitors' products, false reports of its products and so on.

The current practice amongst the DHI-owned, service-oriented companies is to carry out the market survey from time to time. In addition to helping in keeping up with the customers expectations, it also serves the purpose of keeping in check the unethical practices and other factors that might hinder the company from delivering effective services to its customers.

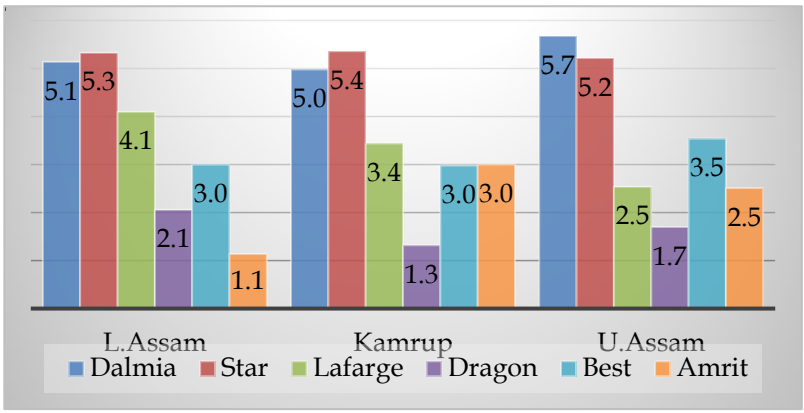
A sample representative findings of a typical market survey carried out by the Sales & Marketing Department (SMD) of DCCL is shown below:



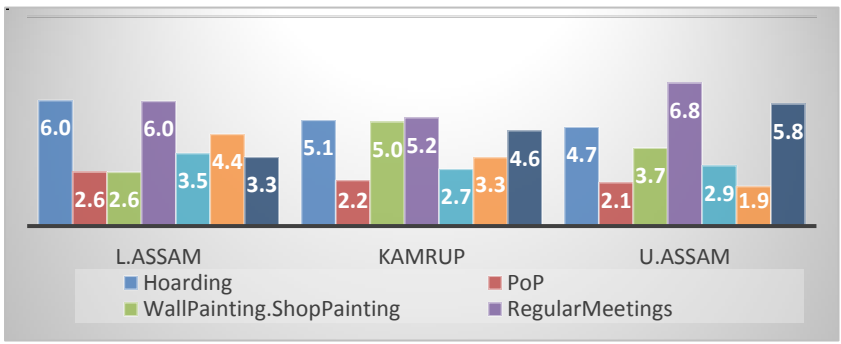
What were the reasons for choosing Dragon Cement?



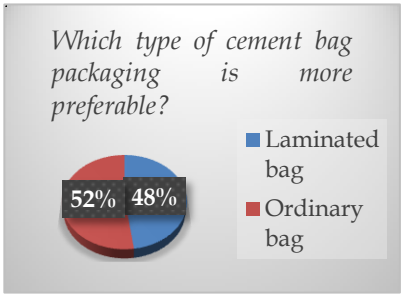
Which brand is recommended the most in the market?

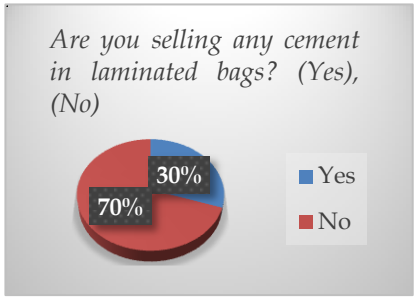


Which company has the most effective sales & marketing policy?

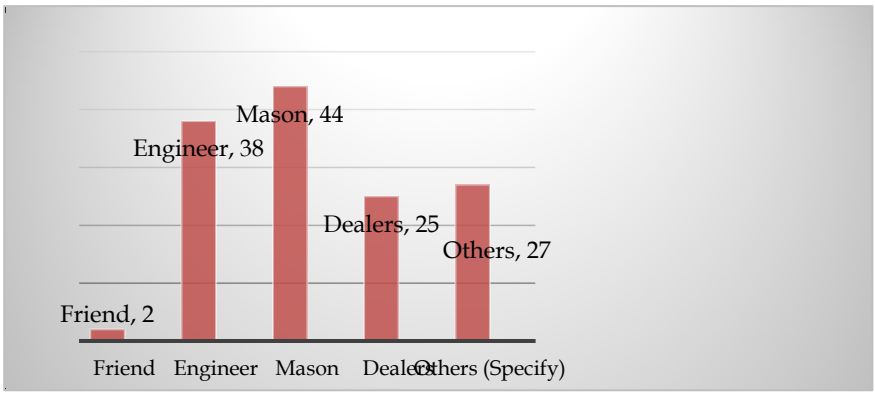


Rank the sales promotion activities according to their effectiveness.



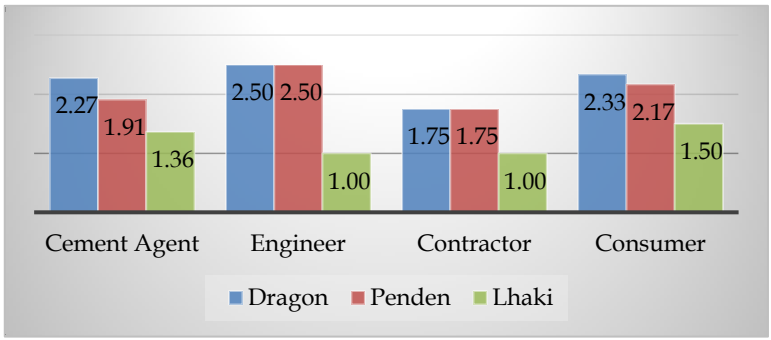


Which type of packaging do you prefer?

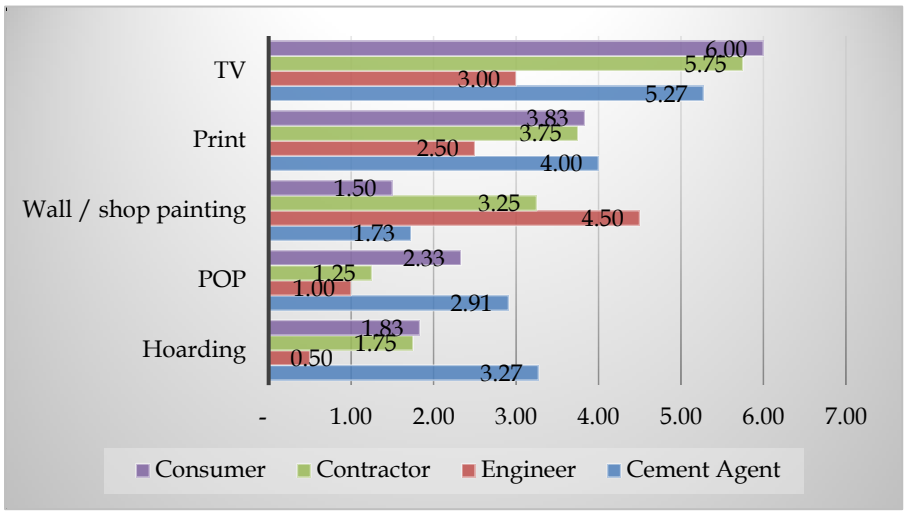


Normally, on whose advice do you tend to buy cement (Decision Influencers)?

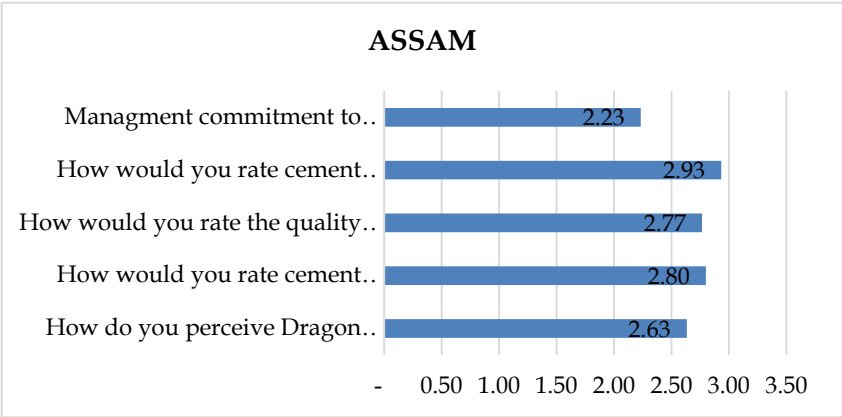
In the second part of the survey, the customers in Bhutan were assessed on almost the same criterion and factors as above. In some aspects, the response to survey questions, the opinions of the Indian customers differed from the Bhutanese customers, which may be attributed to more cultural, social, and other aspects that would have influenced the responses.

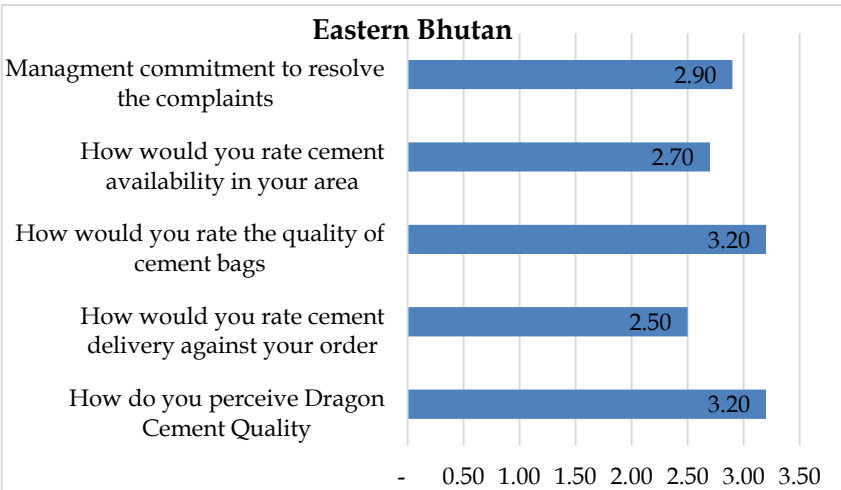


Which cement brands do you sell/buy most?



Rank the sales promotion activities according to their effectiveness?





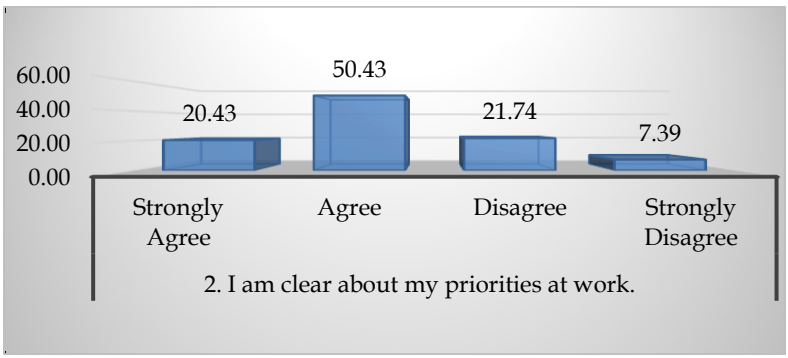
Scenario in Assam & Eastern Bhutan

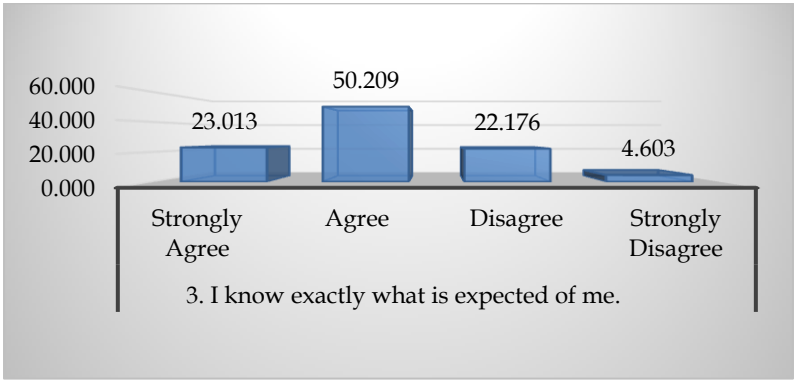
Organizational Climate Assessment Survey

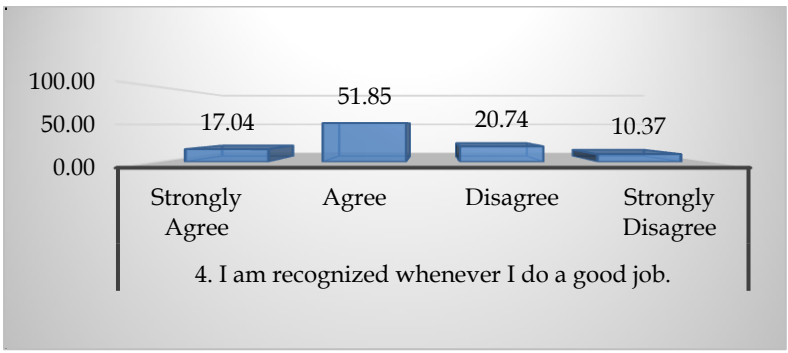
For a product-oriented corporate entity like DCCL, the two most important success factors are the customers and employees. While keeping the customers happy and satisfied, it also goes without saying that the human capital also needs to be kept well motivated so that the best outputs are derived from their endowed potentials.

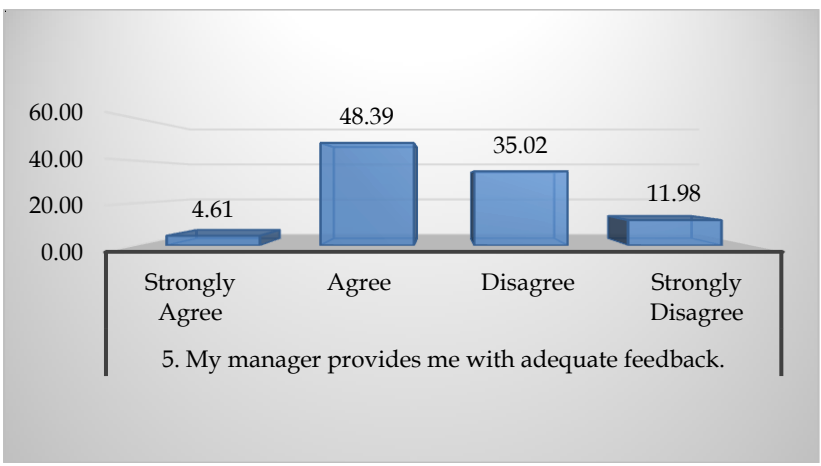
Hence, a typical organizational climate assessment survey is being carried out every year in all the DHI-owned companies to assess the overall organizational climate and several other associated factors. Amongst many others, the assessment survey also covers areas such as: role clarity, team work, feedback, communication, resources and procedures, *opportunities for growth*, compensation, *work-life balance,* fairness & security, *meaningfulness*, bottom-line, and *welfare*. From the italicized words above, it indicates that certain basic elements of GNH-centric employee concerns are incorporated into the overall organizational culture. As the objective of the study itself states as: "*….This study sets out to empirically examine the organizational climate of employees in DCCL. The main objective is been to establish an understanding of the organizational climate and satisfaction of employees working in DCCL.*"

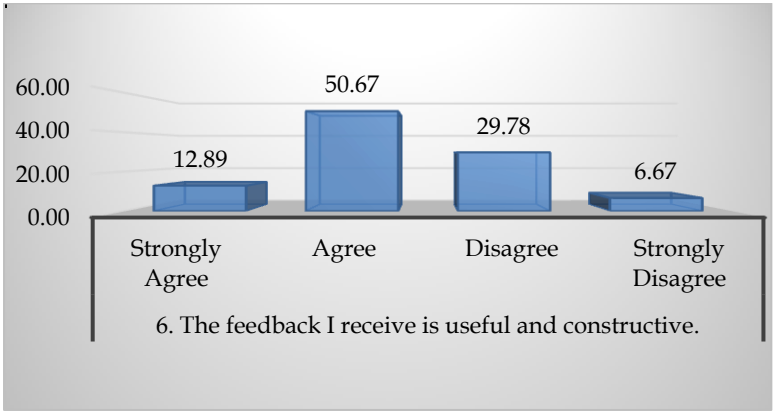
Some of the findings are as reproduced below:

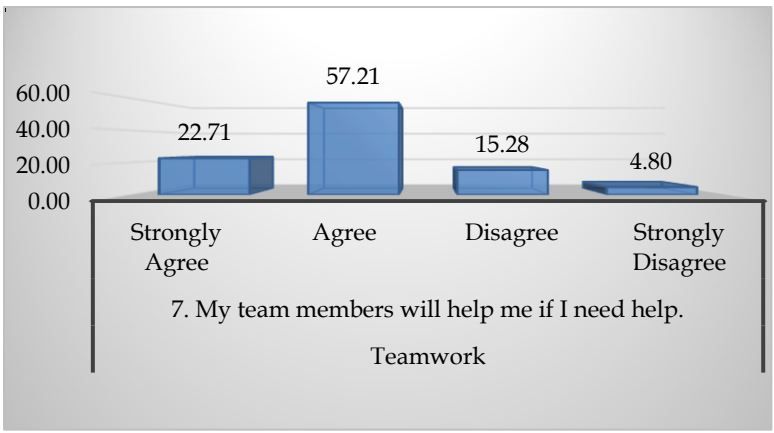


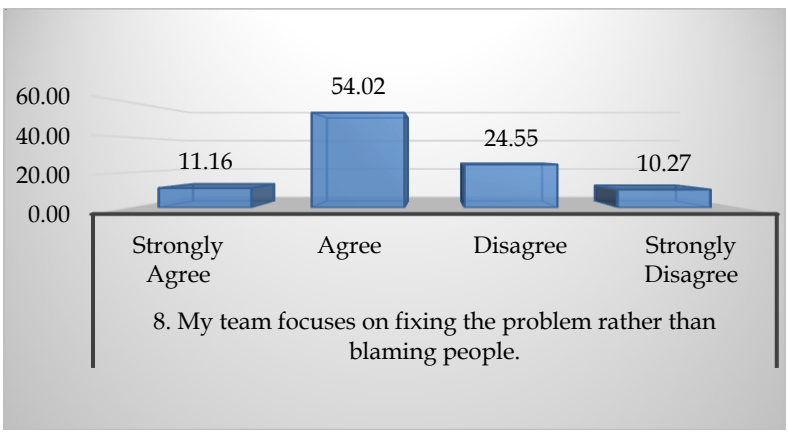

60.000
40.000
20.000
0.000
23.013
50.209
22.176
4.603
Strongly Agree
Agree
Disagree
Strongly Disagree
3. I know exactly what is expected of me.

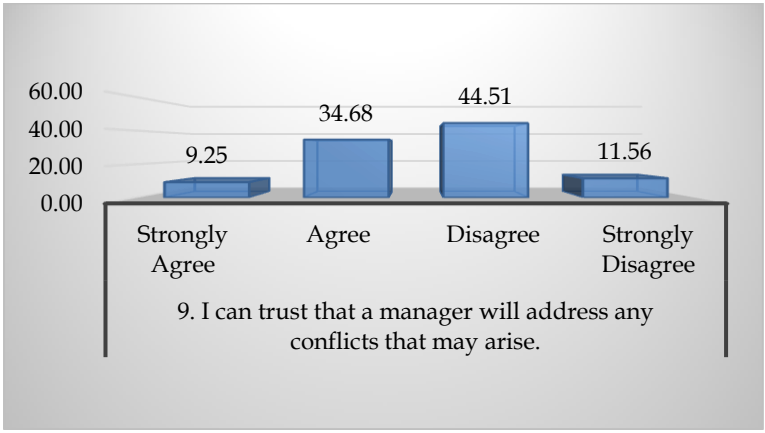

100.00
50.00
0.00
17.04
51.85
20.74
10.37
Strongly Agree
Agree
Disagree
Strongly Disagree
4. I am recognized whenever I do a good job.

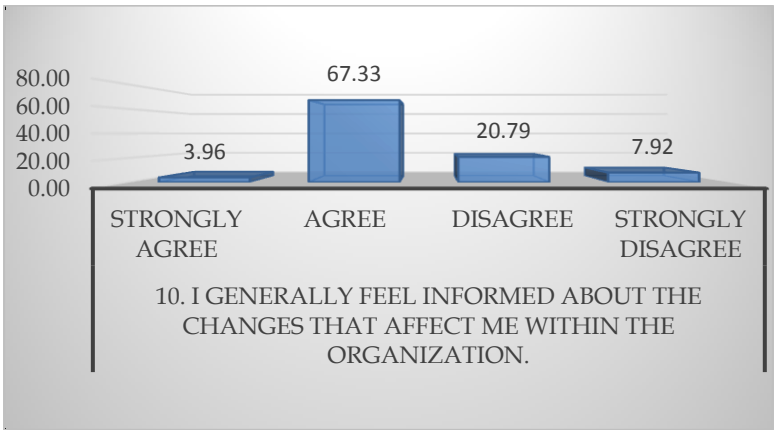

60.00
40.00
20.00
0.00
4.61
48.39
35.02
11.98
Strongly Agree
Agree
Disagree
Strongly Disagree
5. My manager provides me with adequate feedback.

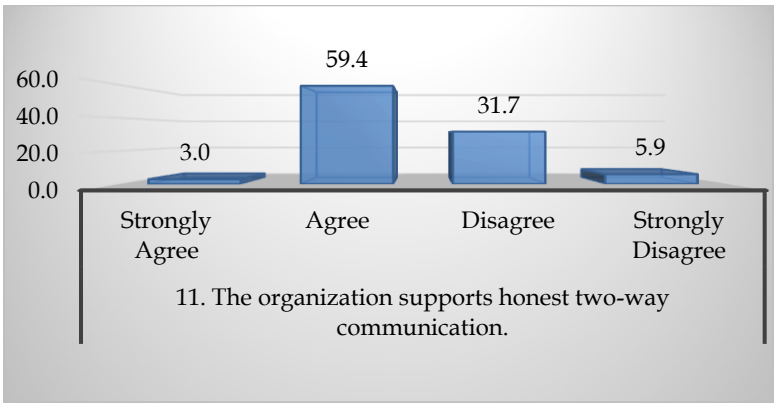

60.00
40.00
20.00
0.00
12.89
50.67
29.78
6.67
Strongly Agree
Agree
Disagree
Strongly Disagree
6. The feedback I receive is useful and constructive.

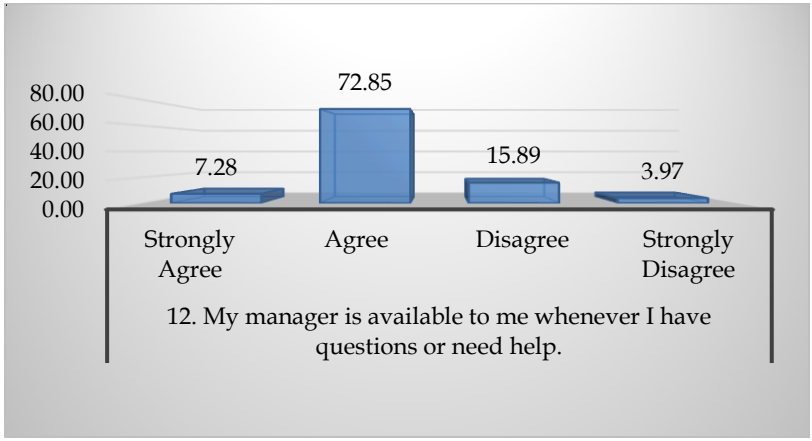

60.00
40.00
20.00
0.00
22.71
57.21
15.28
4.80
Strongly Agree
Agree
Disagree
Strongly Disagree
7. My team members will help me if I need help.
Teamwork

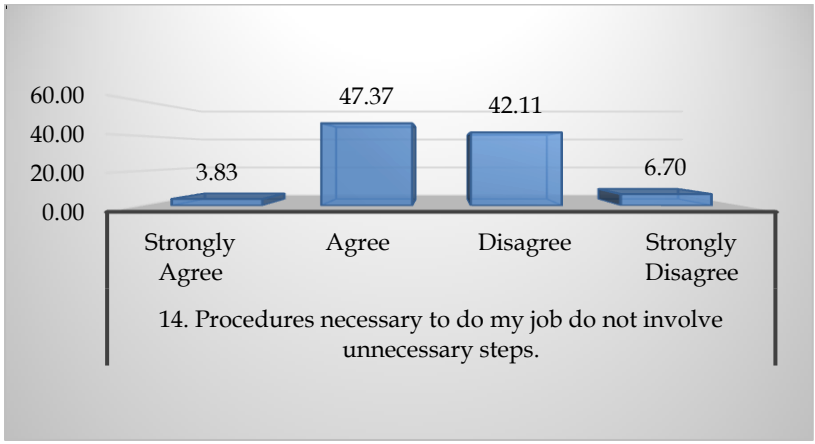

60.00
40.00
20.00
0.00
11.16
54.02
24.55
10.27
Strongly Agree
Agree
Disagree
Strongly Disagree
8. My team focuses on fixing the problem rather than blaming people.

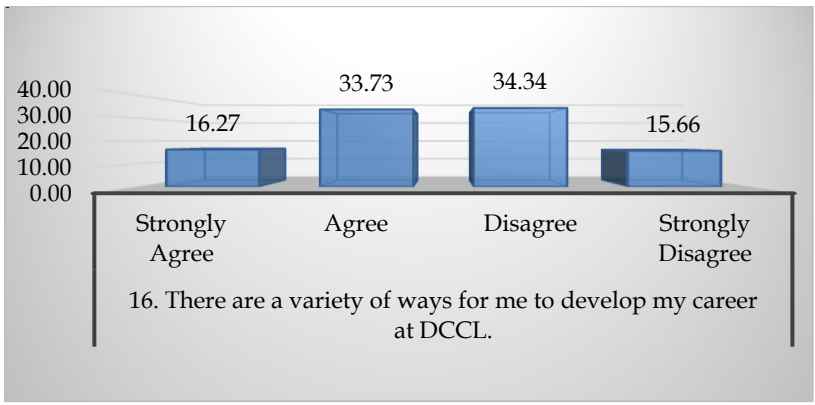

60.00
40.00
20.00
0.00
9.25
34.68
44.51
11.56
Strongly Agree
Agree
Disagree
Strongly Disagree
9. I can trust that a manager will address any conflicts that may arise.

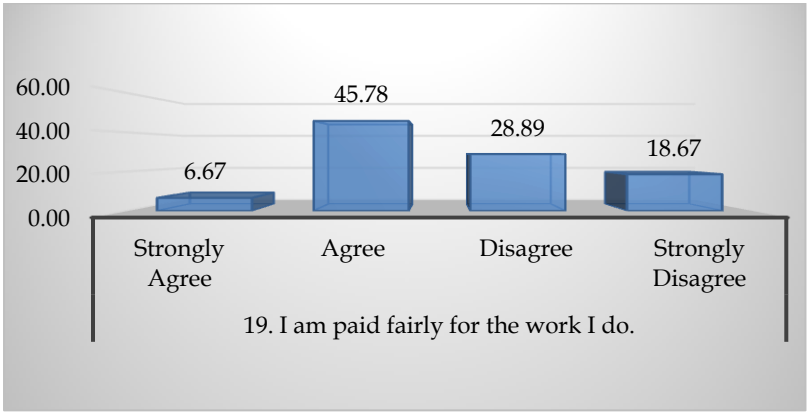

80.00
60.00
40.00
20.00
0.00
3.96
67.33
20.79
7.92
STRONGLY AGREE
AGREE
DISAGREE
STRONGLY DISAGREE
10. I GENERALLY FEEL INFORMED ABOUT THE CHANGES THAT AFFECT ME WITHIN THE ORGANIZATION.

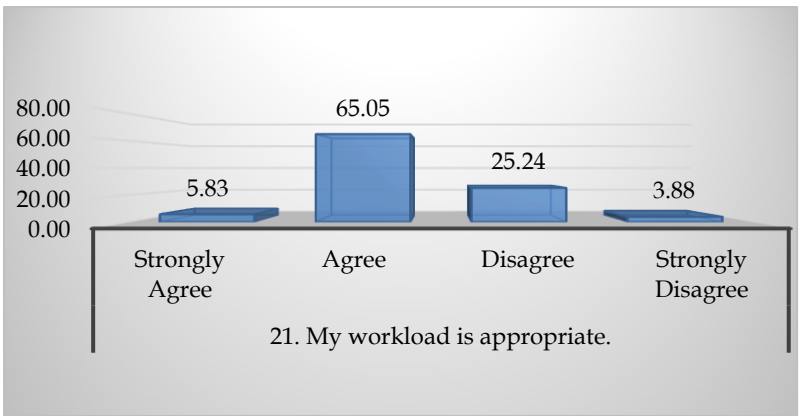

60.0
40.0
20.0
0.0
3.0
59.4
31.7
5.9
Strongly Agree
Agree
Disagree
Strongly Disagree
11. The organization supports honest two-way communication.


80.00
60.00
40.00
20.00
0.00
7.28
72.85
15.89
3.97
Strongly Agree
Agree
Disagree
Strongly Disagree
12. My manager is available to me whenever I have questions or need help.

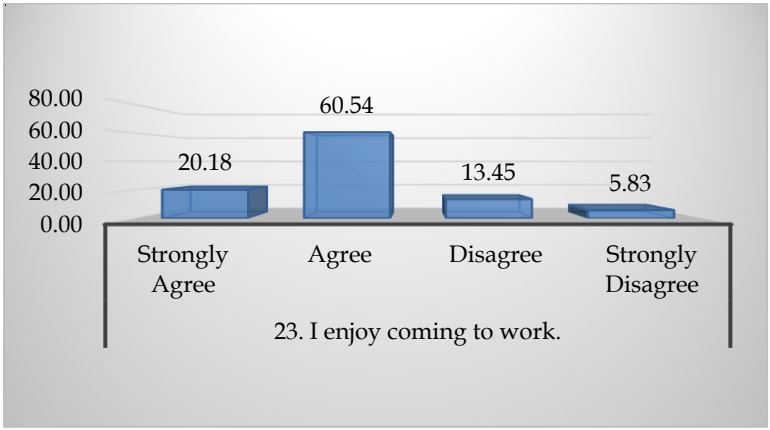

60.00
40.00
20.00
0.00
3.83
47.37
42.11
6.70
Strongly Agree
Agree
Disagree
Strongly Disagree
14. Procedures necessary to do my job do not involve unnecessary steps.

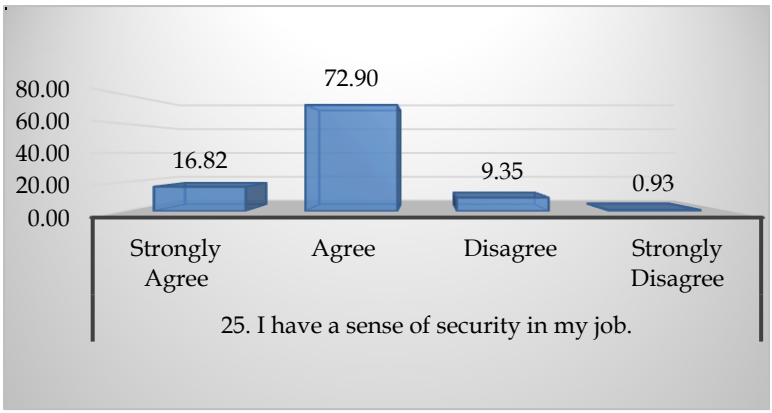

40.00
30.00
20.00
10.00
0.00
16.27
33.73
34.34
15.66
Strongly Agree
Agree
Disagree
Strongly Disagree
16. There are a variety of ways for me to develop my career at DCCL.

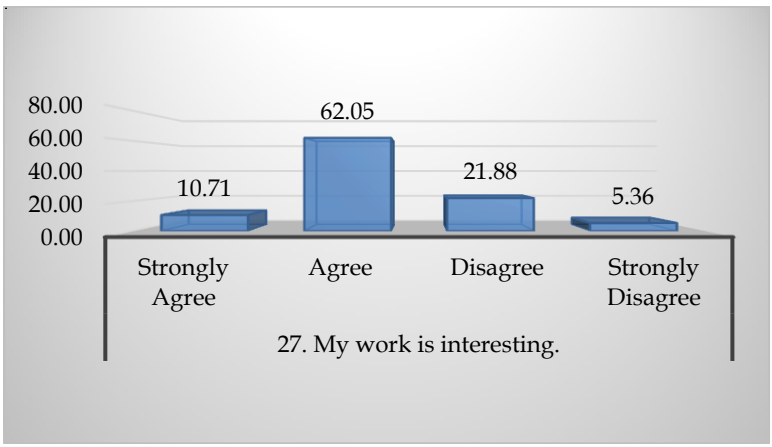

60.00
40.00
20.00
0.00
6.67
45.78
28.89
18.67
Strongly Agree
Agree
Disagree
Strongly Disagree
19. I am paid fairly for the work I do.

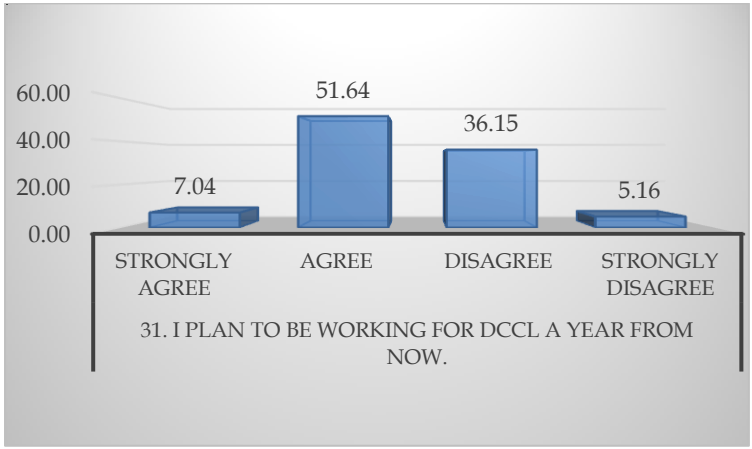

80.00
60.00
40.00
20.00
0.00
5.83
65.05
25.24
3.88
Strongly Agree
Agree
Disagree
Strongly Disagree
21. My workload is appropriate.


60.00
40.00
20.00
0.00
4.46
56.70
31.70
7.14
STRONGLY AGREE
AGREE
DISAGREE
STRONGLY DISAGREE
22. I HAVE THE OPPORTUNITY TO DO WHAT I DO BEST EVERY DAY.


80.00
60.00
40.00
20.00
0.00
20.18
60.54
13.45
5.83
Strongly Agree
Agree
Disagree
Strongly Disagree
23. I enjoy coming to work.


80.00
60.00
40.00
20.00
0.00
16.82
72.90
9.35
0.93
Strongly Agree
Agree
Disagree
Strongly Disagree
25. I have a sense of security in my job.


80.00
60.00
40.00
20.00
0.00
10.71
62.05
21.88
5.36
Strongly Agree
Agree
Disagree
Strongly Disagree
27. My work is interesting.



Environmental concerns and control measures adopted

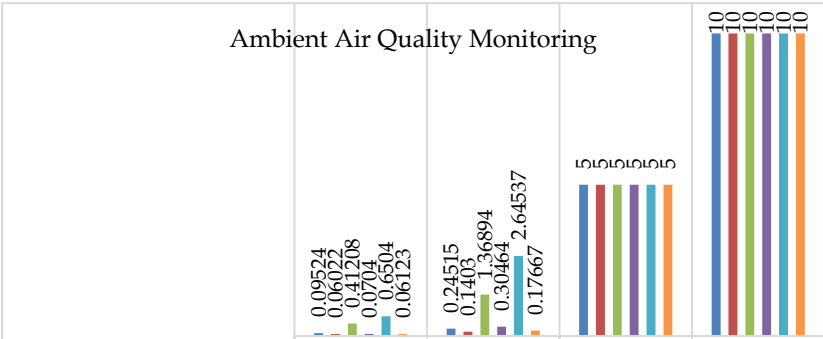
One of the first impressions that one gets when we mention about a cement plant is its associated dust and noise levels. However, right from the conception of the project phase, the concerns had been duly noted and appropriate measures are recommended to control, reduce and minimize the impacts so that the environment is fit for human habitation. Under Chapter XI, Ecology & Pollution Control, of the detailed feasibility report of DCP by Cement Corporation of India Limited, it states, "The potential problems posed by dry process cement plant are mainly air pollution by emission of dust, and noise pollution. In the proposed scheme for Dungsam Cement Plant, maximum measures have been proposed to control the pollution." Other than the air and noise pollution, the report out rules the impact of water pollution and occupational hazards. The report further recommends that the dust control equipment must be incorporated in the plant design as shown in the table below.

Table 2. *Dust control equipment*

Main Equipment	De-dusting System
Crushing Department	Cyclones, Mechanical dust collectors
Raw Mill & Kiln	Cyclones & Multi-Cyclones Electrostatic Precipitator (ESP)
Cement Mill	ESP
Silos	Bag filters
Packing Plant	Bag filters

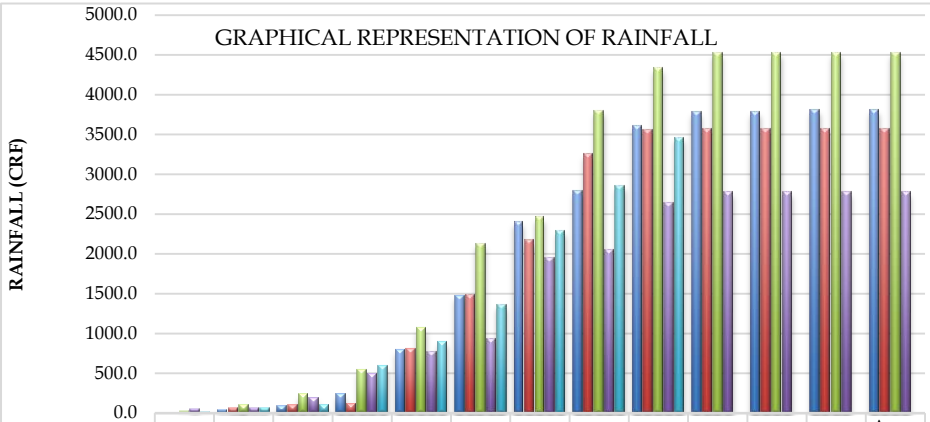
Based on the plant design, the above control equipment had been installed and they are being monitored from time to time. In addition to this, spraying water regularly within the plant premises, mines and the housing colony, including the Nganglam town area, also controls dust on the roads during dry winters. Even at the mines, the check dams and the areas for overburden disposals are provided as per the guidelines and norms of the regulatory bodies such as the Department of Geology & Mines (DGM), and the National Environment Commission (NEC), while at the same time, the parallel activities such as the greening and plantation works are also on-going. The segregation of wastes and their collection is also coordinated at the residential areas and the Plant locations and disposed off as per the NEC norms.

The graph given below shows the ambient air quality monitoring being done on a continuous basis at DCCL. Currently, all the reading levels are way below the NEC's permissible levels. Details of ambient air quality with respect to air quality parameters, like Sulfur dioxide, Nitrogen dioxide and Particulate Matter (having an aerodynamic diameter less than or equal to 10 micrometer) under the Respirable Suspended Particulate Matter (RSPM), and Total Suspended Particulate Matter(TSPM) etc. are recorded.



	RSPM (mg/m3)	TSPM (mg/m3)	RSPM (mg/m3)	TSPM (mg/m3)
	MONITORED DATA		NEC STANDARD	
1 OHSE Office	0.09524	0.24515	5	10
2 Mines	0.06022	0.1403	5	10
3 Packing Plant	0.41208	1.36894	5	10
4 Mechanical Workshop	0.0704	0.30464	5	10
5 Cement Mill	0.6504	2.64537	5	10
6 Administration Block	0.06123	0.17667	5	10

The graph below shows a typical rainfall data maintained by the Company to monitor any changes in the weather patterns and global climatic changes.



	January	Febuary	March	April	May	June	July	August	September	October	November	December	Annual Cumulative Rainfall
YEAR 2013	0.0	35.4	87.2	237.8	791.1	1471.1	2392.3	2785.8	3605.3	3781.5	3781.5	3803.8	3803.8
YEAR 2014	0.0	54.5	98.7	120.1	805.8	1478.8	2161.6	3245.6	3550.8	3568.8	3568.8	3568.8	3568.75
YEAR 2015	12.0	102.0	229.1	538.1	1061.7	2119.9	2454.2	3795.1	4329.5	4516.3	4519.3	4519.3	4519.3
YEAR 2016	39.5	49.5	187.71	490.31	765.11	925.66	1949.96	2043.51	2632.2	2768.7	2772.7	2772.95	2773.0
YEAR 2017	9.7	52.9	96.6	582.1	885.1	1354.6	2280.55	2854.5	3458.4		0	0	0.0

Discussion and recommendations

The corporations and business entities of the 21st century must be cognizant of the past, and be acutely aware of the present trends and the world order so that the future of the business directions are carefully planned. The current trends and thoughts are quite different from the past, and with the growing concerns for environment, human welfare, work-life balance, the inherent urge for happiness, the whole thought process is also changing in the corporate world as can be seen from the quotes from some of the eminent personalities and authors as shown below.

In a speech at the Johannesburg World Summit for Sustainable Development in 2002, the then UN Secretary General, Kofi Annan told the assembled business leaders, "I hope corporations understand that the world is not asking them

to do something different from their normal business; rather, it is asking them to do their normal business differently."

Likewise, in a speech delivered during the World Innovation Summit for Education (WISE) at Doha, Qatar 1st November, 2011, titled *The Social Outcomes of Learning*, former Chairman of DHI, Lyonpo Om Pardhan said:

> At the same time, many governments and private companies continue with single-minded initiatives that seek to *maximize profits and economic performance*. There seems to be little or no regard for the broader social and *environmental impact* of their activities, nor to the *long-term sustainability* of their operations. *Short-term performance*, reflected in *financial statements and stock prices*, is given priority seemingly regardless of the consequences.
>
> Ultimately, it is evident that *unrestrained consumerism*, which results in ever-increasing production using nonrenewable resources that pushes market demand, cannot be sustained. Apart from the inherent limitations posed by nonrenewable resources, it is, perhaps, an impossible task to expect that we will be able to satiate the human appetite for such manufactured wants and desires. In the end, such an approach will threaten the world's long-term survival.

On corporate reputation, by a management author, N. Balasubramanian states: "Important as the pursuit of profit is for the business corporations and their boards to provide an attractive return to their shareholders, all their efforts may come to naught if they did not ensure their continued business reputations through high levels of operational integrity, ethical behavior, social responsibility and societal acceptability."

In its background write up on the TED Talk at Innsbruck on "Gross Corporate Happiness- what Corporations should learn from the Kingdom of Bhutan's Transforming Leader" by Rüdiger Fox, it says:

> Long before research has confirmed this fact by empiric science, the King of Bhutan has concentrated the entire political focus of the country on a measure called 'Gross National Happiness' (GNH). While this model has entered global political discussion in recent years, it has not yet managed to enter the economic world. The concept of 'Gross Corporate Happiness' (GCH) is an attempt to transfer the Bhutan model into the corporate world, where the true idea of man has yet been completely ignored in traditional economic teachings. In a world where material Economic Growth is reaching the limits of the planet and motivation of employees through material benefits has lead to a wide frustration of individuals with work life, this concept of GCH intends to offer alternative roadway to human development.

In another TED Talk on "Chief Happiness Officer," by Arnaud Collery, he explains and emphasizes why we need a Chief Happiness Officer (CHO) in today's work environment and what that can mean for your employees. He further goes on to use terms such as "happiness at work", "happier work Culture", "Key Happiness Indicator (KHI)"to emphasize the importance of human wellbeing and happiness at work. Recognition by management and peers; Individually challenged work; Autonomy; Joy & lightness; Trust & transparency are some factors that he feels important to have for work-life balance.

Bhutan's corporates and businesses may be on a right tract right now, however, we cannot be complacent, but must ensure that the sustainable systems and policies are in place so that the good practices and sound corporate cultures are developed with learning and experience as we move along. These systems and policies should be such that they are dynamic and ever evolving with the changing times and economic development, but the consideration for the human factor and wellbeing must form the cornerstone of all such policies and systems.

The following are some of the suggestions that could be considered for the future plans, policies and programs related to the modern working life in general and the business world in particular.

a. As the phrase, "Development with a Human face" conveys a powerful and deep message for all development activities to be targeted for the benefit and welfare of human race; similarly, in the corporate and the business world, it should be "Profit with a Human face." This implies that all efforts and business pursuits should in one way or the other in the end must be geared towards the fulfillment of common human desire for happiness, and wellbeing. This would require that higher standards of ethical businesses be set, and ensure that the human face is not forgotten in the rush to produce more, profit more and gain more by the enterprises.
b. In the years to come, corporate and business entities in Bhutan could endeavour and zealously try to provide more supportive and enabling environment for the differently-abled employees (some of whom might have vision disability, speech impairment, hands and legs disability, mental disability, depression etc.) The HR department could have a ways and means of identifying the differently-abled employees and provide whatever support required so that they are able to deliver their best service. Being a Vajrayana Buddhist country, in general the society's compassion level is quite high, for example under the patronage of Her Majesty the Queen of Bhutan, Bhutan Ability Society is established for the benefit of the people of Bhutan. Thus, even the corporates and business entities could learn from such similar organizations and NGOs and work closely to cater to the needs of the differently-abled employees. Today, the number of such employees may not be much, but in the future we can expect that it will only increase.
c. The other proposal/suggestion could be the set up of Early Child Care Centres in the corporate offices and business areas. In fact, this requirement not only applies

to business only, but it is a common problem for all working parents in general. Since a reliable and trustworthy domestic helps or maids are difficult to get, the working parents tend to worry about their children and their mind would be distracted due to this. As a result, they would not be able to focus fully on the work and the productivity would be affected for the enterprise. This would help to ease the cause of depression due to work and life pressures.

d. Counseling programs on family values, child development, health, spirituality, yoga practices, physical engagements, community building, and a host of other value systems could be taught to employees. These choices would serve as an alternative to wasting time on gambling, substance abuse, and other negative, anti-social behaviours. This would improve the effective time use, and the building of better citizenry in the long run. A systematic creation of Chief Happiness Officers (CHO) or welfare officers are becoming new areas of professional engagement in other parts of the corporate world, which Bhutanese corporates could give a due consideration.

e. The systematic introduction of Continuing Education & Continuous Learning System in all the major Dzongkhags depending on the population size could be considered or given some thought. Currently, the limited diversity of continuing education exists for non-formal education, and some limited programs only. By conducting a relevancy and requirement survey, numerous continuing education and life-long learning programs in all areas of work-related knowledge, skills could be introduced, with the respective districts or central schools as the continuing education centres. Due to job insecurity and the responsibility of raising children, many employees are unable to add value and meaning to their life by furthering their education.

f. It would be also worthwhile to consider setting up a Corporate Library wherein literary collections, literature and all kinds of corporate or business related publications

could be housed. This centre could also serve as the research and data centre for all kinds of information and data on the industry, corporation, and other businesses.

g. Statutory Auditing process could also focus on and give emphasis on employee related observations and reports such as attrition rate, satisfaction/happiness levels of employees, expenditure on health and social related activities, wellbeing and the development of employees.
h. Currently, financial numbers dominate the corporate balance sheets, Annual Reports and Quarterly Progress Reports, including much of the content analysis. Hence, in this regard too, we could re-think the layout and design of such reports and try to introduce human development indices, key happiness indicators, ratio analysis related to human side of the business.
i. During the auditing process by the Royal Audit Authority (RAA), the Statutory Audits, and the Chief Internal Auditors (CIA), the emphasis currently is more on the financial management auditing, compliance auditing and now they have started HR auditing as well. The auditing process could also include areas such as the overall organizational climate, employee satisfaction index, work-life balance, CSR activities and such similar factors. Auditing process must not be taken as a fault-finding mission, but rather as a serious feedback and improvement strategies for the organization.

Conclusion

It was the noble vision of Fourth Druk Gyalpo, His Majesty Jigme Singye Wangchuck, to start Dungsam Cement Project, so as to propel the eastern Bhutan region onto a successful path of economic development projectile. While it took some time for this great vision to materialize, we can now take pride and be happy with the fact that currently DCCL is in the process of increasing its performance and corresponding revenue contribution. In this three-part paper, the author had tried to present the development and overall economic benefits brought about by the Dungsam Cement Project, starting from 1980s till

today in the first part of the paper; and the overall corporate governance structure with timely creation of DHI and the growth of corporate culture in Bhutan is explained in the second part of the paper; while, in the third part, the brief section covers some suggestions and the way forward strategies on GNH-centric principles which could be given considerations as we move along towards the next decades beyond 2020.

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Corporate Sustainability and Legacy Building in Business through the GNH Framework

Ernest C. H. NG

Introduction

Research studies on sustainability have been primarily focused on developments that meet the needs of present without compromising the opportunities of the future generations. These analyses however put emphases on external material factors such as financial and natural resources, environmental conditions, and so forth with limited attention on intangible values such as culture, social norms and religion. When exploring a framework to build sustainable business, a multidimensional and visionary approach such as the Gross National Happiness (GNH) could have significant application for nations as well as for corporates. This paper reiterates that the balance between material and intangible factors is an important contribution of Gross National Happiness (GNH) in business.

To better appreciate the theoretical foundations of GNH which has been deeply influenced by Buddhist philosophy and Bhutanese values, this paper first looks into an important Buddhist concept of right livelihood and the meaning of work in general. This will facilitate a better understanding of the context of GNH of Business. This research then attempts to offer a Buddhist perspective on sustainability and its implication on business sustainability and legacy building with reference to the Buddhist Economics and GNH as multidimentional and sustainable models. This study first reviews how the principles of GNH could be integrated to enhance the overall competitiveness and vitality of business by being responsible for the wellbeing of all stakeholders involved—in line with the triple-bottom line of social, environmental and financial; it then expounds on how some of the GNH domains: (1) education, (2)

good governance, (3) cultural diversity and resilience, (4) community vitality can be applied in business. It further explores how these domains could support the promotion and assessment of some core components of corporate sustainability and legacy building, namely (1) corporate culture (such as vision, mission and values), (2) training, mentorship and apprenticeship, as well as (3) creative process and change management. This research aims to explore and demonstrate how incorporating GNH framework into business could empower the management to cope with short-term pressure without losing sight of the long-term strategic vision critical to sustainable business legacy building.

Right Livelihood – GNH of Business

The function and meaning of work, and by extention a core mission of business, is at least threefold in Buddhist philosophy (Schmacher, 1984, p.45): "to give man a chance to utilize and develop his faculties; to enable him to overcome his ego-centredness by joining with other people in a common task, and to bring forth the goods and services needed for a becoming existence". Sennett (2008, p.28) criticizes the market economy for failing to encourage employees to focus on the potential satisfaction from quality work. Instead the market economy drives employees with material corruption or coercion through social obligation or competition. Mills (2002, pp.220-223) suggests that work is meaningful by itself for a craftsman because for a craftsman:

> There is no ulterior in work other than the product being made and the processes of its creation. The details of daily work are meaningful because they are not detached in the worker's mind from the product of the work. The worker is free to control his own working action. The craftsman is thus able to learn from his work; and to use and develop his capacities and skills in its prosecution. There is no split of work and play or work and culture. The

> craftsman's way of livelihood determines and infuses his entire mode of living.

Indian philosopher and economist, Kumarappa (1957, p.99), shared a similar reflection on the nature of work when it is understood properly:

> It will stand in the same relation to the higher faculties as food is to the physical body. It nourishes and enlivens the higher man and urges him to produce the best he is capable of. It directs his freewill along the proper course and disciplines the animal in him into progressive channels. It furnishes an excellent background for man to display his scale of values and develop his personality.

Similarly the Buddha taught that work is important in character-building. He proclaimed that "whatever means by which a clansman earns his living—whether by farming, trade, raising cattle, archery, government service, or some other craft" (NDB AN 8.54, p.1194), the clansman is accomplished in initiative when he is skillful and diligent; possesses sound judgment about it in order to carry out and arrange it properly.

Buddhism puts a strong emphasis on right livelihood or right means to make a living. It believes that our physical and mental wellbeing is tied to the way we think and act every day. In other words, the business world is an integral part of our private life. Buddhist teaching encourages us to engage in professions that facilitate positive character-building while discourages otherwise. The right means of living has both personal and social dimensions (Nanayakkara, 1995, p.37), considering whether the actions will lead to harmful consequences to oneself, others or both. While employees should choose the right employers, it is paramount for business owners and managers to offer the necessary work environment for their employees.

Sustainability in Impermanence

While the function and meaning of business could be manifold, the meaning of sustainability could also be quite context-dependent. In general, it refers to a process in which "a certain state of being is sustained: the preservation of a particular state of existence" (Kovács, 2014, p.120) with reference to certain period of time, location and target. From the development perspective, sustainable development is "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (World Commission on Environment and Development, 1987, p.41). It means that material and non-material conditions should be preserved over generations (time) on this planet (location) for human beings (target). What is sustainable under certain parameters may not be sustainable for others. For example, what is sustainable for human species may not be sustainable for the environment or other species on this planet; what is sustainable for a year may not be sustainable for decades, and so forth. The notion of sustainability is therefore a concept dependent on the parameters we aim to preserve.

An important contribution of Buddhist teachings to the discussion of sustainability is its profound analyses on the impermanence (*anicca*) nature of worldly phenomenon. Changes, risk and uncertainty as the manifestations of impermanence are a matter of fact in Buddhism. Impermanence does not equal suffering, but could lead to suffering if we fail to understand impermanence as it really is. Impermanence only means that things are constantly undergoing a transformation when causes and conditions change. The Buddha proclaims the doctrine of dependent arising that "when this exists, that comes to be; with the arising of this, that arises" (MLDB MN 39, p.355) and "when this does not exist, that does not come to be; with the cessation of this, that ceases" (MLDB MN 39, p.357). According to Karunadasa (2001, p.3), it is defined "to mean the arising of phenomena in dependence on other phenomena, with no unchanging substance behind the phenomena." The change

gives rise to opportunities for economic growth as well as decline.

Buddhist economics - A multidimensional approach to sustainable decision-making

A true understanding of impermanence and the doctrine of dependent arising direct us to develop a decision-making framework that cultivates favourable causes and conditions we do not have, cherishes the causes and conditions we already have, and encourages us not to feel sorrow over those causes and conditions already gone (Ng, 2015, p.220). The required model would direct resource allocation and decision making in the economy with insights on how we, individually and collectively, could make better decisions for more sustainable economic growth. Buddhist perspectives on economic decision-making is sustainable not because it can control or foresee future developments, but because it understands how to cope with impermanence, the uncertainty and risk in the external world, and equally important, the conflicting thoughts inside our minds. It is sustainable regarding its impact on the decision maker and those individuals, society and ecosystem affected by the decision made. It is sustainable also in terms of the consistent strategy and approach in decision-making to achieve economic growth for good times and bad times. Just as Buddhism teaches the achievement of sustainable happiness in a world of impermanence and dissatisfaction, Buddhist Economics perspective can also contribute to a sustainable business model that achieves these aims (Ng 2015, pp.1-2).

Specifically, Kovács (2015, pp.58-59) posits that the Buddhist Economics approach to sustainability is to learn from the Four Noble Truths, which states that greed, hatred, and delusion in human beings is a major cause of suffering for the environment and ourselves. Our perceived superiority wrongly empowers us to delineate ourselves from the rest of the ecosystem of sentient beings and the environment. Kovács (2015, p.62) highlighted the Buddhist teachings of the interdependent relationship we have with our environment. According to Buddhist virtues,

living a life of contentment, moderation and simplicity is a reflection of moral life free from greed:

> In Buddhism, sustainability is not a goal in itself, but an accompanying byproduct of a virtuous livelihood. According to Buddhism, sustainability is interpreted in the internal, spiritual realm of life, in contrast to the modern materialistic approach to economic, social and environmental sustainability. (Kovács 2015, p.64)

Buddhist approach to economic decision is therefore a multidimensional model considering material and intangible aspects for individual, society and environment. Zsolnai (2007, p.150) and Schumacher (1984, p.62) argued that Buddhist Economics would focus on surrounding resources to meet the needs of local people in the most efficient ways. They argue that a local economy with adequate technology and self-reliance would minimize violence to other stakeholders as a result of an unlimited desire for growth. Given its focus on right livelihood and the meaning of work, Buddhist Economics suggests a diversified economy instead of a monotonous factory-style economy. Technology which serves humans, not replacing humans, could improve the quality of human work and life (Ng 2015, p.227).

GNH as a multidimensional sustainable model

The concept and implementation of the Gross National Happiness (GNH), first formulated by His Majesty Jigme Singye Wangchuck the Fourth King of Bhutan, is also a multidimensional and sustainable response to address this need for a balance between material and non-material conditions required to sustain human economic activities. The goals of gross happiness at the individuals and national level are achieved through a holistic four-pillars model covering a full spectrum of individual and societal development needs: (1) sustainable and equitable socio-economic development, (2) conservation of the environment, (3) prevention and promotion of culture, and (4) good governance. These four pillars are

further expanded into nine domains among which (1) living standards, (2) health, (3) ecological diversity and resilience, (4) time use, are primarily tangible and material factors; while (5) education, (6) good governance, (7) psychological wellbeing, (8) cultural diversity and resilience, (9) community vitality, are predominantly intangible values.

GNH of Business - From Measurement Model to Strategic Thinking

At the 6th International Conference on GNH in 2015, His Excellency Lyonchhoen Tshering Tobgay, Prime Minister of Bhutan, proposed that the implementation of GNH measures should be expanded from the government to the business sector. In the 21st century, the business sector in a market economy has been overly obsessed with profit maximization and increasing share price with little concern for local environment and community wellbeing. The Prime Minister emphasized that for companies to be truly sustainable and well-respected, they must take GNH seriously and embrace a paradigm shift to "explore fostering happiness and wellbeing as an alternative business purpose" (Tobgay, 2015). This additional responsibility to go beyond profit would require companies to undergo a structural and strategic transformation in their corporate objectives and processes, and design products and services with appropriate technologies and change management.

Recent research studies began to explore this notion of GNH of Business. Fox (2015) looks into the application of GNH of Business by translating GNH into Gross Corporate Happiness (GCH), mapping the 9 domains and 33 sub-criteria in GNH with the corresponding motivation areas and indexes in a corporate setting. Nirenberg (2015) also looked into applying the GNH techniques to measure and enhance wellbeing of individual at the work place. Both for-profit and non-profit organizations have been increasingly aware of its performance and risk, not only in financial terms, but also in social and environmental terms–double (financial and social) or triple (social, environmental and financial) bottom line (Tideman,

2004, p.237). Lyon (2015) illustrated a range of alternatives to the "business as usual," demonstrating innovative solutions to achieve sustainable and socially responsible goals.

When applying specific measurements or technical aspects of GNH of Business, it is important to appreciate the essence of GNH in the form of its values, mindsets and visions - a holistic, strategic, and visionary "GNH thinking"- embracing the deep interconnectedness of the natural, the social and personal realms and aiming at the harmony:

> In GNH thinking we live as beings with a profound potential for maturity. If conditions are right we can grow into a full humanness – and become wise, compassionate, appreciative and self-restrained. Or if conditions are not right we can find ourselves stuck in immature patterns of delusion, conflict and insatiable craving. It is the latter conditions that economic values drive us towards. (McDonald, 2010, pp.viii-ix)

GNH thinking in business is not for instrumental use

When embracing cultural- and value-driven initiatives in a materialistic world, research studies remind us that the actors have to be intrinsically motivated to "serve the greater good, and are ready to measure success using broader value categories than money alone" (Zsolnai, 2015, p.3). These value categories could include "frugality, deep ecology, trust, reciprocity, responsibility for future generations, and authenticity" to contribute to a wider set of values, not as an instrument for profit or economic growth (2015, p.5). Sustainable and responsible business initiatives should not be used instrumentally to serve profit objectives in risk management, public relations or market branding (2015, p.5). Without spiritually-motivated actors, according to Zsolnai, these value-driven initiatives "can become ineffective and meaningless, and sometimes even counter-productive and destructive" (2015, p.3). Just as "more ethics management does not imply a consistent and integral commitment to ethics"

(Bouckaert, 2015, p.17), an instrumental introduction of GNH Thinking in business does not imply a consistent and integral commitment to GNH values, mindsets and visions. Like other value systems, we can only attempt to truly recognize the values, mindsets and visions behind the GNH Thinking by learning more about the integral culture, humanities, social science, etc. of Bhutan which is strongly influenced by the Buddhist teachings.

Short-sightedness of short-termism

Managing corporate sustainability and legacy, the notion of time is a determinant factor because these objectives literally require companies to "sustain" certain states of being or value that could last for the long term. As Ng (2015, pp.168-170) argues, the notion of time from a Buddhist Economics perspective could have an important implication to this challenge. First of all, Karunadasa (2014, p.225) argues that time in Buddhist teachings "serves as a location, a sort of receptacle for the coming together of consciousness and its concomitants" and its notion is "based on the continuous flow of the *dhammas* ... which arise and perish in succession." In other words, "time is determined by events." "Temporal sequence is based on eventuation, but there is no time distinct from events (*dhammas*). Different 'times' means not different parts of one and the same time but 'times' determined by different events" (Karunadasa, 2014, p.226). In a similar line of understanding, the three divisions of time, "past, present and future" should also be appreciated not as an absolute or objective division of time, but with reference to the "*dhammas* that arise, exist and dissolve" (Karunadasa, 2014, p.227). In order to analyze, monitor and manage corporate sustainability and legacy, it is critical to realize not only "what time", but how the conditions arise, exist and dissolve.

To sustain a business would mean a company could either sustain the beneficial conditions, distant from the detrimental ones, or innovate new timely solutions to survive or even thrive in the new condition set. Christensen and van Bever (2014) look into how corporates make decision on investing innovations

that might contribute to growth, sustainability against disruptions, and hence legacy building. They reveal that corporates may have been erroneously using the same (flawed) metrics to evaluate investment decisions in different types of innovation. In their view, (1) *performance-improving innovations* are sustaining innnovations which replace old products with substitutive new and better ones; (2) *efficiency innovations* help business manufacture and sell mature, established products or services to the same market at a more efficient and productive ways: cheaper, faster, more, etc. It could be low-end disruptions; and (3) *market-creating innovations* transform and create new markets and new customers which completely change the ways incumbents operate. These innovations are disruptive, which could allow a corporate to sustain its leadership over time.

However, Christensen and van Bever (2014) further explain that market economy nowadays wrongly focuses on growth through a relative ratio. Instead of growing through the numerator, targets are met through reducing the denominator—cutting cost, downsizing people, taking off balance sheet, increasing leverage, etc. Investments on *efficiency innovations* seem to be more attractive than *market-creating innovations* because they meet the required targets faster. Christensen and van Bever (2014) believe that this choice is short-sighted and misguided when capital is so abundant. This result-focus bias contributes to a vicious cycle of short-termism focusing on the immediate marginal returns without giving the time required to invest in meaningful sustainable market-creating innovations.

Visions and values leading to sustainable business

It is in these day-to-day investment decisions that the priorities of a corporate's vision and strategies are reflected. These decisions build the core fabric and the culture of business which differentiate one company from another. In a seminal research, Guiso, Sapienza and Zingales (2015a) study the causal relationship between corporate culture and performance. From their dataset, they see no meaningful correlation between the

advertised corporate values and profitability. Nonetheless, "a real culture of integrity", as perceived by employees, is proven to be value-added to a company in terms of higher productivity, profitability, and higher level of attractiveness to prospective job applicants—although it may be achieved at the expense of short-term customers' satisfaction and profitability. Their research also proved that integrity is higher in non-publicly traded companies potentially because they do not have to compromise their integrity for share-price performance. In fact, their studies support that financial choices could in turn affect corporate culture.

Corporate sustainability and legacy building through GNH

Applying this correlation between corporate culture and performance, Guiso, Sapienza and Zingales (2015b) argue that the relationship between social culture and economic success could be accessed through the lens of corporates as the constituents of society. Indeed, not only corporate behaviors are closely interrelated with society, individual members of society also spend most of their time each day in a corporate environment. The choices each employee makes in business aggregate to the social norms and determine the overall economic success at the societal level.

Therefore, when it comes to corporate sustainability and legacy building, this paper argues that business could draw insight and experience from the implementation of GNH at the national level to build resilience by applying the four GNH domains of (1) education, (2) good governance, (3) cultural diversity and resilience, and (4) community vitality at the business level. This research highlights in brief the unique perspective and contribution of these GNH domains and their implications to business in the following.

1. Education

Education in GNH goes beyond literacy and secular educational qualification to embrace the holistic education of traditional knowledge, values and skills (CBS, 2012, pp.18-20). It aims at the cultivation of good human beings through

developing vital life values and principles such as "timeless lessons of humility and tolerance, the power of love and compassion, the need to care and share, the laws of action and consequence, the essence of simplicity and the value of *thadamtsi*, the love of [their] sacred institutions, and the goodness of humanity." Education in GNH should also comprise many other "knowledge and skills, which are essential to "day-to-day living" (GNH, 2017).

Applying this domain of education in business, a business has to evolve into a learning organization (Fox, 2015) which invests in professional and personal development, skill development as well as scholarship (CBS, 2017). For a business to be sustainable, its members and leadership should excel in the ability to acquire and transfer knowledge and cross-pollinate best practices. Knowledge management is now a critical element of corporate success which facilitates early warning of threats, problem-solving and change management. Knowledge management across generations have been successfully implemented through corporate mentorship and apprenticeship.

2. *Governance*

Governance in GNH relates to the relationship between the people and the government, how people perceive government functions, and how the government is structured and operated to serve its people in the pursuit of GNH. In GNH, four measures comprising (1) fundamental rights, (2) trust in institutions, (3) performance of the government institutions, and (4) political participation, are introduced to evaluate achievements in governance (GNH, 2017). Efficiency, transparency, and accountability of the government are important component in Bhutan's good governance initiatives. Different from other nine GNH domains, the significance of governance is manifested across all spectrum of social life (CBS, 2012, pp.25-28).

In a business setting, governance in GNH could be identified with corporate governance. Specifically, it comprises areas such as local employment, workplace issues, compliance with law,

audit, attrition, and salary gap (CBS, 2017). Overall, it guides how corporate decisions should be made by and for different stakeholders. Similar to governance for the nation, efficiency, transparency and accountability are also important components in building strong corporate governance.

3. Cultural diversity and resilience

Cultural diversity and resilience in GNH exert strong focus on the contribution of culture in (1) instilling values for the full development of human being, (2) meeting spiritual and emotional needs, (3) tempering the pace of modernization and the negative impacts of globalization, (4) safeguarding and strengthening the country's sovereignty and security, (5) developing resilience, and (6) promoting diversity for meaningful contribution (GNH 2017). It reflects the values of society and equally important the values which people identify themselves with. For the people of Bhutan, its cultural diversity is maintained and well-treasured in different "forms of language, traditional arts and crafts, festivals, events, ceremonies, drama, music, dress and etiquette and more importantly the spiritual values that people share" (CBS, 2012, pp.20-22). Its resilience is proven in the well-balance between the new and old as well as the material and spiritual. The strength of culture is accessed through four indicators of language, artisan skills, cultural participation and *Driglam Namzha* (the Way of Harmony) (CBS, 2012, pp.20-22).

Applying this domain into GNH, it is important for corporates to discover its "corporate soul", developing shared vision and mission, observing common language, practices, and codes of conduct (Fox, 2015). It could be accessed via volunteerism, donation, and promotion (CBS, 2017) but a more relevant discussion would be on how individuals of different cultural, value system and national background can contribute to the same corporate as one team. It relates to how a corporate could stand out with its own culture and value sets from its peers. Resilient corporate culture would allow a company to withstand competition and pressure with strong change management.

4. Community vitality

Community Vitality in GNH refers to the level of engagement and strength of communities where people share common activities and experiences (GNH, 2017). In GNH, community vitality is a reflection of the social capital of the country and evaluates the relationship and interaction within community, social cohesion and volunteerism. Four major aspects are assessed for community vitality: (1) social support which depicts the civic contributions made, (2) community relationship, which refers to social bonding and a sense of community, (3) family relationships, and (4) perceived safety (CBS, 2012, pp.28-30).

Community vitality in a corporate environment could be identified with social capital (Fox, 2015) and various community parameters like volunteerism, donation, damages to infrastructure, impact on community health, procurement policies, community feedback (CBS, 2017). However, more direct application of community vitality in business would involve how members of different levels in the hierarchy communicate and engage within and outside the corporate, where a mutual sense of respect and empowerment could be achieved in the team to contribute to the success of the whole.

The business of doing good and being responsible

Market economy has been focusing on profit while staying away from moral judgments—profit focus looks objective while moral judgments seem to be subjective. Assessment of being morally good, from a Buddhist perspective, is however evaluated by its skillfulness. Being morally good is effective because when our mind and body are not in bondage, deluded or impaired, we are truly happy and liberated (Ng, 2015, pp.81-82). In confrontation with the deluded and conflicting views in the world, the Buddha taught us not to subject ourselves to authority and popular views, but to assess what is morally wholesome for ourselves in the *Kālāma Sutta* (NDB AN 3.65, p.281):

> Come, Kālāmas, do not go by oral tradition, by lineage of teaching, by hearsay, by a collection of scriptures, by logical reasoning, by inferential reasoning, by reasoned cogitation, by the acceptance of a view after pondering it, by the seeming competence [of a speaker], or because you think: 'The ascetic is our guru.' But when you know for yourselves: 'These things are wholesome; these things are blameless; these things are praised by the wise; these things, if accepted and undertaken, lead to welfare and happiness,' then you should live in accordance with them.

The Buddha elaborated that a moral life is not superimposed on us externally. Morality is an integral part of our mental and bodily activities. It is not prone to external manipulation like other consensus rules determined by others on our behalf. It is from drawing on our self-experience, self-comparison, and self-reflection where we truly understand the undesirability of doing what is morally bad and the desirability of doing what is morally good.

Similarly, doing good for a business is not because of custom, peer pressure or social trend. Doing good, being ethical, and responsible should be adopted by corporates because it is good for all its stakeholders and hence good for business. It contributes to corporate sustainability and legacy building because its decision-making process, strategy and vision are sustainable. In the *Responsible Decision Making Model*, Zsolnai (2009, p.32) argues that there are three ways to assess human choices: effectiveness, efficiency and ethics. A responsible decision model should involve three "R"s, being: (1) rationality in goal achievement, which is typical in the rational choice model; (2) reverence for the applying ethical norms; and (3) respect for the affected stakeholders. According to Zsolnai (2009, p.96), rationality means the "lack of impulsiveness; care in mapping out alternatives and consequences; clarity about goals and purposes; and attention to the details of implementation" focusing on the process, instead of

maximizing certain outcomes. Respect is, in essence, altruistic which means "a special awareness of and concern for the effects of one's decisions and policies on others." Reverence means "an act is morally right when it conforms to a relevant principle or duty." The decision is made according to the moral norm or duty but not necessarily on the expected consequences.

Altogether, responsible decision-making would involve three core procedures: firstly, "framing the choice situation by identifying the ethical norms, mapping out the affected parties, defining goals and generating alternatives" (Zsolnai, 2009, p.39); secondly, "using multiple evaluation[s] of the available alternatives regarding the three "Rs" (Zsolnai, 2009, p.40). Finally, Zsolnai argues that this model should consider choices using the maximin rule. It means the maximization of the minimum payoff of decision alternatives, as opposed to the maximizing framework. It means, on the three "Rs," a choice could be made by selecting the best for the worst off (Zsolnai, 2009, pp.122-123).

Building a legacy - A great sustainable business to last

Business owners and managers would be most interested in whether morally good and responsible decisions make great long-lasting companies. In the same line of studies by Christensen and van Bever (2014) discussed earlier, Collins (2001) analysis of over 1000 companies highlighted key elements behind "greatness" as defined by exceptional financial performance above average. These elements include (1) level 5 leadership—leaders who are humble and driven at the same time, (2) ability to put the right people on the right positions, (3) courage to confront brutal facts and stamina to overcome difficulties, (4) embrace the hedgehog concept by appreciating the passion, competitive edge, available resources, (5) be discipline, (6) adopting technology to accelerate growth, and finally (7) the ability to ride on the flywheel by compounding on the additive effect of small initiatives. In another earlier study of visionary companies, Collins and Porras (1994) revealed strong correlation between enduring visionary companies (which have an average of nearly 100 years) and

timeless fundamental characteristics. The research suggested six timeless fundamentals: (1) make the company itself the ultimate product—be a clock builder, not a time teller; (2) build the company around a core ideology; (3) build a cult-like culture; (4) homegrow your management; (5) stimulate progress through BHAGS (Big Hairy Audacious Goals), experimentation, and continuous improvement; (6) embrace "The Genius of the AND" – a truly visionary company embraces both continuity *and* change, conservatism *and* progressiveness, stability *and* revolution, predictability *and* chaos, heritage *and* renewal, fundamentals *and* craziness.

While it requires further research work to proof a causation between the fundamentals listed above and a sustainable business legacy, the characteristics above demonstrate strong correlation with successful businesses which survive and thrive through generations withstanding rapid changes in different socio-economic and political environments. Most importantly, these fundamentals resemble the qualities introduced by GNH domains, in particular (1) education, (2) good governance, (3) cultural diversity and resilience, and (4) community vitality discussed earlier in this paper. These qualities could in turn contribute to the development of corporate culture, training and development, as well as the creative and change management process.

Conclusion

This research first analyzes the concept of sustainability and legacy building in business and then dissects how the four GNH domains in the intangible areas could make a significant contribution. GNH of Business is a holistic and multidimensional approach—in contrast with those "cosmetic" and "stop gap" responses and solutions to our social, political and economic woe. The education, development and the integration of values and culture are critical to guide responsible decision making leading to sustainable outcome for all stakeholders and hence happiness for all. Considering the prevalence of business influence in every part of our daily life, applying GNH thinking, a sustainable approach inspired by

Buddhist philosophy, could address some of the negative effects of corporates in the market economy and its stakeholders with more profound and long-term considerations (Ng, 2015, p.40). It could lead to sustainable happiness for people in a corporate environment, and make not only a work-life balance but also a meaningful life at work possible.

Abbreviations

AN.	*Aṅguttara Nikāya*, the "numerical" discourses.
MN.	*Majjhima Nikāya*, the "middle-length" discourses.
MLDB.	The Middle Length Discourses of the Buddha (translation of MN; see Ñanamoli and Bodhi (1995)).
NDB.	*The Numerical Discourse* (translation of AN; see Bodhi (2012)).

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GNH and Workers' Wellbeing

Optimum Time Allocation for Maximizing Job Satisfaction

Yoshiaki Takahashi

Abstract

Asians work much longer hours than other developed countries. OECD's Your Better Life Index shows Japan and South Korea rank lowest in terms of percentage of employees working very long hours. It is said Japanese are workaholics. However, is it true that Japanese love to work?

An online survey shows Japanese young workers (n=8081) allocated most of their time to their work. They spent 9.03 hours for work, 1.29 hours for commuting, 1.20 hours for housework, 0.52 hours for caring other family members, 6.63 hours for sleep and 5.34 hours for free time and other activities on average per day. If workers work longer hours, they have shorter time for free time, housework and caring. As for job satisfaction, 35% of the workers expressed dissatisfied. In addition, on average, their job satisfaction was lower than other daily activities.

In this circumstance, Japanese workers' optimum time allocation for maximizing their job satisfaction was calculated. After controlling other factors such as gender, condition for work place and psychological depression, the result confirms that Japanese young workers are not workaholics and they prefer to work shorter than now (around 6 hours per day). Work-life balance is much more important than before. When business executives run a business, they should recognize this fact.

Introduction

Asians work much longer hours than other developed countries. Korean workers worked 43.7 hours per week on average in 2016. Their annual average was 2,069 hours per workers. The average weekly hours worked on non-agriculture in Japan was 38.9 hours in 2016. The average annual working

hours of Japanese was 1,713 hours though it decreased from 1,821 hours in 2000. The shortest among the OECD countries is the Netherlands, whose workers worked 29.1 hours per week on average in 2016. The second shortest is Denmark, at 32.1 hours.

The OECD's Your Better Life Index shows Japan and South Korea rank the lowest in terms of percentage of employees working 50 hours or more a week. In 2016, 23.12% of Korean and 21.89% of Japanese did so. On the other hand, only 0.44% of the Dutch and 1.1% of Swedish worked very long. Therefore, it is said Japanese are workaholics. However, is it true that Japanese love to work? This paper attempts to calculate optimum time allocation for working hours and others to maximize job satisfaction among Japanese workers.

Literature review

Job satisfaction

Job satisfaction is one of empirical measurements to explore subjective wellbeing at work. Many researchers from economics, psychology, sociology, management administration and other studies used this measurement to evaluate conditions and circumstance at work. Job satisfaction leads work motivation and then labor productivity. Moreover, if many workers at a company are not satisfied with their job, the workplace is not attractive for other workers. The company may go wrong later. Therefore, job satisfaction is one of important barometers for measuring the soundness of a workplace and business.

Clark (1999) looked at the relationship between job satisfaction and 6 categories of job quality: pay, hours of work, future prospects (promotion and job security), how hard or difficult the job is, job content (interest, prestige and independence) and interpersonal relationships (with co-workers and with management) and all six categories affected job satisfaction. As for working hours, he did not use actual working hours but answers to ask a question "would you like to spend less time in their job?"

Working hours

Long working hours affect workers health. On the other hand, the long working hours is related to total amounts of income, in particular for young workers and part-time workers, because a company has to pay overtime work.

As for relationship with health, Cho, et al. (2015) shows that long time working hours have severe negative effects on female workers' health. The workers who work long showed significantly more driving accidents when visiting clients (Trimpop et al., 2000). Flexible working hours scheme allows workers to choose suitable allocation of their time between working hours and others as a concept. However, the flexibility and variability of working hours appeared negatively related to health and psycho-social wellbeing (Costa et al., 2006).

In addition to Clark (1999), there are some papers to deal with the relationship between working hours and job satisfaction. However, many are limited to certain categories of workers or sample. For instance, Trimpop et al. (2000) looked at the situation about vets.

The contribution of this study

As mentioned above, there are not many papers to calculate optimum time allocation based on micro data of time use and subjective evaluation of job by workers. Therefore, although this study focuses on Japanese young workers aged 20-39 years old, it is a unique method to deal with this issue.

Methodology

Hypothesis

The purpose of this study is to calculate optimum time allocation for workers. Therefore, the hypothesis is also related to length of daily activities.

At first, we need to explore the relationship between job satisfaction and working hours. Workers who work short range of working hours may want to work longer. On the other hand, workers who work very long may want to work shorter. Therefore, one of hypothesis is that relationship between job

satisfaction and actual working hours is reversed U-shape (**H1**). It means the correlation coefficient of working hours is positive and ones of a square of working hours is negative.

The length of sleep could reduce stress and then affect job satisfaction positively. It means the correlation coefficient of sleeping hours is negative and square of sleeping hours is not statistically significant (**H2**). According to Royal Society for Public Health (2016), long and inactive commute leads to more stress, reduce in time spent on sleep and recduces time spend with family and friends, and reduces physical activities. Therefore, longer the commute is lower job satisfaction (**H3**).

On the other hand, if workers need to do housework more in same length of working hours, her job satisfaction may be lower than others. Therefore, longer housework is associated with lower job satisfaction (**H4**).

Job satisfaction is affected by other factors such as income, job content, mental health and job status. Many of part-time workers in Japan want to work as full-time workers because new graduates are main job sources and their first job affect lifelong job career (Maeda et al., 2010). 25% of university graduates in Japan were overeducated 5 years later from graduation. Though only 11% of the Dutch university graduates were overeducated the graduates could not get jobs they want. As a result, part-time workers feel less happy than full-time. Therefore, a dummy variable of full-time workers are included in the analysis. It is assumed that job satisfaction of full-time workers is higher than other workers (**H5**).

Data

The Economic and Social Research Institute conducted an online survey in March and May 2011. The young persons aged 20-39 participated in the survey. The sample was 11,984. Because we look at the effect of working hours on job satisfaction in this study, the sample was limited to persons who worked at the time (n=8,081, male: 5379, female: 2702, age (mean): 33.11 years old). The questionnaire included questions about time allocation of 24 hours to 6 types of activities: work, commute, housekeeping, childcare, sleep and others. It also

included a question about job satisfaction. It has 7 scales from -3 to +3. -3 means "very dissatisfied" and +3 means "very satisfied". The questionnaire also included demographic information such as age, gender, household income, job status, and marital status. Moreover, mental health such as Center for Epidemiologic Studies Depression Scale (CES-D) and motivation such as Basic Psychological Need Satisfaction at Work Scale (BPNS-W) were asked in the survey. BPNS-W is 21 items based on self-determination theory developed by Deci & Ryan (1991). Therefore, BPNS-W consisted of three factors in the theory: autonomy, competence and relatedness. The respondents choose one out of 7 scales from "not true at all" to "very true". It is widely used in many papers (Deci, et al., 2001; Ilardi, et al., 1993; Kasser, et al., 1992).

In order to examine the relationship between job satisfaction and time use, ordered probit model was used. In the regressions, job satisfaction is the dependent variable. Time use, age, gender, income, job status, CES-D and BPNS-W are used as independent variables.

Empirical analysis

The survey results

Time use

Japanese young workers allocated most of their time to their work. They spent 9.03 hours for work, 1.29 hours for commuting, 1.20 hours for housework, 0.52 hours for caring other family members, 6.63 hours for sleep, and 5.34 hours for free time and other activities on average per day. If workers work longer hours, they have shorter time for free time, housework and caring. The working hours, hours for sleep and free time among the young workers are shown in Figure 1. As for the working hours, 8 hours were the most (33.3%), but the workers worked 9, 10, 12 hours consisted 16.6%, 18.9% and 9.0% respectively. As for sleep, 6 hours were the most (34.1%), but the workers slept 5, 7, and 8 hours occupied 10.8%, 27.3% and 21.4% respectively. 17.3% of workers enjoyed 6 hours as

their own time. However, the workers who had 3, 4 and 5 hours made up 10.6%, 15.1% and 15.4% respectively.

The share of employees working very long hours, which is equal to 10 hours or more per day, was 38.2%. The figure is more than 23.1% for all workers in Japan in 2010. Therefore, the young workers worked longer than average.

The longer work hours are shorter the hours for free time, sleeping, housework and childcare are. The correlation between work hours and hours for the four types of daily activities are -0.579, -0.308, -0.258 and -0.229 respectively. Hours for commuting were not correlated with working hours.

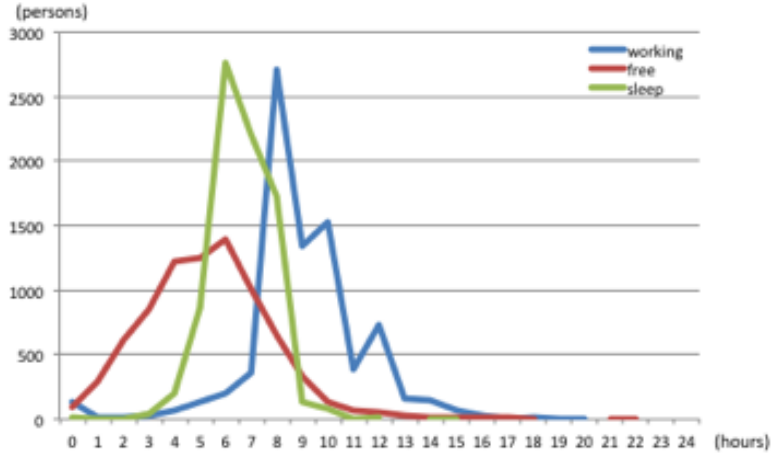

Figure 1. Time allocation of Japanese young workers

Job satisfaction

As for job satisfaction, though 29% of the workers said neither dissatisfied nor satisfied with work, 35% of the workers expressed dissatisfied with work (from -3 (very dissatisfied) to -1) shown in Figure 2. In addition, on average, their job satisfaction was lower than other daily activities.

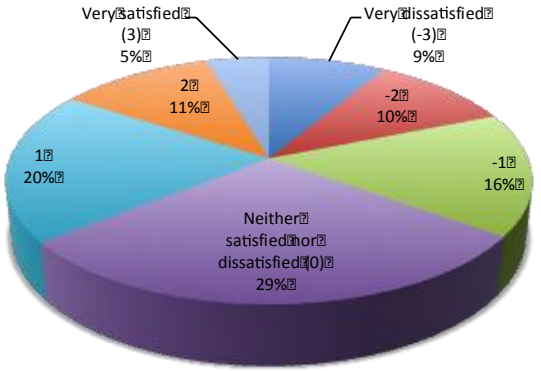

Figure 2. Job satisfaction of Japanese young workers

Comparing with gender difference, female workers (0.001) have statistically higher job satisfaction than male (-0.094). As for job status, full-time workers (-0.202) have statistically lower job satisfaction than others (-0.033).

Regression analysis

Table 1 shows the result of ordered probit model. Model 1 used age, gender, income, CES-D, and time use as independent variables. Model 2 added BNWS-D as independent variable to all variables in model 1. In model 1, female workers are satisfied with job more than male. Lower income leads to dissatisfaction. As for job status, full-time workers are not satisfied with their job. Among time use, working, housework and sleep shows reversed U-shape with job satisfaction. On the other hand, commuting hours negatively affected job satisfaction.

In model 2, pseudo R2 improved from model 1. Job status did not affect job satisfaction significantly. Job motivation, BNPS-W, shows strong correlation. Therefore, not job status but job motivation and/or job contents are important for job satisfaction. Among time use variables, hours for housework became insignificant.

Japanese workers' optimum time allocation for maximizing their job satisfaction was calculated from the results of Model 2. After controlling other factors such as gender, condition for work place and mental health, the relationship between

working hours and job satisfaction is shown in Figure 2. As a result, the optimum working hours was around 6 hours per day. It is much shorter than average working hours (9.03). Only 2.4% of the survey respondents worked 6 hours. As for commuting, most of workers limited to 4 hours. The result of regression analysis is shown in Figure 3. Therefore, the optimum allocation for commuting is less than 1 hour per day. It is also shorter than average commuting hours (1.29). Only 12.7% of the survey respondents commuted less than 1 hour.

As for sleep, the result of regression analysis is shown in Figure 4. The optimum allocation for sleep is 8 hours per day. It is much higher than average sleeping hours (6.63). Only 21.4% of the survey respondents slept 8 hours per day.

If a worker works 6 hours, commutes less than 1 hour, and sleeps 8 hours, she may be an ideal worker in Japan. However, they are only 0.2% among the survey respondents.

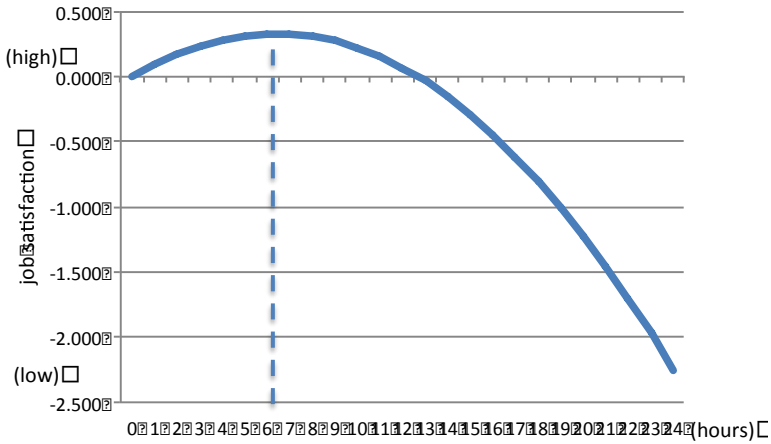

Figure 2. Optimal time allocation for work

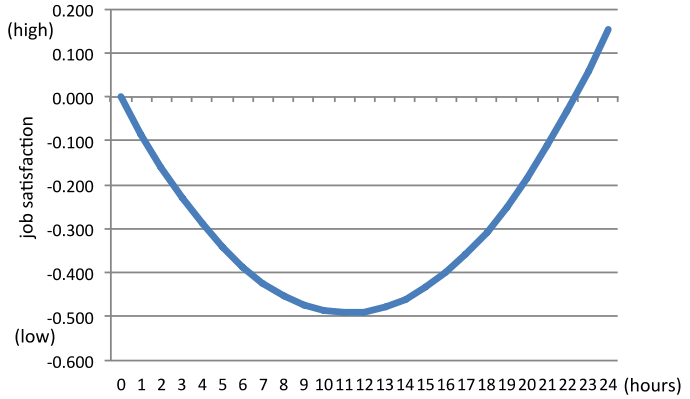

Figure 3. Optimal time allocation for commuting

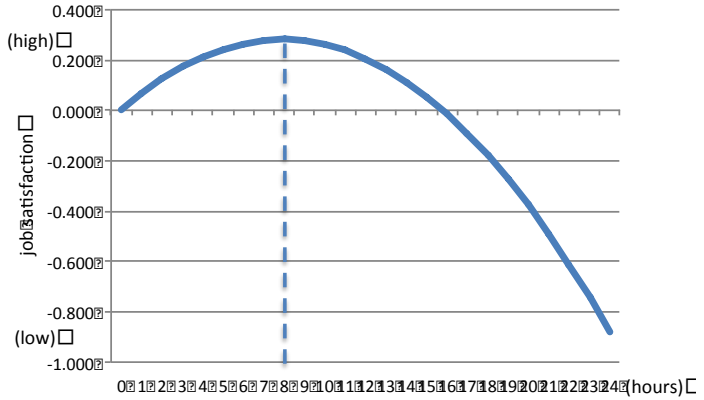

Figure 4. Optimal time allocation for sleep

Discussion and conclusion

After controlling other factors such as gender, condition for work place and mental health, the result confirms that Japanese young workers are not workaholics and they prefer to work shorter than now (around 6 hours per day). Therefore, H1 is supported. H2 is also partially supported because sleep was important for job satisfaction. H3 is also partially supported such that long commuting reduced job satisfaction. Housework is important when we consider balance between working hours.

Work-life balance is much more important than before. However, H4 is not supported when BPNS-W was added as work motivation. Therefore, if workers are satisfied with their job in terms of quality of work, they can overcome burden of housework.

Lastly, H5 is not supported when BPNS-W was added as work motivation Therefore, it is not job status but the quality of work which is more important for job satisfaction.

This is the result of Japanese young workers. The result may be different from the results in other countries. However, for instance, the GNH survey asked respondents about their job status, job satisfaction and time use. Therefore, it will be meaningful for business in Bhutan when optimal time allocation for Bhutanese workers is calculated. Another interesting approach for optimum time allocation may be that relationship between satisfaction with work-life balance and time use would be examined. The GNH survey fortunately asked respondents about it.

When business executives run a business, it is recommended that business check the relationship between job satisfaction and working hours to improve labor productivity in a company. Moreover, job satisfaction is related to not only working hours but also time allocation for other daily activities. In particular, sleep is essential for workers' job satisfaction and also for labor productivity. Therefore, for instance, business executives look carefully at workers if they are sleepy at workplace. Time allocation of each worker in daily life is a key for any business.

Table 1. *The results of ordered probit model*

	Model (1)			Model (2)		
	Cor. Coef.	Std. Error		Cor. Coef.	Std. Error	
age	0.003	(0.003)		-0.004	(0.003)	
gender (female=1)	0.133	(0.028)	***	0.074	(0.028)	***
low income	-0.141	(0.034)	***	-0.067	(0.034)	*
job status (full-time)	-0.122	(0.033)	***	-0.044	(0.033)	
CES-D	-0.332	(0.010)	***	-0.187	(0.011)	***
BPNS-W						
autonomy				0.051	(0.004)	***
competence				0.123	(0.005)	***
relatedness				0.051	(0.004)	***
Time Allocation						
working hour	0.095	(0.017)	***	0.105	(0.017)	***
working hour^2	-0.007	(0.001)	***	-0.008	(0.001)	***
commuting hour	-0.100	(0.018)	***	-0.088	(0.018)	***
commuting hour^2	0.005	(0.002)	**	0.004	(0.002)	*
housework hour	0.062	(0.019)	***	0.025	(0.019)	
housework hour 2	-0.007	(0.003)	**	-0.004	(0.003)	
sleeping hour	0.075	(0.036)	***	0.071	(0.035)	**
sleeping hour^2	-0.005	(0.003)	*	-0.004	(0.002)	*
n		8081			8081	
Pseudo R2		0.044			0.112	

Note: *** <1%, **<5%, *<10%

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A Comparative Analysis of the Relationships between Happiness and Business Determinants in Developing and Developed Countries[1]

Seung-Jong Lee, Young- Hwa Kee, Youngkyun Oh and Young-Chool Choi

Abstract

This paper is based on the assumption that the configurations of business determinants affecting happiness may differ in developing and developed countries. Accordingly, it attempts to compare these configurations as they operate in developing and developed countries at national level. In doing this, it classifies countries into two groups according to certain criteria. It then analyses the relationships between happiness and business determinants by group, using Qualitative Comparative Analysis (QCA). Specifically, this study focuses on discovering the different configurations of business determinants that influence happiness at national level in developing and developed countries. It is hoped that its findings may provide individual countries with policy-related and practical information concerning how their happiness levels may be enhanced through consideration of their own processes of economic development.

Introduction

It is generally accepted that the ultimate goal of government is to enhance the happiness of its citizens and, at the same time, to strengthen national development. In achieving these two objectives, business organizations in particular have a crucial role to play. Business provides goods and services for human

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needs. Business determinants which affect business activities at national level influence both national development and the happiness of citizens. It is assumed here that the degree to which happiness levels may be affected by business may be different in developing from developed countries. It is crucial for policymakers in both developing and developed counties to understand that citizens' happiness levels may be affected by different combinations of business determinants. Against this background, this paper categorizes countries into two groups according to certain criteria, in order to discover the configurations of business determinants associated with happiness, to compare these and to discover the policy implications for each country.

Theoretical discussion and research question

Discussions of happiness from a philosophical point of view were initiated by Bentham (Kim et al., 2015). Since then, many studies have been conducted on happiness, and perspectives on it vary from discipline to discipline. In addition, many terms similar to and interconnected with 'happiness' have been created, including 'wellbeing', 'life satisfaction' and 'quality of life'. The focus in this paper is on happiness. From a psychological point of view, happiness may be defined as an individual's subjective emotions regarding his or her life (Diener et al, 2015), whereas from a sociological point of view it is seen as being determined by objective rather than subjective conditions (Madsen, 2015). Likewise, happiness is sometimes emphasized by subjective conditions and sometimes by objective ones. At any rate, happiness is one of the ultimate goals which most people pursue to achieve, and represents a positive judgement on one's life. Therefore, a person's quality of life depends on how happy they are (Brülde, 2007). Happiness can be defined in different ways, but in general it may be defined as the degree to which a person evaluates the overall quality of his or her present life positively and likes the life he or she leads (Chiu et al., 2011; Veenhoven, 2015). Similarly, happiness can also be defined as an emotion ranging from satisfaction to great joy (Seligman, 2002). Since happiness has

been defined in so many different ways, however, it is difficult to ascertain how it is defined in any one specific country. Even so, we can say that all countries' understandings of it have something in common. Here, on the basis of Veenhoven's definition of happiness, we define it as the degree to which a person evaluates the overall quality of his present life positively.

What are the determinants affecting happiness? These have been discussed at different levels, including the micro, the middle-range and the macro level. Dolan et al. (2008) summarized the determinants of happiness after examining 153 papers published in economics and psychology journals (Chiu et al., 2011). They include: relative income; personal characteristics (age, gender, ethnicity, personality); socially developed characteristics (education, health, type of work, unemployment); how people spend their time (hours worked, commuting, caring for others, community involvement and volunteering, exercise, religious activities); attitudes and beliefs towards self/others/life (attitude towards our circumstances, trust, political persuasion, religion); relationships (marriage and intimate relationships, having children, seeing family and friends); and the wider economic, social and political environment (income inequality, unemployment rates, inflation, welfare system and public insurance, degree of democracy, climate and the natural environment, safety and deprivation in the area, urbanization). In addition, some research (Tkach & Lyubomirsky, 2006; Sirgy et al., 2008) suggests determinants which may affect happiness at the individual level.

Turning to studies on happiness at the middle-range level, we can observe that these mainly address happiness issues relating to firms or cities within a country. They include studies by Coggbum and Schneider (2003), Michalos and Zumbo (1999), Choi (2014) and the OECD (2015). In these studies the unit of analysis is not the individual but the city or firm, and they deal with the determinants affecting the happiness of local community residents or enterprise employees, so these studies can be called middle-range-level studies.

In addition, there are studies on happiness which deal with its determinants at national level. These include the *World Happiness Report* and the *Happy Planet Index*. These studies analyzed the determinants associated with happiness at the national level, comparing the happiness scores of different countries.

Previous studies on happiness determinants may be characterized as follows. First, in many cases they have been conducted at either the macro or the individual level. Secondly, most of the studies conducted at national level have mainly employed quantitative research methods such as regression analysis or the structural equation model, and so they have not uncovered qualitative differences between countries or produced critical information useful to each individual country. In other words, since the majority of this research work has relied on quantitative methods to reveal a few significant items of statistical information which can be commonly applied to a number of different countries, those diversely configured combinations of happiness determinants the understanding of which is more useful to individual countries have not been discovered. In addition, most countries have been analyzed in an integrated group, not in separate groups based on level of GDP per capita, etc., with the result that it is hard to make distinctions between developing and developed countries. Moreover, few research works have addressed the relationships between happiness and business determinants at national level. But without understanding these, it is difficult to ascertain the strategies by which happiness at national level might be enhanced through supporting and strengthening business activities. Against this background, this research raises a following research question:

What configurations of business determinants affect happiness at a national level in developing and developed countries?; and how do these differ in developing and developed countries?

Research design

Methodology

In this analysis, Qualitative Comparative Analysis (QCA) was employed. QCA is a comparative technique (Vink & Van Vliet, 2009) that is used to explain large social events concisely by using a small number of cases (5–55). Although QCA does not provide statistical results for generalization, it is a useful method that categorizes cases in a simple manner according to their characteristics (Rihoux, 2006; Poveda, 2013). QCA, developed by Ragin (1987), has not provoked much interest until now. The main aim of the method is to provide meaningful and concise interpretations of the causal patterns operating in the cases that are examined. It aims to discover the various causal conditions or condition factors that can fundamentally affect the result. That is, it begins with the assumption that one outcome does not belong to a set of one variable only, but may belong to a set of many variables (Rihoux, 2006; Wagner & Schneider, 2010). Other characteristics of this methodology are: the use of set theory; Boolean algebra; the formation of a truth table; and a concise approach to research data (Donnelly & Wiechula, 2013). The QCA method takes three broad forms: crisp set QCA (CSQCA), fuzzy set QCA (FSQCA) and multi-value QCA (MVQCA). This research will use CSQCA, since this method processes data by changing independent variables and dependent variables into 0 or 1 according to a certain threshold. It is convenient to set a threshold and categorize the independent variables that affect the happiness score of the countries included in this research into 0 and 1. Accordingly, this research will use the CSQCA program and the TOSMANA program.

Variables

This research attempts to discover the configurations of business determinants affecting happiness at a national level, working from a comparative perspective. If happiness is analyzed at the level of the individual firm, then the leadership of the employer, the income level of the employees and

working conditions, etc. may be important. However, because this study focuses mainly on identifying how happiness in developing and developed countries is related to business determinants at national level, the following variables are included in the analysis, on the basis of Welsch (2009) and Kim et al. (2015).These variables consist of one dependent variable (happiness) and five independent variables (GDP per capita, hours worked per week, transparency of public policy making, labour–employer cooperation, and Gini coefficient) (Table1).These data are collected at national level.

Table 1. *Variables and data source*

Variable	Acronym	Explanation	Measurement	Source
happ-iness	happiness	The degree to which a person evaluates the overall quality of his present life positively.	The average ladder score (the average answer to the Cantril ladder question, which asks people to evaluate the quality of their present lives on a scale of 0–10) for each country, averaged over the years 2014–2016.	Helliwell, Layard & Jeffrey Sachs, *World Happiness Report 2017*
GDP per capita	gdp	GDP per capita	GDP per capita	*Global Competitive-ness Report 2016–2017*
hours worked	workhour	Hours worked per week.	Hours worked per week.	International Labour Organization

Transpar-ency	Transpa-rency	Transparency of government policy making.	In your country, how easy is it for companies to obtain information about changes in government policies and regulations affecting their activities? [1 = extremely difficult; 7 = extremely easy]	*Global Competitive-ness Report 2016–2017*
Coopera-tion between worker and employ-er	Coopera-tion	Labour–employer cooperation.	In your country, how do you characterize labour–employer relations? [1 = generally confrontational; 7 = generally cooperative]	*Global Competitive-ness Report 2016–2017*
Gini coefficient	gini	Global Gini Index (distribution of family income).	The index is calculated from the Lorenz curve, in which cumulative family income is plotted against the number of families, ranged from the poorest to the richest.	International Labour Organization

Note. Data regarding the Gini coefficient of each country vary from country to country. The data are somewhat out of date, ranging as they do from 1989 (Sierra Leone) to 2008 (Norway). Since Gini coefficients change slightly over time, using these data does not present any serious problems.

Countries to be analyzed

The countries to be analyzed are the 126 countries included in the *World Happiness Report 2017* authored by John Helliwell, Richard Layard and Jeffrey Sachs. It is true to say that the happiness scores for each country, and its ranking, may vary by publishing institute and researchers, because they employ different methods and criteria. However, the *World Happiness Report*, which is published by the sponsoring body of the UN, covers many countries to be analyzed in this research, so we use its data.

It should also be noted here that not all data (one dependent variable and five independent variables) for the 126 countries included in the Report are available from the relevant archives. Therefore, the countries investigated in this analysis are those for which all these data are available.

The next issue to be addressed is how to divide countries into *developing countries* and *developed countries*. In general, GDP per capita has been used, but what is problematic is the threshold according to which countries may be allocated to either of the two groups. This research relies on the classification made by the *Global Competitiveness Report 2017*, in which the countries included in the Report are classified into five groups, as shown in Tables 2 and 3. In our own analysis, of the five groups, two groups - transition from stage 2 to stage 3 and stage 3 groups - are included. We assume that the transition group from stage 2 to stage 3 can represent developing countries and the stage 3 group developed countries.

Table 2. *Income thresholds for stages of development*

	Stage 1: Factor driven	Transit-ion from Stage1 to Stage 2	Stage 2 Efficiency -driven	Transiti on from stage 2 to stage 3	Stage 3 Innovat-ion-driven
GDP per capita (US$) thresholds	<2,000	2,000–2,999	3,000–8,999	9,000–17,000	>17,000

Weight for basic requirements	60%	40–60%	40%	20–40%	20%
Weight for efficiency enhancers	35%	35–50%	50%	50%	50%
Weight for innovation and sophistication factors	5%	5–10%	10%	10–30%	30%

Source: WEF (2017, p. 320)

Table 3. *Classification by each stage of development*

Stage 1: Factor-driven (35 economies	Transition from stage 1 to stage 2* (15 economies)	Stage 2: Efficiency-driven (31 economies	Transition from stage 2 to stage 3* (20 economies)	Stage 3: Innovation-driven (36 economies)
Bangladesh Benin Burundi Cambodia Cameroon Chad Congo, Democratic Rep Ethiopia Gambia, Ghana Guinea Haiti India Kenya Kyrgyz Republic Lao PDR Lesotho Liberia Madagascar	Algeria Azerbaijan Bhutan Botswana Brunei Darussalam Honduras Kazakhstan Kuwait Mongolia Nicaragua Nigeria Philippines Ukraine Venezuela Viet Nam	Albania Armenia Bosnia and Herzegovina Brazil Bulgaria Cape Verde China Colombia Dominican Republic Ecuador Egypt El Salvador Georgia Guatemala Indonesia Iran, Islamic Rep Jamaica Jordan Mexico	Argentina Chile Costa Rica Croatia Hungary Latvia Lebanon Lithuania Malaysia Mauritius Oman Panama Poland Romania Saudi Arabia Seychelles Slovak Republic Trinidad and Tobago	Australia Austria Bahrain Belgium Canada Cyprus Czech Republic Denmark Estonia Finland France Germany Greece Hong Kong SAR Iceland Ireland Israel Italy Japan Korea, Rep

Malawi Mali Mauritania Moldova Mozambique Nepal Pakistan Rwanda Senegal Sierra Leone Tajikistan Tanzania Uganda Yemen Zambia Zimbabwe		Montenegro Morocco Namibia Paraguay Peru Russian Federation Serbia South Africa Sri Lanka Swaziland Thailand Tunisia	Turkey Uruguay	Luxembourg Malta Netherlands New Zealand Norway Portugal Qatar Singapore Slovenia Spain Sweden Switzerland Taiwan, China United Arab Emirates United Kingdom United States

Source: WEF (2017, p.320).

As Tables 2 and 3 shows, the stage 3 group contains 36 countries, including Australia, and the transition group from stage 2 to stage 3 contains 20 countries, including Argentina. However, because not all of these countries offer data for the six relevant variables, some are excluded. The remaining countries (13 developing and 28 developed) selected for analysis are shown in Table 4.

Table 4. *Countries selected for analysis in this study*

Stage level	Countries
Developing countries (13)	Argentina, Costa Rica, Croatia, Hungary, Latvia, Lithuania, Malaysia, Mauritius, Panama, Poland, Romania, Turkey, Uruguay

Developed countries (28)	Australia, Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong, Iceland, Italy, Japan, Korean Republic, Luxembourg, Malta, Netherlands, New Zealand, Norway, Portugal, Singapore, Slovenia, Spain, Sweden, Switzerland, UK

Analysis

Descriptive statistics

First, descriptive statistics for the two groups - developing and developed countries - are presented in Table 5.

Table 5. *Descriptive statistics of dependent and independent variables by developing countries*

Variable		Case no.	Min. value	Max. value	Mean	S. D.
happiness	Developing	13	5.29	7.08	5.99	0.52
	Developed	28	5.20	7.54	8.58	0.76
workhour	Developing	13	38	46	41.07	2.90
	Developed	28	32	44	37.57	3.08
Transpa-rency	Developing	13	2.70	5.30	4.04	0.76
	Developed	28	2.80	6.20	4.88	0.91
Coopera-tion	Developing	13	3.30	5.50	4.32	0.67
	Developed	28	3.50	6.10	5.00	0.78
gdp	Developing	13	10,035	16,386	12,769	2,405.85
	Developed	28	19,563	111,716	46,214.57	22,882.2
gini	Developing	13	28	56	40	8.50
	Developed	28	23	53.30	31.31	6.99

As Table 5 shows, in terms of mean scores of variables, developed countries are ahead of, better than and higher than developing countries. However, it is also found that there are

some variables in which standard deviations in developed countries are higher than those in developing countries, implying that there are big differences between individual developed countries.

Analysis of developing countries

Data for variables

Table 6 presents the raw data for the six variables in developing countries. In terms of happiness score, Costa Rica is the highest at 7.07 and Croatia the lowest at 5.293. In terms of work hours, Turkey is the highest at 46 hours per week and Croatia the lowest at 38 hours. In terms of GDP per capita, Lithuania is the highest at 16,386 US dollars and Costa Rica the lowest at 10,083US dollars. In transparency of public sector policy making, Malaysia is the highest at 5.3 and Mauritius the lowest at 2.7. In terms of cooperation between labour and management, Malaysia is the highest at 5.5 and Uruguay the lowest at 3.3. And in terms of Gini coefficient, Panama is the highest, implying that income inequality is worst in developing countries, whereas Hungary is the lowest, indicating it is the least bad country in terms of income inequality.

Table 6. *Raw data of variables in developing countries*

Country	Happ-iness	Work-hour	gdp	Transpa-rency	Coope-ration	gini
Argentina	6.599	39	12,873	3.0	3.6	49.0
Costa Rica	7.079	44	10,083	4.4	5.3	48.0
Croatia	5.293	38	13,494	3.5	3.6	29.0
Hungary	5.324	39	13,881	3.4	4.2	28.0
Latvia	5.85	39	15,729	4.5	4.9	36.0
Lithuania	5.902	39	16386	4.5	4.3	36.0
Malaysia	6.084	46	10,804	5.3	5.5	46.1
Mauritius	5.629	39	10,517	2.7	4.8	39.0
Panama	6.452	44	11,147	4.4	4.6	56.1
Poland	5.973	41	14,379	3.6	4.1	34.9
Romania	5.825	39	10,035	3.9	4.1	32.0

Turkey	5.5	46	10,482	4.4	3.9	43.6
Uruguay	6.454	41	16,199	4.9	3.3	45.2

Source: World Happiness Report 2017

Dichotomization

The next step is to dichotomize each variable's value into 0 or 1, using a threshold for each variable. What matters is objectively deciding upon a threshold dividing each variable into two (value of 0 or 1). In reality, it is difficult to find an objective threshold for dividing each variable into two. For this reason, some studies use the mean score of a variable or its median; however, these statistics are arguable for threshold. Therefore, this study relies on the Tosmana (Tool for Small-N Analysis) program for producing a threshold for each variable. This program produces thresholds of variables using their descriptive statistics, including their minimum and maximum values.

Figure 1 shows that the threshold for the variable 'happiness' is 6.19, which is different from its median score of 5.902. The threshold for each variable is produced in the same way as for the variable 'happiness'.

Figure 1. Threshold of the variable 'happiness' in the developing countries group

Using this threshold, if the value of 'happiness' in a country belonging to the developing countries group is lower than its threshold of 6.19, the variable is given the value 0, and if it is higher than 6.19 it is given the value 1. The rest of the variables are treated in the same way, and so are given a value of either 0 or 1, depending on their original values. Table 7 shows the dichotomization results for the one dependent and five independent variables, based on the dichotomization process using thresholds.

Table 7. *Dichotomization of variables in developing countries*

country	happi-ness_1	work-hour_1	gdp_1	transpa-rency_1	coope-ration_1	gini_1
Argentina	1	0	0	0	0	1
Costa Rica	1	1	0	1	1	1
Croatia	0	0	1	0	0	0
Hungary	0	0	1	0	0	0
Latvia	0	0	1	1	1	0
Lithuania	0	0	1	1	0	0
Malaysia	0	1	0	1	1	1
Mauritius	0	0	0	0	1	0
Panama	1	1	0	1	1	1
Poland	0	0	1	0	0	0
Romania	0	0	0	0	0	0
Turkey	0	1	0	1	0	1
Uruguay	1	0	1	1	0	1

Truth table

The next step is to produce a truth table using the dichotomization results for the variables. Here, we use the Tosmana program for producing truth tables. Table 8 shows the results of truth table analysis in relation to the configurations of business determinants affecting happiness in developing countries.

Table 8. *Truth table analysis in developing countries*

Variable Settings:

Name	Thresholds
happiness	6,19
workhour	42
gdp	13210,5
transparency	4
education	4,2
cooperation	4,4

Truth Table:

v1: workhour_1 v2: gdp_1
v3: transparency_1 v4: cooperation_1
v5: gini_1

O: happiness_1 id: country

v1	v2	v3	v4	v5	O	id
0	0	0	0	1	1	Argentina
1	0	1	1	1	C	CostaRica,Malaysia,Panama
0	1	0	0	0	0	Croatia,Hungary,Poland
0	1	1	1	0	0	Latvia
0	1	1	0	0	0	Lithuania
0	0	0	1	0	0	Mauritius
0	0	0	0	0	0	Romania
1	0	1	0	1	0	Turkey
0	1	1	0	1	1	Uruguay

Result:

workhour_1 * gdp_1 * transparency_1 * cooperation_1 * GINI_1 + workhour_1 * GDP_1 * TRANSPARENCY_1 * cooperation_1 * GINI_1
(Argentina) (Uruguay)

Note. The value 1 means that a value of a variable is higher than a threshold produced by the Tosmana program, and with the value 0 it is vice versa. In addition, an upper-case letter for a variable means that it is 1or higher than the threshold, and a lower-case letter means that it is 0 or lower than the threshold. Moreover, * means AND in set theory, and + means OR.

As Table 8 indicates, there are two configurations of business conditions associated with a high level of happiness in the developing countries group. The first is the combination of low work hours per week, low GDP per capita, low labour-employer cooperation and high Gini coefficient. Argentina is included in this configuration. The second configuration is the combination of low work hours, high GDP per capita, high transparency, low labour–employer cooperation and high Gini coefficient. Uruguay is included in this configuration. What these two configurations indicate is that, if a country meets either the first configuration or the second configuration, its happiness level may be relatively high. It means also that a country whose happiness level is low can try to benchmark that

configuration which is closer to its own case in terms of independent variables. What is particularly interesting in this analysis result is that the two configurations applicable to the developing countries group have something in common: low work hours per week.

As is explained below, if the five independent variables are combined to either the first or the second type, the happiness level of a country may be high, with it belonging to the high happiness country group:

workhour_1 * gdp_1 * transparency_1 * cooperation_1 * GINI_1 + workhour_1 * GDP_1 * TRANSPARENCY_1 * cooperation_1 * GINI_1

The truth table analysis is presented in Figure 2 using the Tosmana Venn diagram visualization program.

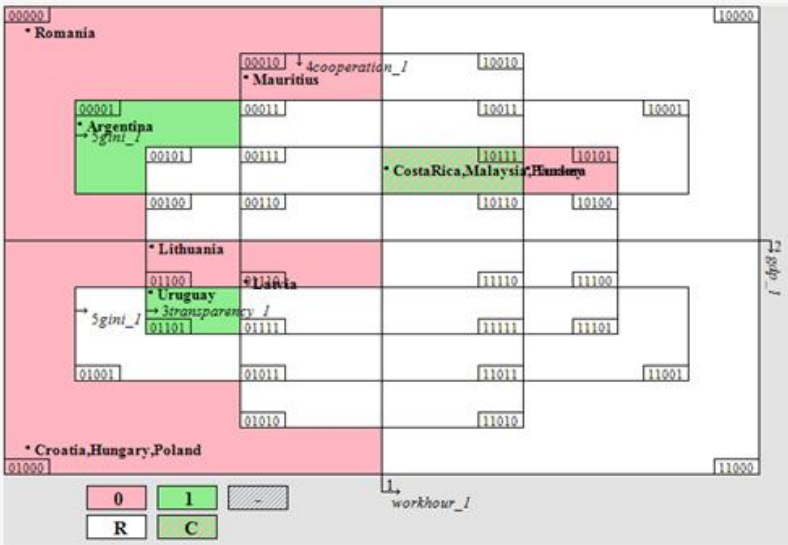

Figure 2. Configurations of business determinants in the developing countries group

Analysis of developed countries

Data for the variables

Table 9 shows the raw data for the variables included in the analysis of the developed countries group.

Table 9. *Descriptive statistics for dependent and independent variables by developed countries*

Country	happ-iness	work-hour	gdp	transp a-rency	coope-ration	gini
Australia	7.284	34	61,219	4.9	4.3	30.5
Austria	7.006	36	51,307	5.0	5.7	26.0
Belgium	6.891	37	47,722	4.4	4.7	28.0
Cyprus	5.621	38	26,115	4.4	4.7	29.0
Czech Republic	6.609	39	19,563	3.9	4.7	26.0
Denmark	7.522	34	60,564	4.8	6.1	24.0
Estonia	5.611	39	19,671	5.0	5.0	34.0
Finland	7.469	36	49,497	5.9	5.1	29.5
France	6.442	36	44,538	4.4	3.8	32.7
Germany	6.951	36	47,590	5.1	5.2	27.0
Greece	5.227	41	21,653	3.4	4.0	33.0
Hong Kong	5.472	44	39,871	6.0	5.5	53.3
Iceland	7.504	40	51,262	5.1	5.4	25.0
Italy	5.964	37	35,823	2.8	3.6	32.0
Japan	5.92	39	36,332	5.5	5.7	38.1
Korean Republic	5.838	44	28,101	3.3	3.5	31.3
Luxem-bourg	6.863	38	111,716	5.9	5.6	26.0
Malta	6.527	38	24,876	4.5	4.8	26.0
Nether-lands	7.377	32	51,373	5.5	5.6	30.9
New Zealand	7.314	33	43,837	6.0	5.5	36.2
Norway	7.537	34	97,013	5.7	6.0	25.0
Portugal	5.195	38	22,130	4.0	4.5	38.5
Singapore	6.572	44	56,319	6.2	6.0	48.1
Slovenia	5.758	39	24,019	4.1	4.0	24.0
Spain	6.403	37	30,278	4.0	4.2	32.0
Sweden	7.284	36	58,491	5.4	5.7	23.0
Switzerland	7.494	37	87,475	5.9	6.1	33.7

UK	6.714	36	45,653	5.5	5.2	34.0

As Table 9 shows, in terms of happiness, Norway is highest at 7.537 and Portugal lowest at 5.195. In work hours, Korea and Singapore are highest at 44 hours per week and the Netherlands lowest at 32. In terms of GDP per capita, Luxembourg is highest at 111,716 US dollars and the Czech Republic lowest at 19,563 US dollars. In transparency of public sector policymaking, Singapore is highest at 6.2 and Italy lowest at 2.80. In terms of cooperation between labour and management, Denmark and Switzerland are highest at 6.1 and Korea lowest at 3.50. In Gini coefficient, Hong Kong is highest and Sweden lowest.

Dichotomization

As with the developing countries group, it is necessary for all the variables to be dichotomized into value 0 or 1. For example, in the case of the happiness variable, as Figure 3 shows its threshold is 6.37, slightly lower than its median of 6.6615, meaning that if the value of the happiness variable in the developed countries group is higher than 6.37 it is given the value 1, and if it is lower than 6.37 it is given the value 0. The other variables are also dichotomized into 0 or 1 in the same way as before.

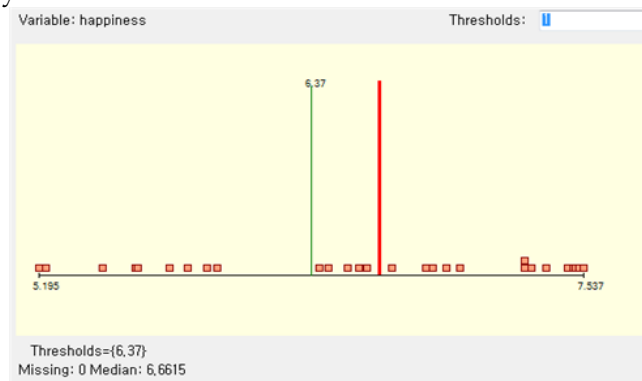

Figure 3. Threshold of variable 'happiness' in developed countries group

Table 10 shows the dichotomized results for the variables included in the analysis of the group of 28 developed countries.

Table 10. *Dichotomization of variables in developed countries*

country	happin ess_1	work-hour_1	gdp _1	transpa-rency_1	cooper-ation_1	gini_ 1
Australia	1	0	1	1	0	0
Austria	1	0	1	1	1	0
Belgium	1	0	1	0	0	0
Cyprus	0	1	0	0	0	0
Czech Republic	1	1	0	0	0	0
Denmark	1	0	1	1	1	0
Estonia	0	1	0	1	1	0
Finland	1	0	1	1	1	0
France	1	0	0	0	0	0
Germany	1	0	1	1	1	0
Greece	0	1	0	0	0	0
Hong Kong	0	1	0	1	1	1
Iceland	1	1	1	1	1	0
Italy	0	0	0	0	0	0
Japan	0	1	0	1	1	1
Korean Republic	0	1	0	0	0	0
Luxembourg	1	1	1	1	1	0
Malta	1	1	0	0	0	0
Netherlands	1	0	1	1	1	0
New Zealand	1	0	0	1	1	0
Norway	1	0	1	1	1	0
Portugal	0	1	0	0	0	1
Singapore	1	1	1	1	1	1
Slovenia	0	1	0	0	0	0
Spain	1	0	0	0	0	0
Sweden	1	0	1	1	1	0
Switzerland	1	0	1	1	1	0
UK	1	0	1	1	1	0

Truth table

The next step is to produce a truth table explaining the combinations of business determinants affecting happiness in developed countries. The results of the truth table analysis produced by the Tosmana program are presented in Table 11.

Table 11 Truth table analysis in developed countries

Truth Table:

v1: workhour_1 v2: gdp_1
v3: transparency_1 v4: cooperation_1
v5: gini_1

O: happiness_1 id: country

v1	v2	v3	v4	v5	O	id
0	1	1	0	0	1	Australia
0	1	1	1	0	1	Austira,Denmark,Finland,Germany,Netherlands,Norway,Sweden,Switzerland,UnitedKingdom
0	1	0	0	0	1	Belgium
1	0	0	0	0	C	Cyprus,CzechRepublic,Greece,KoreaRep.,Malta,Slovenia
1	0	1	1	0	0	Estonia
0	0	0	0	0	C	France,Italy,Spain
1	0	1	1	1	0	HongKong,Japan
1	1	1	1	0	1	Iceland,Luxembourg
0	0	1	1	0	1	NewZealand
1	0	0	0	1	0	Portugal
1	1	1	1	1	1	Singapore

Result

workhour_1 * GDP_1 * cooperation_1 * gini_1 + workhour_1 * TRANSPARENCY_1 * COOPERATION_1 * gini_1 + WORKHOUR_1 * GDP_1 * TRANSPARENCY_1 * COOPERATION_1
(Australia*Belgium) (Austira,Denmark,Finland,Germany,Netherlands,Norway,Sweden,Switzerland,UnitedKingdom*NewZealand)
(Iceland,Luxembourg*Singapore)

As the above truth table analysis indicates, six configurations of business determinants explaining high level of happiness (having the value 1 in the 'o' [output] column) in the developed countries group have been discovered. These six conditions can be simplified into three, as follows. The first type is a combination in which work hours are low, GDP is high, cooperation between labour and management is low, and Gini coefficient is low. Australia and Belgium are included in the first type. The second type is a combination in which transparency in public sector policy making is high, labour–employer cooperation is high, and Gini coefficient is low. Austria, Denmark, Finland, Germany, the Netherlands, Norway, Sweden, Switzerland, the UK and New Zealand are included in type 2. The third type is a combination in which work hours are high, GDP per capita is high, transparency is high and cooperation is high. Type 3 includes Iceland,

Luxembourg and Singapore. The simplified conditions for the combinations in the developed countries group are as follows:

workhour_1 * GDP_1 * cooperation_1 * gini_1 → workhour_1 * TRANSPARENCY_1 * COOPERATION_1 * gini_1 → WORKHOUR_1 * GDP_1 * TRANSPARENCY_1 * COOPERATION_1

The conditions for the combinations of business determinants influencing happiness in the developed countries group are presented in the Venn diagram represented in Figure 4.

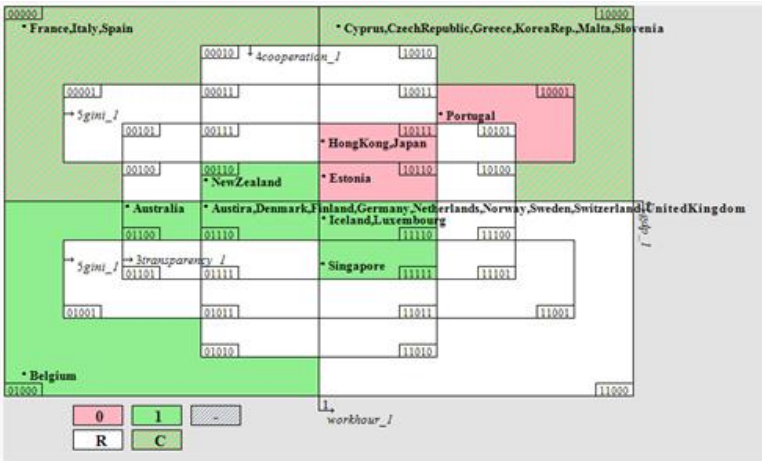

Figure 4. Configurations of business determinants in the developed countries group

Comparison of developing and developed countries

Table 12 compares the configurations of business determinants influencing happiness in developing and developed countries.

Table 12. *Comparison of developing and developed countries groups in terms of configurations of business determinants*

Developmental process	Configuration	Country
Developing countries	Type 1: workhour*gdp*transparency *GINI	Argentina

Developing countries	Type 2: workhour*GDP* TRANSPARENCY* cooperation*GINI	Uruguay
Developed countries	Type 1: workhour*GDP*cooperation* gini	Australia, Belgium
Developed countries	Type 2: workhour*TRANSPARENCY *COOPERATION*gini	Austria, Denmark, Finland, Germany, Netherlands, Norway, Sweden, UK, New Zealand
Developed countries	Type 3: WORKHOUR*GDP* TRANSPARENCY* COOPERATION	Iceland, Luxembourg, Singapore

Note. Variables given in lower case have values lower than a threshold, and those given in upper case have values higher than a threshold.

As outlined above, in developing countries we found two configurations explaining high levels of happiness, and in developed countries we found three simplified configurations. What is particularly interesting in this analysis is that, in order for a happiness level in developing and developed countries to be higher, work hours per week needs to be lower. In type 3 in developed countries, the value of the workhour variable is high, meaning that in this situation countries wishing to create high levels of happiness should also have, at the same time, high GDP per capita, high transparency and high labour–employer cooperation. In this regard, it can be assumed that reducing work hours really matters in respect of elevating happiness levels, in both developing and developed countries.

Conclusions

This research categorized countries into two groups, developing countries and developed countries, on the basis of the World Economic Forum's classification. It then attempted to discover the configurations of business conditions affecting happiness, using QCA. It is hoped that the research results may

have useful policy-related and practical implications for policymakers in the area of happiness and business.

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Happiness in Readymade Garments Industry of Bangladesh: A Need Analysis

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Abstract

RMG (Readymade Garment) is the leading sector in Bangladesh in terms of foreign currency earnings. With 6% annual average GDP growth rate, Bangladesh has brought about remarkable social and human development. On the contrary, Bangladesh is among the 10 worst countries for workers, according to a report by labor rights group-International Trade Union Confederation (ITUC). Government, RMG owners' association and other international organizations are taking initiatives of developing life skills of workers, yet more initiatives are required to enhance the life style and happiness of RMG workers.

This qualitative study tried to find out the gap between actual need of RMG workers. The study was carried out in RMG factory premises in Dhaka city applying qualitative approach of FGDs and IDIs. The study tools were designed in the light of four pillars and nine domains of GNH.

Findings derived from the study indicate that happiness is merely imaginary to RMG workers. Every day they struggle to accomplish their domains of happiness. Maintaining daily activities i.e. entering the factory on time, daylong immense workload, terrible transportation, workers have less scope to evaluating life satisfaction and eventually they are deprived of psychological wellbeing. The workers have found less choice to spend time on personal work, leisure, care and sleep, and maintaining a harmonious work life balance. Inadequate education is one of the reasons of their unpleasant destiny. The studied workers have insignificant scope to observe their traditional festivals, norms and values and are alienated from relationships and interaction within communities, family and friends.

Good governance is perceived by them widely in getting salary and bonus timely. Few training courses arranged by development organizations helped them to understand ecological and manmade hazards like fires or earthquakes. Material comfort such as income, conditions of financial security, housing and asset ownership indicates that surveyed RMG workers are below the line of living standards.

Stakeholders, that is government of Bangladesh, employers, leaders of trade union and federations, need to be more sensitized to understand the real needs of the RMG workers. Each of stakeholders has particular responsibilities to the RMG workers and they can get greater returns eventually. Therefore, it is essential to grasp the RMG workers psychological demands as well as their material incentives if the stakeholders want to give them true happiness as well as contribute to economic growth of the country.

Introduction

Background

Readymade Garments (RMG) is the leading sector in Bangladesh in terms of foreign currency earnings. Bangladesh is the second largest apparel manufacturer of the world having more than 5,000 garment factories employing approximately 4 million workers. Therefore, RMG industry has made a significant contribution to the social and economic development of the country as livelihood of those people relies on RMG industries. This sector experienced phenomenal growth over the last two decades and among the workers; more than 80% are female. With having 6% annual average GDP growth rate, Bangladesh has brought about remarkable social and human development.

On the contrary, Bangladesh is among the 10 worst countries for workers, according to a report by labor rights group-International Trade Union Confederation (ITUC[1]). Government,

[1] The International Trade Union Confederation (ITUC) is the world's largest trade union federation. It was formed on 1 November 2006, out

RMG owners' association and other international organizations are taking initiatives of developing life skills of workers, yet more initiatives are required to enhance the life style and happiness of RMG workers.

Objective of the study

The main objective of this qualitative study is to understand the cognitive status of happiness among RMG workers in Bangladesh in the light of four pillars (political, economic, cultural and environmental) and nine domains (psychological wellbeing, health, time use, education, cultural diversity and resilience, community vitality, good governance, ecological diversity and resilience, and living standards) of GNH[2] and analyze their need.

Limitation of the study

The study was qualitative in nature and the primary participants were RMG workers living in and around Dhaka city. The garment factories were selected purposively[3] due to limited resources and time. Hence, the findings of this study may differ from the national scenario of RMG industries in Bangladesh.

Methodology of the study

Study design

This study was conducted on two techniques namely documents review and on site data collection. Below are the descriptions of both the techniques:

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of the merger of the International Confederation of Free Trade Unions and the World Confederation of Labour

[2] Gross National Happiness is a developing philosophy as well as an "index" which is used to measure the collective happiness in any specific nation. The concept is mentioned in the Constitution of Bhutan, which was enacted on 18 July, 2008.

[3] Purposive sampling technique that is particularly useful in exploratory qualitative research, research with limited resources, as well as research where a single case (or small number of cases) can be decisive in explaining the phenomenon of interest.

Documents review

Reviewing of the existing relevant documents was one of the most integral components of this study. At the beginning of the study, available documents were reviewed to finalize the guidelines/checklists of study, such as reports published by Bangladesh Garment Manufacturers and Exporters Association (BGMEA), INGOs and NGOs, articles published in daily newspapers on RMG issues, MDG progress reports for Bangladesh as well as the relevant websites of like-minded issues. It helped to draw a sketch of the context at global and country level which has been further examined in the study findings.

On site information collection

To triangulate the in-depth information from the field, onsite information was collected from the respective respondents. This study was mainly qualitative in nature using Focused Group Discussions (FGDs) and Key Informant Interviews (KIIs) as the study techniques.

Implementation of the methodology

A number of steps and procedures were followed during the implementation of methodology of this qualitative study. Following discussions characterized these steps:

Study area and population

This qualitative study was conducted in selected RMG premises in and around Dhaka city. However, a few of the factories were selected from Dhaka Export Processing Zone (DEPZ) and remaining was selected from nearby Dhaka city to understand any gap between the two facilities. To achieve the objectives of the study, following types of respondents were contacted:

- RMG factory workers
- Leaders of trade union and federation
- Management staff of the factory

Qualitative sample

For this qualitative study, a total of six FGDs and eight KIIs were conducted with the respective respondents. Two different tools were used for information gathering: for FGDs, discussion guideline was used while semi-structured/open ended checklist was used for KIIs. In each of the FGDs, 8-10 participants with homogenous background were included, irrespective of gender. The KII participants were mainly from the trade union and federation leaders and management staff of the factories who knew the areas of issues better as well as had understanding of the study objectives.

The distribution for FGDs and KIIs were as follows:

Technique/s	Target Respondent and Study Location		Sample
FGD	RMG Workers	Mirpur of Dhaka city	2
		DEPZ, Savar	2
		Gazipur	2
Total Number of FGD			6
KII	Leaders of trade union and federation		4
	Management staff of the factory		4
Total Number of KIIs			8

Information coverage

Broadly, this need analysis based qualitative study covered the following issues and collected information accordingly:

- General understanding of happiness
- Present condition of psychological wellbeing of RMG workers
- Understanding of good governance and impact on RMG workers' lives
- Cultural diversity in terms of civic participation, engagement in social networks and relationships with community
- Ecological diversity and resilience

- Issues in the workplace (wages, leave, health and safety, respect by supervisors, gender based violence, discrimination, labor law violations, etc.)
- Knowledge and perceptions of advisory staff of the factories in improving working conditions
- Livelihood standards of the RMG workers in terms of housing, water and sanitation, power consumption, debt, cash/kind, etc.
- Access to services i.e. financial services, legal assistance or conflict resolution mechanisms, health care, education, etc.

Scale for qualitative information

In this report, following scale has been used to assess the qualitative information:

- 9-10 participants = Almost all
- 7-8 participants = Most of the participants
- 5-6 participants = Majority
- 3-4 participants = Some
- 1-2 participants = A few

Findings of the study

Household dynamics

Findings showed that among those who participated in the focused group discussions (FGDs) session, most of them were female while some of them were male.

Family background

Majority of the participants came from outside Dhaka; however, they have strong family bondage, though they are living mostly single, away from home. In terms of their socio-economic class, most of them belonged to lower income group. Most of the households (HHs) members of the participants came from various professions i.e. rickshaw puller, van puller, seasonal laborer, day laborer, farmers, etc.

One RMG female worker reported that ""I live alone… everyone else lives in our village home. I am in regular touch over phone… visiting them on occasions."

Family size

Almost all the participants were from nuclear families. The average family size was four with members being husband, wife and children. The parents and siblings have separate families or stayed in villages or outside Dhaka city. Most of the respondents were married and have 1-2 children. Majority of them sent their son and daughters to school and some of them were studying in secondary level (up to class ten) of education.

Decision making

This qualitative study found that almost all the female workers spend their family time with household chores; however, male members played key roles in the decision making process. Sometimes they discussed issues with older family members, but in most the cases, male members take the final decision. When asked about less involvement of female members in decision making process, a few of the participants opined that females do not participate in decision making process and this is year-long tradition in the society. Female can only takes decision in some issues, i.e. purchasing cloths, visiting relatives' house and/or in preparing foods.

Women's rights to their income

Majority of the women reported that they could not spend their income by their own choice. In most of the cases, they just handed over their monthly salary to their husbands. A few male members give their wives freedom to spend their own income on a belief that their wives would spend it for their children and family needs. In both the cases, female workers spend their major portion of income for family proposes; either forcibly or by their own choice.

Crisis Management Fund

Almost all participants uttered that they do not have any Crisis Management Fund (CMF). Saving money for any uncertain risk is not very easy for them due to the price hike in the market; however, they try to keep some money as savings in each month. Majority of the participants were found to have deposit scheme (DPS) in the bank. In case of any accident, they manage credit from their relatives and neighbors, arrange money by selling assets and take loan from the co-operative society as well.

Understanding the happiness of RMG workers

In this qualitative study, happiness of RMG workers of Bangladesh were analyzed in the light of four pillars (political, economic, cultural and environmental) and nine domains (psychological wellbeing, health, time use, education, cultural diversity and resilience, community vitality, good governance, ecological diversity and resilience and living standards) of GNH. Following discussion illustrates the issues:

General understanding of happiness

At the beginning of the discussions, FGD participants were asked on their first impression about happiness as an icebreaking start. After starting this discussion among the participants, it was observed that FGD participants could differentiate their happiness at home as well as in their workplace. Majority of the participants reported that 'happiness' is a kind of cognitive functioning which varies from person to person. However in general, happiness for RMG workers is about getting a good working environment, satisfaction with work and salary, good understanding with family members as well as a secured livelihood were reported by majority of the participants. One female RMG worker reported that "Since I am living well with my family, I feel that I am happy."

FGD participants also mentioned that if a RMG worker gets the minimum rights in her/his workplace as well as in the family, s/he perceived it as happiness. Most of the RMG

workers are not getting those minimum rights from workplace and/or family, as mentioned by them. On the contrary, whilst the factory staffs were interviewed, almost all of them have stated that employers are trying their level best to provide utmost facilities to their workers. After the fate of Rana Plaza incidence in 2013, government and other stakeholders are paying their best focus on the improvement of workers' facilities.

Psychological wellbeing and time use

Working with passion and love is a vital factor to enrich knowledge and skills. Majority of the RMG workers have come into this job due to fate rather than as a choice. Therefore, a few of the participants felt that they are doing something that is not appropriate for them. This psychological state often hinders their concentration on work and they failed to give best output in workplace. One male RMG worker reported that "Sometimes I feel that I am a worthless person and I failed to make my family happy."

RMG workers were asked to recall their last one month and describe their status of psychological wellbeing. It was found that most of the participants combat to accomplish their domains of happiness almost every day. In most of the cases, they start their day with a rush due to several reasons, i.e. entering the factory on time, terrible transportation on road, daylong immense workload, coming back home and managing household chores. While facing a day with such hassle, RMG workers have less scope to evaluating life satisfaction and eventually they are deprived of psychological wellbeing. Consequently, majority of the workers have gone under trauma during last month which took them to an unpleasant life, and these are as follows:

- Lost much sleep over worry
- What they are doing is not useful
- Felt incapable of making decisions of things
- Felt constantly under stress
- Felt they could not overcome their difficulties

- Felt unhappy and depressed
- Lost confidence on self

RMG workers work on an average 10 hours per day and they have little time to spend outside the working environment. In this study, most of the workers are women who despite their full-time employment are engaged in household chores. Therefore, the workers have found less choice to spend time on personal work, leisure, care and sleep, and maintaining a harmonious work life balance.

The majority of the male workers were found to be exposed to some sort of personal fulfilment i.e. watching TV, listening to music, praying, or playing. Only a few mentioned to spend time with the family or visit relatives and sometimes they went buying groceries in the morning in case of urgency. On the other hand, female worker were found to be managing cooking, taking care of children, washing clothes, cleaning furniture, shopping, visiting relatives, etc. These results indicate that female workers were far more burdened by household chores than male. This discrepancy between male and female activities outside the factory was identified where the burden of employment, household and childcare is on the female members' shoulders.

However, listening to music on mobile phone is found very common in RMG workers, irrespective of gender. Most of them spent their leisure time hanging out with friends/co-workers, and sometimes they go for watching movie in cinema halls. A few of them stated that they like to roam around by rickshaw in leisure time.

During free time, almost all the workers reported that they travel to the village in their home district. As part of their social obligation, workers also visit their family and relatives on religious festivals, which is the only time in the year to get a few days off from work. FGD participants mentioned that they give gifts and often provide financial support to their family members outside Dhaka. This activity is very important for the social lives of the RMG workers.

Health

Good health is a desire for each of the RMG worker as they need to work daily and ensure their income flow in every month. Therefore, FGD participants stated that they are very concerned about their health and try to get health care support from different health centers. However, majority of the FGD participants reported that a small number of government hospitals or NGO clinics are available nearby their residential areas. Some of them mentioned about unavailability of doctors in the government hospitals as they often practice in private clinics with high fees. It was found that health care cost i.e. admitting, diagnosis, medicine and other treatments is highly expensive for the RMG workers. One male worker stated that "we accelerate company's profit, but in return, owners rarely put attention to reduce the incidences of accidents and injuries of the workers."

Majority of the RMG workers expressed that factory owners pass on the pressure to meet daily production targets to their workers by applying strict factory rules and regulations regardless of poor working conditions. They have also mentioned that excessive work often impact on their health and workplace safety. On the other hand, factory staffs mentioned that in case of any incidence, they provide immediate support, i.e. leave, a portion of treatment cost, suggestions to the wounded workers. Factories situated in DEPZ area have their own medical facilities to provide primary health care support to the injured workers, as mentioned also by the factory staff. They also receive suggestions on first aid treatment and get referred to hospitals by them. However, most of the participants have tendency of visiting the nearest pharmacies for seeking advice and taking medicine based on their recommendations.

Education

This is evident that education is the underlying factor to Bangladesh's RMG sector in general and to the personal development of the workers in particular. The labor-intensive RMG factory is based on a low-skilled workforce, but targeting

high production with a minimum wage. This study finding showed that most of the RMG workers came from poor families and they had no access to or have been deprived of adequate education. They earn a living by learning on the job. In Bangladesh, the level of education is heterogeneous with gender, and the gender-education gap is less pronounced among workers of the RMG industry.

Study findings also revealed that an RMG worker is treated well due her/his experience than that of education level. It was found that majority of the participants were spending between 2 to 5 years in a factory, whereas a few of them were found to be working more than 10 years in DEPZ factories. RMG workers stated that there are more facilities in the factories of DEPZ; therefore, a worker can work for a couple of years with a moderate satisfaction.

On the other hand, factory staffs treat some RMG workers poorly due to their lack education and experience. In that case they need to work on low wages with long working hours which create an environment of stress and careless behaviour at the workplace eventually. Other studies widely acknowledged that RMG workers are prone to suffer from illness that is related to their daily workload. Almost all the participants reported that they will not let it happen to their children's lives; therefore, they try to send their children to educational institutions which could make their future bright. According to one male RMG worker: "If I were an educated person, I could have been in a better position now. That's why I am providing best support to my brother for his higher education."

In addition, supply end stakeholders i.e. factory staff stated that they always counsel the workers to provide education to their children. In some cases, factory staffs permit workers to take leave/s during their children's examinations or illness, as stated by a few of the factory staffs.

Good governance

RMG workers have moderate understanding about 'good governance'. The general perception of almost all the workers is that government is taking care of rich people compared to the

RMG workers. According to one female garment worker: "Good governance means to us widely in getting salary and bonus timely. We need to live first, who is in power does not bother us."

However, in recent years government increased the minimum salary/wage for the RMG workers which have been identified by them as a positive side of the government. A few of the RMG workers stated that workers do not get their rights. Government has rectified the labor law and there is a separate Ministry for labors, but government officers only discussed on May Day about the rights of labors. In response to the affiliation with any political parties, almost all the respondents stated that they do not have time to be a part of it. A few of the male workers often watch TV and received information on what is happening in the country as well as the role of political parties. However, all the workers participated in this study know about the major political parties in Bangladesh and they also know that the ruling government is trying to alleviate poverty from the country. Therefore, they will go to cast their vote in next election, as mentioned by most of them.

In terms of stakeholders' role in taking care of the rights of RMG workers, majority of the workers stated that they had to work on Friday which is their weekly holiday to meet the production and shipment target. They are under constant pressure from management to work every day including holidays. Majority of the workers told that they have rights to enjoy 12 casual and 14 medical leave in a year, but in practice they only get 8-14 holidays that includes leaves on national days and religious festivals. The respondents have to work overtime on working days as well as in weekends to avail those leaves. In case of deadline for shipment, the workers have to work in holidays as well. Types of leaves that the workers are entitled to are as follows:

- 26th March (Independence Day)
- 14th April (1st day of Bengali calendar)
- 16th December (Victory Day)
- 21st February (International Mother Language Day)

- 1st May (May Day)
- Eid-ul-Fiter
- Eid-ul-Azha
- Durga Puja
- Buddha Purnima

As per discussion with the RMG workers, the study found that the monthly income range of them is BDT 3,000-12,000 (approx.), including overtime pay. They have regular expenses i.e. house rent, buying food, buying medicine, children's education, mobile recharge, cooperative society, etc. On the other hand, they have some occasional expenses i.e. clothing, medical, shopping, mobile servicing etc. RMG workers eat day to day staples such as rice, vegetables, pulse, fish and meat. They occasionally have rich food such as polao, khichuri, biriani, beef and seasonal fruits. One male worker stated that "Whatever salary I receive is spent in 20 days….then I have to spend the rest of the month on loan."

Interviews with the trade union leaders revealed that they are working for ensuring workers' rights and protection, i.e. getting adequate salary, provision of leave, medical allowance, leisure period, overtime, treatment, gender inequality and so on. However, the situation has been changing positively and the incidents of workers' rights violation has been reduced remarkably, as mentioned by the trade union and federation leaders.

When the participants were asked about maternal leave, almost all of the participants mentioned that they did not get any. Pregnant women usually resign or are sacked from their jobs and the management hires a new employee in her place. However, a few of the female workers recalled that they got three days' leave during their weddings. On the contrary, management staffs of factories in DEPZ stated that workers have full freedom to enjoy their leaves they are entitled to. Female workers in those factories get two months maternal leave with salary.

The Welfare Officer of DEPZ reported that "Scenario in DEPZ factories is totally different and our workers are entitled

to almost all the national holidays as well as maternal leave. We do not allow them work on holidays except when unavoidable crisis arises."

Cultural diversity, resilience and community vitality

RMG workers believe in cultural harmony as they come from different areas of the country. Majority of the participants stated that their main identity is garments workers; therefore, they have respect on other's custom and belief as well. Study findings also showed that RMG workers are generally sympathetic towards their co-workers. The participants particularly mentioned about the friendly and strong relations among the female co-workers. It was found that during crisis periods female co-workers work as a support system for each other in terms of physical, financial and mental reinforcement.

In some cases, male coworkers were quoted to mistreat their female counterparts. In those cases, when female workers inform their supervisor to resolve those issues of maltreatment, they usually respond promptly to solve it. In most of the cases, both male and female workers mentioned that they did not have good relation with their immediate supervisory staff due to competition. They complained of additional work pressure and non-cooperation.

Apart from the factory premises, RMG workers have very less scope to share their thoughts or their activities with community people as they have not much time before and after duty. Therefore, majority of the RMG workers stated that they cannot maintain good relationship with neighbours as well as community people. This is because they come from outside Dhaka and in most of the cases they stay at rented houses.

Study findings also showed that RMG workers hardly attend any social events like cultural programs, picnic, sports or religious functions. They spend their maximum hours in their factories and fail to make good relationship with neighbors. Being aware of that situation, RMG were asked whether they could think of anybody close to them who can extend their hands in case of their illness. In reply, majority of the workers reported that they have their relatives who will definitely

extend their support if they become sick, and in case of emergency, their co-workers will play this role.

Ecological diversity and resilience

Bangladesh is vulnerable to cyclones and floods, and there is a considerable risk of earthquakes that might bring both people's homes and factories in danger. In recent times, factory owners and the government have come forward with plans to minimize the damages due to earthquake so the workers' lives can be protected.

This need analysis based study found that stakeholders, i.e. government, NGOs and trade unions, arrange meetings with the factory management to ensure sufficient safety measurement for their workers including stairways, firefighting equipment and opening emergency exit.

Climate change is happening and RMG workers have some awareness on it. They have mentioned that flood, flash flood, excessive heat and cold, thunderstorms are happening due to climate change, and it has impact on ecological diversity. Earlier, they saw number of species of fishes in the marker, but nowadays they are purchasing only hybrid species of them. In addition, RMG workers felt excessive heat last summer and many of them became sick due to dehydration. To minimize the risk, few workers keep oral saline with them during working hour. Moreover, RMG workers face difficulties in rainy seasons as many of their areas go under water due to flash flood and water logging in urban areas. Sometime workers get late in attending the factory due to water logging and their salary had been deducted at the end of month, as reported by a few of the FGD participants.

Living standards

It was mentioned earlier that majority of the RMG workers came from lower income group and most of them live in the slum areas; therefore, the living standards of them were found to be low and the available facilities were not sufficient to meet their needs.

FGD participants were asked about whether they are getting some basic utility and social services, i.e. water, gas, electricity, educational institution, health care center, sanitation and others. In this regard, study results are as follows:

Housing Condition

The study found that almost all the participants live in low cost rented house having very basic features. Their housing materials includes tin-shed roof with concrete floor in most of the cases. A few of them live in straw-shed house with mud walls or bamboo walls or tin walls. Concrete walls are found very rare in this study. RMG workers' basic domestic belongings include- TV, VCD player, refrigerator, bed, chair, table, cot, wardrobe, clothing rack, mobile phone, gas stove, utensils, etc.

Water

Majority of the participants do not get supply water during day time and they have to collect water from the nearest source. RMG workers from outside Dhaka stated that house owners have personal deep tube-well connected with electric motors; therefore, they do not face crisis of water severely. Sometime they preserve water in jars. Almost all the participants from Dhaka said that they drink boiled water collected from public taps. Some of the workers stated that their house owner provided them a reserve tank which is not sufficient for the people who live there.

Gas

Almost all the participants mentioned to have poor supply of gas in their households till afternoon which forced them to cook at night. In additon to this, there is only one gas stove for 4/5 families in the slum areas mentioned by few participants and due to that they often wait in a queue for cooking. To overcome the hassle, few of them arrange clay/kerosene stoves in their rooms. Cooking in the living room has a high risk of fire, as mentioned by most of the participants.

Electricity

Though the electricity generation capacity is increasing day by day in Bangladesh, load shedding was found to be a severe problem during summer, mentioned by the FGD participants. As per their statement, electricity bills are high and they need to pay a lot to avail this service. In case of any incidents like fire or power cut, they do not get proper and prompt services from the respective departments.

Educational institution

Study findings revealed that there are no educational institutions nearby the residence of the RMG workers. Almost all of the participants send their children to school for bright future. Most of them stated that the well-known educational institutes are costly and situated in distance far away from their area. Majority of the participants reported that maximum cost incurs to education from their monthly expenditure. A male and female garment worker stated the "Government should take initiatives to build educational institutions for lower income who group lives in the slum areas."

Sanitation

Sanitation facility was found very poor among the FGD participants. Most of the cases, 4-5 families use a single latrine and often they have to wait in long queue for getting bath. In emergency cases they have to use nearest pond water for taking bath as well as washing utensils and cooking items. In the slum areas, drainage system was also very poor. During the rainy season the area suffers from waterlogging as well as many waterborne diseases, i.e. malaria, dengue, chikungunya, etc.

Day care facility

Regarding the day care facilities, most of the participants said that they do not have such facility in their living areas. However, in the DEPZ factories, the owners provided day care facilities for their female garments workers.

Waste disposal system

Waste disposal system in the slum includes regular practices of disposing wastes in nearest ponds or open spaces and outside the boundary walls. In some study areas, waste disposal system has been found to be somewhat satisfactory by the participants. They use waste bins in their area. Selected garbage vans collect waste from those bins on a regular basis and dumps in the dustbins in a specific spot fixed by the city corporation.

Law and enforcement agency

Being from lower income group, RMG workers do not have any strong influence in the society. Consequently, they face lot of problems in their daily life. When asked about the status of law and enforcement in their area, all of the participants said that they were living with fear of harassment by police.

Suggestions to improve the situation

FGD participants have suggested a number of points to government and other stakeholders to improve the current situation and those are as follows:

- Ensure the supply of water and gas in an increasing manner
- Improving drainage system in slum areas
- Installation of sufficient number of latrines in the slum areas
- Increasing the number educational institutions nearby the low income areas
- Increasing the number of health care centers nearby the low income areas
- Ensure specialized doctors in health care center for all time
- Provide proper treatment at low cost for low income community
- Ensure making good relationship with police and community people

Violent incidences in the community

Almost all the participants said that violent incidences slightly reduced in their community compared to last few years. RMG worker quoted domestic violence, violence against women and eve teasing to be dominant in their community. In most of the cases, women experience violence for dowry and young boys have been observed to tease adolescent girls while they go outside for collecting water, shopping, school or any place.

Suggestion to reduce violent incidences

Almost all the participants reported that positive change in personal character can reduce domestic violence, sexual abuse and gender based violence as well as child marriage in their respective communities. They agreed that they need life-skills development training program to reduce the incidences and improve situations on their own or within a group.

The other major suggestions provided by the participants include increasing the scope of work, reducing poverty, raising awareness on the issues and showing respect to other norms and belief. On the other hand, management staff of the factory as well as trade union leaders uttered that unity is the most important component to avoid incidents in the factory premises. In that case, federation can play a vital role, as mentioned by the trade union leaders. They also emphasized good relation between owner and workers to decrease the incidents effectively.

Aspirations

RMG workers were asked about their aspirations and found that they have some dreams, fears and tensions as well as they have some role models in their lives. In terms of their dreams, they wish to get set self-empowerment through education, bringing up family members, expansion of one's horizons, empowering others, being able to learn new skills and visit other countries. They have fear about losing their social status, such as spouse and money. They were worried about their family members' safety and security. Finally, they have fear of

their own safety, as many of them live in the city alone. In most of the cases, father and mother were found to be the role models of RMG workers and bosses were also liked by a few of them. As per their views, father is honest, pious, never harms others and gentle also. On the other hand, mother is truthful, with sacrificing mentality and loves her children than that of her life.

A female garment worker stated that "society is not good; therefore, I can't concentrate on my work due to worries for my daughter." Another female worker stated that "I wished for a gold ring….and hope to buy it with my own savings."

Conclusion and recommendation

The aim of this study was to measure the current status of RMG workers in terms of their socio-economic condition as well as psychological wellbeing, which would be helpful to understand eventually the happiness among RMG workers in Bangladesh in general. However, study results revealed that happiness is simply imaginary to RMG workers in Bangladesh.

In terms of psychological wellbeing, almost all the RMG workers participated in this study were found to be far away from their perceived aspects of happiness, i.e. getting the minimum rights in workplace as well as at family level. After the fate of Rana Plaza incidence in 2013, it is visible that the government of Bangladesh and other stakeholders are paying their best focus on the improvement of workers' facilities; however, it is important to bring improvement in some areas like the wages of labor, gender inequality, business climate, trade logistics, skills of the workers and so on.

This study revealed that the underlined factors of wellbeing and happiness RMG workers of Bangladesh, i.e. housing condition, basic utility services (water, gas, electricity, sanitation, health care facilities etc.), workers' rights- (wage, provision of leave and allowances, overtime facility, safety at workplace etc.) education, cultural diversity and resilience, community vitality, good governance, ecological diversity and resilience, attachment with labor unions are yet to met. This study also identified that gender inequality exists in the RMG factories which hinders the progress of socio-economic status of

the female workers in the society. Therefore, it is essential to focus on the improvement of the wellbeing of female workers, representing more than 80% of RMG labor force.

It is important to change the mind-set of the employers also. Their business could be more profitable if they pay higher wages and provide a better work environment to the workers. They need to understand that satisfied employees are more productive and can contribute greater returns to the companies.

In spite of having trade union and federations in RMG sector, their initiatives are not very visible in ensuring the labour rights. More training and capacity building courses can be arranged for them to make them more efficient in handling the issues related to the labor rights.

In recent times, the salary structure of the RMG workers has been revised and increased to a reasonable level; however, RMG workers still face hurdles to manage their basic needs due to unnecessary price hike in the market. It is suggested that the Government of Bangladesh may take greater efforts to rigorously enforce existing labor laws. A wage level needs to be defined that is able to satisfy the basic needs of the workers and periodically review can be executed to adjust it to real prices.

Based on the study findings, following issues could be suggested as a way forward:

- The RMG industry has undergone significant transformation in terms of workplace safety and worker's rights. Now it is important to execute this in all the factories and a strong follow-up team could monitor that on a regular basis.
- National and international reform platforms -National Action Plan (NAP), Accord and Alliance- have made visible progress to ensure workplace safety. Therefore, employers could change their mentality and extend their hand in expanding this reformation.
- Less than 2% of the inspected factories have been found vulnerable and closed down immediately, as per the information collected. However, this inspection

mechanism needs to be more transparent and impartial for the betterment of RMG industry.

- Minimum wages of RMG workers have been increased by 219% during the past 5 years. However, due to price hike in recent times, wages need to be adjusted as the increment of more than 200 times sounds very good, but in reality the amount of money is not adequate to meet daily expenditure.
- The Labor Law has been amended ensuring noticeable improvements in workers' rights and welfare. Women workers' safety and empowerment should be monitored strongly by the trade union and federation leaders in this regard.
- A number of RMG factories achieved certification from US Green Building Council for their green practices regarding environment. This practice needs to be spread over other factories also, so that garment industry in Bangladesh could reach a sustainable development and contribute to the national economy more.

In a nutshell, it is essential to grasp RMG workers psychological demands as well as their material incentives if the stakeholders want to give them true happiness.

GNH and Spirituality

Integrating GNH into Business through Vajrayana-Based Mindfulness

Asa Hershoff

Abstract

Gross National Happiness has evolved over four decades and is now looking for ways to integrate into the business community and workplace. The major factor of work dissatisfaction is the prevalence of workplace stress, with significant impact on health and mental wellbeing, performance, worker turnover, work engagement and so on. The development in the West of mindfulness training, and specifically MBSR, has created a secular, science-based and measurable system of meditation that has become immensely popular in the public eye, as well as in the workplace, where it has been adopted by small companies to major global corporations. While these can be implemented in Bhutan as is, this misses the unique contribution of Bhutan and its rich cultural heritage and Buddhist roots. Firstly, elements of GNH can be integrated into assessment and training methods, so that the criteria, parameters and full integrity of GNH is upheld and not diluted. Secondly, current forms of mindfulness adhere to a limited range of Buddhist experience, namely Theravadin, and to a lesser degree, Mahayana teachings. There is the possibility of integrating Vajrayana principles through a comprehensive set of 5-Element meditations, that have a tradition going back to the historical Buddha, but that today form the core of Himalayan Buddhism of Tibet, India, Nepal and Bhutan. These have been made accessible and easy to apply in a system of Elemental Mindfulness developed by the author. Using up to 25 different mindfulness meditations, these have the distinct advantage of interfacing directly with everyday psychology, to enhance positive qualities and eliminate dysfunctional or maladaptive states, while training in clam abiding itself. A pilot project is suggested wherein this modified form of mindful-

based stress reduction can be assessed, and its innovative results shared with the global community.

Introduction

Gross National Happiness is a revolutionary idea that evolved in Bhutan over the last four decades. Since its first pronouncement by King Jigme Singye Wangchuck in early 1970s (Priesner, 1999) GNH has sought to "complement inner skills of happiness with outer circumstances." (Thinley, 2007). Today GNH is described as having nine domains and 33 indicators included in assessing the happiness and fulfillment of individuals. This stands both as a measure of personal wellbeing, as well as that of the whole nation (Ura, 2012). These ideas did not arise in isolation, but are based squarely on a 2,500 year-old tradition of Buddhist philosophy, ethics and meditative practice. The good news is that the world is beginning to catch up to Bhutan's innovative, Buddhist-based approach to human society. The 2017 World Report on Happiness, under the aegis of the United Nations, states that countries need to "redefine the growth narrative to put people's well-being at the center of governments' efforts," and that "happiness is increasingly considered the proper measure of social progress and the goal of public policy" to avoid the "tyranny of GDP (Helliwell, 2017). This is echoed in such initiatives as the United Nation's Human Development-Index, and Genuine Progress Indicators—adopted as a metric by some 20 US states as of 2014 (The Guardian, 2014).

Here we examine the workplace as an important arena of both happiness and misery, and how the principles of GNH can be further integrated into this crucial area, where people spend so much of their lives. Particularly we will speak of those "inner skills of happiness" alluded to by the former Prime Minister of Bhutan. But as yet there has not been a way to fully implement GNH in the vital area of career, employment, workers, management and leadership stakeholders. Conceptually, the workplace is not one of the nine main domains of GNH, and as the 2012 Short Guide to GNH (Ura,

Zangmo, & Wangdi, 2012) states, "the national work force are clearly and strongly the unhappiest group."

The workplace problem

The First Noble Truth of the historical Buddha states that suffering or misery (Sanskrit: dukkha) pervades the whole of existence. While the ultimate goal is to escape this wheel of suffering, we also wish to minimize unnecessary pain for individuals and humanity while we advance towards these spiritual end-goals. Western science in turn has defined the greatest contributors to pervasive human suffering as the phenomena of stress. Stress has been identified as a major contributor to diseases, including heart disease, HIV, respiratory infections, headaches, blood pressure, diabetes, skin disease, asthma, arthritis and so on (American Institute of Stress, 2014). In the USA it is considered that 43% of all adults suffer adverse health effects from stress and that up to 90% of all doctor's visits are for stress-related complaints. The overall cost to industry is 300 billion dollars per year. European statistics mirror these facts. The relationship between stress and depression and stress and anxiety are well-documented and extensively researched (Bystritsky and Kronemyer, 2014). These effects are largely due to the overproduction of cortisol and subsequent immune suppression and increase in the body's inflammatory response (Schneiderman, Ironson, & Siegel, 2005), Unfortunately, this state of affairs is only getting worse, as research at Carnegie Melon shows that stress has increased 18-25% in the last three decades (Cohen, Janicki-Deverts, & Miller, 2007).

Stress at work

Stress at work is one of the greatest enemies of workplace satisfaction, even when income is favorable. Statistics from the American Psychological Association demonstrate that the top three causes of stress today are money, work and the economy, all closely allied. Combining this with the National Institute for Occupational Safety and Health report and the Attitudes in the American Workplace survey brings further striking statistics to

light. Problems here are shown to arise both from management and employees (NIOSH Publication Number 99-101).

- From 40-80% of workers reported their job are very or extremely stressful.
- 40-80% of workers feel stress on the job, nearly half say they need help in learning how to manage stress and 42% say their coworkers need such help
- 25% view their jobs as the number one stressor in their lives
- Half report that it reduces their productivity.
- 75% of employees believe that there is more job stress than a generation ago.
- Job stress is more strongly related health issues than financial or family matters.
- 25% have felt like screaming or shouting because of job stress while 14% felt like striking a coworker in the past year, but did not.
- 9% are aware of an assault or violent act in their workplace and 18% had experienced some sort of threat or verbal intimidation in the past year.

Reducing stress in the workplace would directly impact three main realms of GNH: health, psychological wellbeing and living standard. These benefits would be expected to have a spillover effect into the areas of community, education, culture, and time use. But how to do so in a way that is itself consistent with both GNH principles and the Buddhist ethical and spiritual tradition, the very basis of Bhutanese culture? It may be possible using an impressive and well developed set of resources as described below. These same resources may also provide an opportunity for innovations that aligns this solution with the Bhutan's Vajrayana background.

A mindful solution

A powerful answer to workplace stress comes from an unexpected - and somewhat ironic - direction. A world away from dzongs, pristine mountains and virgin forests, a novel and

highly effective approach to reducing stress, both at home and in the workplace, has become firmly established in the Western world. Its reach and range includes the world of self-help and pop psychology, as well as a full gamut of clinical applications and interventions. The irony is that this solution - mindfulness - is a wholly Buddhist-based practice, associated with the Theravadin and Zen traditions. This started a thought revolution within Western psychology and the entire field of personal development. Created in the early 1990's, the Mindfulness Based Stress Reduction (MBSR) of Jon Kabot-Zinn (Kabat-Zinn, 2005) has made mindfulness a pop culture phenomena and for the first time in the West has taken meditation to the mainstream—and to the workplace. Yet Buddhism was hardly new to the West, having already been popular with the intellectual class in Europe and America in the early 19th century. Vajrayana was also well established, with scores of centers in Europe and America by the early 1970's. Yet it remained on the fringe.

Tandem developments

Two other developments helped lay the ground for the mindfulness revolution. Emotional Intelligence as promoted by Daniel Goleman (Goleman, 1995), had already impacted the business world, by bringing forth the notion that sensitivity to the feelings and needs of others is a skill just as important as intellectual or organizational abilities. This particularly resonated with the need to change ideas about leadership and management in the West, and has been adopted widely in companies large and small. Positive Psychology (Seligman, 2002) as developed by Martin Seligman, rejects the accent on mental pathology and failings, and instead focuses on promoting the character strengths and virtues (24 in number according to the tenets of Positive Psychology) that we each may possess.

Mindfulnes defined

Being a concept that is both ancient in origin and that also carries much subjectivity with it, there is no universally

accepted definition of mindfulness. Nevertheless, as the developer of current day practices, Kabat-Zinn can be used as a guidepost, to a meaningful definition: "The awareness that emerges through paying attention, in the present moment, and non-judgmentally to the unfolding of experience moment to moment" (Kabat-Zinn, 2003, p. 145).

To distinguish between mindfulness and ordinary states, there are other helpful definitions: "Attention and awareness are understood as the ordinary tools of the human mind, while mindfulness represents their enhancement towards current experience and present reality." (Brown & Ryan, 2003).

Distinctions of mindfulness

Kabot-Zinn, a molecular biologist, took a very pragmatic approach to making mindfulness palatable to the masses. There are four unique ways in which this was accomplished:

Secularism**:** From the outset Kabot-Zinn intended to remove all religious, or even spiritual associations with the practice, in order to make it accessible to the widest possible audience. There have naturally been critics directed towards the isolation of this meditative component from its ethical, moral and psychological context.

Practical approach: The goal of this form of mindfulness is happiness, through a reduction of reactive stress, anxiety and rumination. This naturally can lead to other practical results such as increased performance, life satisfaction, improved relationships, creativity and so on.

Measurement: Having a way to assess the effectiveness of the mindful training process was crucial to creating scientific validity. There are now over a dozen methods of assessment for demonstrating the positive outcomes in both workplace and in daily life (Vich, 2015). However, the most useful and popular outcome assessment are the Mindful Attention Awareness Scale (MAAS), Freiburg Mindfulness Inventory (FMI) and Five-Facet Mindfulness Questionnaire. These apply to both daily life and workplace assessment of mindfulness related to burnout and work engagement (Kotzé & Petrus 2016). While giving the stamp of scientific validity and authority to ancient meditative

techniques, this also codified definitions and methods of assessment. However, there are a number of criticisms of current assessment methods based on various shortcomings. This includes a lack of inclusion of ethical and moral aspects of assessment.

Contemplative neuroscience: The scientific validation of mindfulness has been crucial to its acceptance in academia and in the corporate world. From the beginning, Kabat-Zinn enlisted neuroscience to validate the physiological and biological effects of mindfulness. Spurred on by the explosive spread of MBSR and trainings in mindfulness, many major universities have research programs that are wholly dedicated to investigating short and long-term brain changes in meditators. Yale, Stanford, UCLA, Oxford, University of Michigan are among them. Books like Buddha's Brain (Hanson, 2009) have popularized the idea of neuroplasticity, and the often repeated catch-phrase of "rewiring the brain." While this analogy may be inappropriate, and indeed the equation of brain with mind may be fallacious, it has at least provided a framework that fits with modern scientific concepts, and thus the corporate and business world in Western countries.

For long term meditators, functional MRI scans find that there is increased gray matter in "brain regions involved in learning and memory processes, emotion regulation, self-referential processing, and perspective taking, as well as brain regions linked to memory, self-awareness, stress, and empathy." Specifically, meditation and mindfulness training positively impact the prefrontal cortex, posterior cingulate cortex, hippocampus and other crucial areas.

The mindfulness training program

MBSR, Mindfulness Based Stress Reduction, as developed by Kabat-Zinn has become the standard for scientific research, and pre and post-training assessments for both surveys and neurological testing. Components of this standardized training include the following (Saki & Kabat-Zinn, 2014):

- An 8 week program; 2 hours once a week

- A final 5-hour long session
- 45-minutes a day of mindfulness homework
- Training in mindfulness of breath
- Guided meditation i.e. narration giving step-by-step instruction
- Attention to sensations, thoughts, feelings
- Gentle yoga stretching with mindful awareness
- Optional Loving Kindness meditation and in some cases Receiving and Sending practice

Development: The original MBSR training has spawned a wide range of related programs and processes or Mindfulness Based Interventions (MBI). Cognitive Psychotherapy as a whole has been strongly influenced in general, with the development of a specific Mindfulness Based Cognitive Therapy—MBCT. In practice this may be combined with elements borrowed from Emotional Intelligence and Positive Psychology. In a different vein, Mindfulness Based Relapse Prevention (MBRP) is a five-day course designed to help prevent relapse for some of the 20 million Americans a year that have substance abuse disorders.

Acceptance and popularity

As far as the general public, surveys show that at this point in time that as many as one in four people in America have tried meditation. It has now become part of the conversation in Western culture, having taken the essential Buddhist meditation of Shamata (Sanskrit) or Shiné (Dzongka), and created a secular, scientific context for their practice. Shamata and Mindfulness can produce a more calm, non-attached and accepting way of experiencing life and being awake to the present moment. It has been applied to the military, schools, prisons, fitness centers, yoga studios, health care facilities and in literally thousands of mindfulness training centers and online courses. With this popularity, meditation has also gone digital (Wei, 2015). In a burgeoning field of apps and online meditations and guided mindful exercises, Headspace—founded by the former Tibetan Buddhist monk (Puddicombe, 2012)—is the clear leader, boasting over 8.5 million monthly

subscribers. (www.headspace.com). There are both scientific journals wholly devoted to mindfulness, as well as popular lay magazines, such as Mindful. Apart from an increased flow of articles in specialized niche magazines, such as those devoted to yoga and holistic health, there is coverage in mainstream media such as *Time*, *Newsweek*, *Forbes* and *Scientific American*. Simultaneously there has been an explosion of books on the subject, including business-related texts such as the The Mindful Entrepreneur (Gerschman 2017) and *The Mindful Investor* (Gonzalez & Graham, 2010).

The mindful workplace

Significantly, mindfulness has came to the workplace and to corporate America. Statistics show that in 2017 between 22% and 40% of employers will offer mindfulness training, including Ford, American Express, Sony, Apple and dozens of others (Gelles 2015). Courses by Google alone having reached some 20,000 people in a hundred countries (www.siyli.com). In sum, it is a multi-billion dollar business (Wieczner, 2016).

Workplace benefits

But apart from its trendiness, what are the real reasons for this popularity? We have already seen that reduced stress in general has significant effects on both physical and mental health and that MBSR does exactly that—reduce stress. This is confirmed by the numerous studies and pre and post assessments that describe a wide range of benefits from Mindfulness in the workplace (Winter, 2016). Different researchers and organizations have stressed various combinations of these positive effects. From the employee's perspective, effects can be clearly divided into two categories: those that improve performance and those that improve personal wellbeing, which includes interpersonal work relationships (Lomas et al, 2017; Chaskalson, 2011).

In one sampling in April of 2017, Curmil found 721 relevant intervention and non-intervention based studies regarding the measured outcomes of mindfulness in the workplace.

- Reduction of stress and stress related illnesses
- Improved job satisfaction
- Increase in focus and mental clarity
- Overall improvements in psychological wellbeing
- A reduction of aggression and cynicism
- Increased success in negotiation and mediation outcomes
- Positive effects on creativity and innovation
- Worker changes in resilience, efficiency and multitasking

From the business owner's perspective, we see:

- Reduced employee turnover
- Increased productivity
- Longer worker engagement
- Improved work performance
- Reduced worker burnout

Here we also have to consider the additional impact of reduced stress on one's physiology and physical health. The reduction in worker illness has a tremendous impact, not just on performance or attendance at the job, but in all measures of engagement, loyalty, optimism and many subtle and difficult to calculate aspects of a healthier bodymind. It is worth noting that mindfulness training has been used in a wide range of vocational training institutions and settings as well the actual workplace.

Leadership training

In tandem with worker training, the mindfulness movement has had a strong attraction to management and leadership programs (Carroll, 2008). Dozens of books scores of training programs now exist that have created a fusion of mindfulness based practices with tried and tested leadership training and betterment methodologies. Some have focused on the contemplative neuroscience angle (Friedland, 2016) while others emphasize a more traditional approach. Following this path, researchers have developed a Mindful Leadership Theory, particularly to demonstrate the beneficial effects of a leader's

mindfulness on his followers. This ties in with the other recently introduced concepts and active topics of both Authentic Leadership and Ethical Leadership, bringing in a Mahayana and Emotional Intelligence flavor to the table (Mendonca & Kanungo, 2006).

Bhutan uniqueness

We now come full circle, as these modern methods can be beneficially applied in the very place of their origin and preservation. Bhutanese management, leadership and employees can gain the same benefits that have been validated in the testing ground of the Western workplace. Clearly, by impacting the workplace, other important domains of GNH will be directly affected. This include psychological wellbeing, health, and ultimately community, family and the economy itself.

However, rather than merely emulating the methods currently being duplicated endlessly in the West, Bhutan has the unique opportunity to develop and apply a deeper, more comprehensive style of mindfulness training than exists elsewhere. In order to meet these challenges, some of the core aspects of the mindfulness model can be altered, and an additional, comprehensive component added that progresses mindfulness to a new and exciting level.

Secularization

Mindfulness, as first conceptualized by Kabat-Zinn, was designed to be a secular, accessible derivation of traditional Buddhist meditation techniques. However, "secularization" is not necessary, or even advisable in the context of the nation of Bhutan. On the contrary, the benefits of the Buddhist roots of these methods can be emphasized and expanded upon, including the various viewpoints, and inherent values, ethics and concepts (such as karma and reincarnation) of Buddhism in general and Vajrayana in specific.

Assessment

Current assessment methods, including the MAAS, fall short of the comprehensive concepts of Gross National Happiness. The principles contained therein can be included in new assessment tools for the scientific determination of the success of applying mindfulness training. For example, ethical and moral aspects that are foundational in Buddhism are lacking in the main forms of Mindfulness training (MBSR), though basic forms of emotional training are included in others, such as Google's Search Inside Yourself Learning Institute initiative (Tan, 2013).

Vajrayana integration

Developmentally, Buddhism has gone through evolutionary changes over the millennia. In the vast literature of the Himalayan or Vajrayana Buddhism of Tibet, Bhutan and Nepal, these have been generally designated as the Three Turnings of the Wheel of Dharma. This corresponds to the idea of the Triyana (Thrangu, 2003), the three "vehicles" which have recruited increasingly sophisticated skillful means to more fully and rapidly project practitioners towards transformation of their consciousness and personality structure. The First Vehicle, the Theravadin tradition (pejoratively the Hinayana) focuses on mind control and perceiving the deeper nature of consciousness. The Second Vehicle of Mahayana brings in an extensive system of Mind Training (Tibetan: *bLo sByong*) aimed at purifying the emotional and self-grasping nature of beings, training in altruism and compassion. The Third Vehicle of Vajrayana integrates the previous two, but adds work with the energy channels of the body, complex self visualizations and mantra recitation (Ray, 2014; Snellgrove, 2014).

In all cases mindfulness in the modern Western context is limited to the first two Yanas or Vehicles of the Buddhism, drawing upon Theravada, and to a small degree, Mahayana methodologies. Based on the Triyana system, we can meaningfully designate these as Level 1 and Level 2 mindfulness. The author, a Westerner who has undergone the

traditional three-year retreat and 35 years of Vajrayana Buddhist practice, used this background to create a Level 3 mindfulness approach. This integrates core Vajrayana principles and techniques, put into a modern and accessible idiom, a method termed Elemental Mindfulness (EM) or Vajrayana Mindfulness (VM). Here we can use the terms interchangeably, though for secular audiences, the former is more useful. Thousands of Vajrayana Buddhist centers exist in Europe, the Americas and modern-day Asia, which transmit teachings and trainings according to the tenets of various Kagyu, Nyingma, Sakya and Gelugpa lineages. However, EM does not require understanding or practicing the intricacies of yidam, dakini, protector, or guru, which are inherent in higher Vajrayana transmission. Pared down to its essentials, it focuses on the Five Buddha Families, which are at the core of Vajrayana philosophy and meditation practice in general (Thrangu, 2013). Further, it focuses on the psychological aspects of these families and their corresponding characteristics and qualities. Rather than just calming and relaxation, this approach seems to increase clarity and awakeness (Ido & Kozhevnikov, 2014).

The way of the five elements

Elemental background

There are significant advantages to integrating Vajrayana into the current field of Mindfulness training. Firstly, by working with the Five Elements as five psychological patterns, we can interface directly with modern psychology. While MBSR effects the individual's psychological health and wellness, it does so indirectly or secondarily. Its effects come from increasing an individual's coping levels, improving their capacity for acceptance and reducing reactivity to outer and inner experience, thus decreasing overall stress levels. Only at the level of Vajrayana Mindfulness, Level 3, can a person or therapist work directly on improving such mental factors as creativity, drive and motivation, relationship, confidence, and discriminating wisdom—in fact the full range of states and characteristics described by Positive Psychology and textbooks

on character, virtues and so on. However, it should not be assumed that this method requires introspection, as the focus is on the healing process, rather than watching the content of thought or emotions, which itself may be disturbing and anxiety-producing.

The elemental mindfulness method

By integrating EM, we are not leaving the benefits and advantages of mainstream mindfulness behind. Mindfulness already exists within Vajrayana. Shiné (Shamata) or peaceful abiding meditation is done as a preliminary practice, helping the mind become more stable and at ease, less attached to what arises within intellect and emotions. But it is also inherent in even the most advanced forms of visualization, mantra recitation and energy-channel meditations (*tsa lung*). Focusing on the visualized form of a deity, a mantric sound or the movement of energy within the body, requires a relaxed, alert, non-wandering, non-sinking state, which is the essence of mindfulness practice**.**

Yet the five elements are an ideal point of mindful focus for a number of reasons. Firstly, such meditations already exist within Vajrayana, so their lineage, legacy and validity are assured. Even though we are creating a secular form of Vajrayana that will be accessible for those with no background (or interest) in Buddhism, from our own perspective we want to align with the ancient traditions, and avoid innovation that is merely based on intellectual theorizing. Such elemental exercises were already recommended by the historical Buddha. Kalu Rinpoche, the lama in the modern era who revived the Shangpa Lineage, transmitted a purely 5-Elemental mediation using the traditional forms and color associated with each Element and each *skandha*. This thousand-year old tradition is alive and well today. Another resource is the meditations coming from the lineage of Thangtong Gyalpo, particularity his variations on the Empty Ah practice, targeting imbalances of wind, fire and so on. Apart from these specific instances, every one of the thousands of tantric initiations is none other than the transmission of the pure, or spiritualized form of the five

elements, synonymous with the Five Buddha Families. The five elements are found in chakra meditations, the symbolism of stupas, and in literally every practice of meditational deities (yidam), the cornerstone of Himalayan Buddhism. All offering are made by a visualization which reconstitutes the physical offering substances into their component elements, then merging them with the spiritual pure elements, in the form of emanations from the Buddha realms. In turn, five families of offering goddesses complete the cycle of offering back to the original purity of the Buddha realms. Other examples are too numerous to mention here, but show that the five elements are at the very core of the spiritual path of Buddhism. However their relationship to mundane psychology has been previously fully explored. This is the new science of Elemental Psychology and the theory of the Pentad Mind. This model provides a comprehensive template for understanding both human strengths and weaknesses, and positive and negative states, including the mystery of good and evil, and of male and female.

Ancient methods can be repurposed, using the same forms, colors, sounds and ideation of their traditional designation. In my own long experimentation with patients and clients, these techniques show striking effects that can target specific aspects of the psyche. This includes creativity, drive and focus, emotional sensitivity, discriminating wisdom, and the ability for structured thinking and planning. Such methods can impact leadership and management, as well as workers and employees. Additionally, the whole system is exportable, as a Bhutanese mindfulness teacher-training program could provide this more comprehensive and innovate approach to both West and East.

Some of these ideas are seen in the work of Dungse Thinley Norbu (Norbu, 2000), Tenzin Wangyal (Wangyal, 2002), Chogyam Trungpa and later disciples (Rockwell, 2002), and the Western lama, Ngakpa Chogyam (Chogyam, 2003). But none of these are secular in approach and all miss the crucial step of integrating modern psychology in a meaningful way. Nor is there a comprehensive model of the human psyche that can act as a road-map for character development, as there is in Level 3,

Elemental Mindfulness. They also continue the mistaken model of two selves (see below) that are somewhat at war with each other, an ego to be suppressed and a spiritualized self to be absorbed.

Elemental mindfulness process

The author has identified five main Elemental Mindfulness meditations, each consisting of five sections (for each of the five elements or five psychological components of mind) for a total of 25 individual practices. This range includes a core set of mindfulness practices to reinforce positive attributes (character strengths). It also contains a series to reduce negative states pertaining to both depressed or deficient states and inflated identity patterns. The three guiding principles or pillars of Elemental Mindfulness (Hershoff, in press 2018) of (a) the three selves (b) the five psychological cores and (c) the three phases are briefly outlined briefly below.

The three selves: Traditional Buddhist teachings, as well contemporary Western Buddhism, recognize two major mind states or levels. One is often called the "ego" self, consisting of our dualistic, mundane sense of self-in-the-world. This self is involved with our everyday affairs, work, relationships, and the motivations, drives and reactive states that go along with it. This is taken up with what Buddhism calls the "eight worldly dharmas," seeking profit and fearing loss, seeking happiness and avoiding suffering, wanting praise and fearing blame, and wishing for renown with aversion to being insignificant. This is contrasted with the ultimate state, which is free from these polarities and has transcended the normal sense of personal identity and self-clinging, being associated with a universal and all-inclusive consciousness. This basic polarity between the mundane and the spiritual has had negative repercussions, similar to the split between the "flesh and spirit" of the Christian tradition. Basically it leaves no room for psychological change, maturation and character development, since one is seeking to overturn or sabotage the personality or ego-self altogether. Further, it does not accurately reflect the true state of affairs.

In reality, our mundane self has a dual nature. This is recognized by various schools of psychology and sociology, but its true significance has not been appreciated. However, the ancient tradition promulgated by G. I. Gurdjieff in the early 20th century very accurately describes this phenomena (Ouspensky, 1941). It is also recognized by the contemporary philosopher, Ken Wilber (Wilber, 2016). In these traditions, our original, in-born human state, determined by karma, genetics and constitutional forces, is termed Essence. It is our true individuality in this lifetime, containing our original characteristics, talents, potential, strengths and weaknesses. It can mature and grow, developing a character that contains the higher virtues and the valued qualities that epitomize our humanity, both East and West. On the other hand, we quickly develop a social mask, an artificial Persona determined by culture, language, customs, family, education and circumstance. This is a necessary evil in order to have a common cultural interface for our dialogue with the wider world around us. If this social mask is merely a convenience that acts as an organ of expression and assimilation, then all will be well, But if it is no longer subservient to Essence, but becomes dominant, then the individual lives in an artifice. Their true personhood has been usurped by the manufactured, social self. Real personal and spiritual development can only proceed from Essence. From Persona, which is merely a construct, there can only be an "upgrade," not any real psychological evolution. This is crucial to understand, as the Buddhist process of transcending the localized self must begin with identifying these two polarities of ordinary existence. Dharma that exists only within Persona will be only a pretense, a set of beliefs, behaviors and emotional postures. Dharma that enters Essence can result in real psychological maturation and development. From this place of psychological health, spiritual progress can be made, with an ever greater identification with a higher, deeper nature. From Persona, nothing real can come.

Herein lies one of the great unknown keys of mindfulness. While the brain function and neurological mechanisms related to mindfulness have been well studied, here we have a clear

explanation of what happens during mindfulness—in terms of mind itself. Mindfulness, the practice of being in the present moment, detached from passing thoughts, feelings and sensations, simply puts one in a state of Essence, temporarily suspending the gymnastics of Persona. With ongoing familiarity and training, it is possible that one becomes more "Essence-centered" and less in the thrall of Persona. Simply knowing this allows for real change to take place, rather than just building a "meditative Persona" which is just another artificial mask, and which never allows experience to enter our real being. Not knowing this means that mindfulness an easily be appropriated by a dysfunctional Persona. Understanding Essence and Persona not only puts mindfulness practice on the right footing, but allows it to more easily integrate traditional Buddhist ideas.

The 5 psychic cores: The second great principle of Elemental Psychology and thus Elemental Mindfulness, is the Pentad Mind model, wherein the psyche of men and women is seen as five distinct and separate functional compartments, each representing unique characteristics, drives, values and capabilities. These have variously been called the 5 Ways of Power, the Five Intelligences and the 5 Psychic Cores (Hershoff, in press 2018). Following the pattern of the Five Buddha Families, they are represented in a circular pattern or mandala with Water, Earth, Fire and Air arranged around the circumference, in that order, with Space at the center. For the purposes of pop psychology these are given the descriptive names of Lover, Ruler, Warrior, Creator and Guru. A similar division was recognized by the Jungians and post-Jungians, but missing from the start, the essential center-piece of Guru or Space Element. Interestingly, the Western Elemental tradition has far more extensive descriptions of the characteristics of these five forces than Eastern texts or commentaries. Simply put, the focus of the latter is on the spiritual or enlightened aspect of the Elements, rather than their everyday psychology. A very brief summary of these specific qualities follows. Its relevance to our discussion is that they represent different entry points by which we can directly impact the psyche in a

beneficial way, using the very forms used in traditional Vajrayana meditation practice.

Earth (Ruler)*:* Stability, security, organized, grounded; balance, rulership, leadership, practicality.

Water (Lover): Connection, sensitivity, idealism, vision, compassion, nurturance, Eros.

Fire (Warrior): Drive, motivation, justice-seeking, energy, perseverance, clarity, responsibility.

Air (Creator): Creativity, communication, manifesting, resourcefulness, ingenuity, invention.

Space (Guru): Wisdom, integration, certainty, mentorship, judgment, conscience.

The three phases: In a perfect world, our consciousness and experience would be centered in Essence with full access to our five cores. This would be the basis of our experience. But various factors, including stress and emotional trauma, create a disconnect where the individual can no longer access all the qualities of their essential self. In Elemental Psychology, this is termed a state of Loss. In this condition, a person is not able to access, for example, their inherent courage and strength that is the domain of their Warrior (Fire Element). Instead they feel weak and unmotivated, or identity themselves as a defeated individual. Instead of being in touch with the compassion and open heart of their Lover (Water Element), they will feel isolated, uncared for and unable to empathize with others. Again, for each of these five Loss states, there is a corresponding Elemental Mindfulness method that can be used, both for acute interventions and as a long-term practice.

Finally, there is a possible third phase, where someone in the pain and suffering of Loss finds an adaptive or coping style that involves negative thoughts and behaviors. In the context of EP, this is called Shadow. The previous example of someone who feels weak and disempowered may opt to become a bully or tyrant in order to regain a sense, albeit false, of power and self-control. The one who feels lost and unloved may turn to manipulative or attention-seeking behaviors. Again, there are

techniques which promote the inner calmness of mindfulness practice, but also work directly with Shadow states within the individual's Warrior, Lover, Ruler, Creator or Guru mind system. Through such methods, we go far beyond the mere tranquilizing effects of calm-abiding meditation and change the ethical and characterological well-being of the individual. This is the elegant, easy to understand and easy to apply system of Elemental Psychology.

Conclusions and future directions

Mindfulness is now an accepted part of the conversation in modern psychology, health care, productivity, and in the field of physical and mental wellness in general. It has gone mainstream and is available in a wide range of formats, including live trainings, online courses, guided audio and digital apps. Particularly, it continues to have a powerful impact on the business community, demonstrating benefits in a wide range of workplace situations. It can also affect leadership and management in meaningful ways. However, in its current configuration, its limitations and criticisms have also been noted.

Mindfulness shows great promise for integration with the ground-breaking concepts within both Gross National Happiness and the paradigms of Vajrayana Buddhist thought and practice. It is suggested that the appropriate government departments and stakeholders implement a pilot project integrating Level 3 or Elemental Mindfulness into the workplace within Bhutan, with appropriate pre- and post-assessments. This could demonstrate the beneficial impact on individual workers and employees, management, and workplace organizations as a whole, according to the GNH-based outcome expectations. There is the possibility of a deep dialogue here. Not only will there be benefit within the nine domains of Bhutan's Gross National Happiness perspective, but Bhutanese innovations could be the next revolution in mindfulness training in the West, whose expansion has been wholly horizontal in nature, not vertical. Such a collaboration from opposite sides of the world bodes well for an improved

workplace today and a brighter tomorrow for optimizing the potential for human happiness—on a global scale.

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Mindful Awareness in the Workplace: Ease of Doing Business Gracefully

Karma Yeshe Rabgye and Kezang

Abstract

"The secret of health for the mind and body is not to mourn for the past, worry about the future, or anticipate troubles, but to live in the present moment wisely and earnestly." (Goodreads, 2017). Mindfulness or mindful awareness may increase productivity and improve performance in the workplace, but that is not its aim; it is just a by-product. Its aim is to teach the workforce how to deal with stress, tension, anxiety, feeling overwhelmed and burnt-out – all of which will stop them being productive and creative. It will also help cut down on health issues such as blood pressure, heart disease and other stress-related illnesses, which increases absenteeism. It is extremely important for business leaders and managers to not only understand the benefits of mindful awareness, but also fully support it. So, the first step is to educate and inform the leadership and management, and encourage them to provide a safe, quiet and comfortable space for employees to retreat to during times of stress and/or anxiety. The second phase is to educate the employees. Content should include, among others: How does mindful awareness work, how the three parts of the brain changes (and neuroplasticity), the benefits, how to be creative/productive, daily mindful awareness, how to deal with stress/anxiety, simple mindfulness practices, including breathing awareness, **S.T.O.P** (**S**top, **T**ake a breath, **O**bserve your experience and **P**roceed), body scan, and cherishing yourself. It is also useful to devise a mindful awareness software that can be used when opening and closing electronic devices. Business leaders and managers should be encouraged to follow a set of mindful meeting etiquette at every board/management meeting. This will ensure businesses gradually embracing a culture of mindful awareness in the

workplace. Most importantly, mindful awareness in the workplace must be part of a holistic wellbeing program, tailored to the fast changing needs of the workforce. As an old saying goes: "what we resist, persists". Mindful awareness says: "what you accept, transforms".

What Mindful Awareness is not

Even though mindful awareness, also known as mindfulness, but for the purpose of this paper, we will use the former throughout, has been around for 2600 years, it is only now that it is starting to become popular and its benefits are being scientifically researched. As mindful awareness becomes increasingly popular, there are bound to be misconceptions that keep people from trying it. So, it is always useful to clear up these misconceptions at the outset. Mindful awareness is not an intellectual exercise, a religion or a faith, it is secular and experiential. Also, it is not a replacement for medicine and psychological therapy.

Mindful awareness has been found to be extremely affective when it is used as part of a three-pronged approach with medicine and counselling. Professor Williams stated on the UK National Health Service (NHS) Choices website that mindfulness allows us to become more aware of the stream of thoughts and feelings that we experience, and to see how we can become entangled in that stream in ways that are not helpful. Awareness of this kind helps us notice signs of stress or anxiety earlier and helps us deal with them better (National Health Service, 2017). Though mindful awareness can help with psychological problems, it is not a quick fix. As with meditation and yoga or with any fitness habit, mindful awareness is a practice and so has to be done regularly.

What Mindful Awareness is

Mindful awareness is the psychological process of being present in the moment, and not being disturbed by the past or anxious about the future. Naht Hanh (2003) describes it as "It is possible to live happily in the present moment. It is the only moment we have." And Jon Kabat-Zinn (1994) describes it as

"Mindfulness is awareness that arises through paying attention in a particular way; on purpose, in the present moment, non-judgmentally."

People who are more mindful are less likely to experience psychological problems, such as depression, panic attacks and anxiety. It develops their wellbeing and gives them greater awareness, understanding and acceptance of their emotions. They have higher and more stable self-compassion and empathy for others. It gives them the skills to be better at communicating and less troubled by conflict in workplace relationships.

Mindful awareness is a method of looking at the mind as though we are looking in a mirror. Just observing what goes on, but not trying to judge or change anything. We have to look in a dispassionate way, and ask ourselves, 'How is the mind at the moment? Is it full of clinging desire, anger or aversion, unawareness, is it present in the moment or distracted?' We should look at the mind in this way, not passing any judgement, just becoming aware of what is going on, as though we were observing something outside of ourselves.

Do not see the mind as 'your' mind. Look upon it as something that is present, but do not become self-attached to it. Mindful awareness is not an intellectual exercise, and you are not required to form any ideas or opinions. It is just a simple process of discovery through awareness.

By observing the mind and seeing the thoughts, body sensations and emotions come and go, we can see how they just appear and are quickly gone again. We start to observe patterns and see how one type of thought follows another, how certain situations solicit certain feelings and emotions and how these feelings and emotions can be felt in the body. We become more aware of ourselves and understand what is driving us.

With mindful awareness, what we are trying to do is become aware of our thoughts, body sensations and emotions as they arise, acknowledge them and find the most helpful way to respond to the situation. This is called the Triangle of Awareness (Kabat-Zinn, 2005).

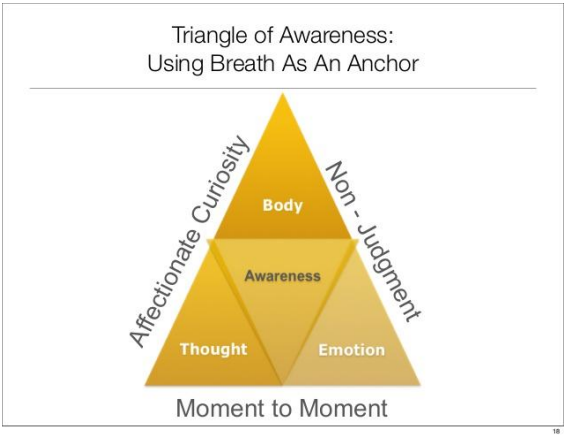

Figure 1. Triangle of awareness: using breath as an anchor

When we are not being mindful it is like being on auto-pilot or sleepwalking through life. We can miss what is going on inside and outside of ourselves, but when we experience life with mindful awareness we are able to observe which side of the triangle is more dominant. This will give us space to create more balance in our awareness by asking ourselves about the other sides of the triangle. Mindful awareness allows us to become aware of all three sides of the triangle and balance them out.

When we are being mindful, if you observe negative, sad, unpleasant thoughts, do not ignore them, struggle against them or try to repress them. Just become aware of them. Do not get frightened, worried or try chasing them off. Stay focused, acknowledge what is going on and find the best way to help yourself through this moment. When we are not being mindful we blindly follow every thought, feeling and emotion, no matter how painful it may be or wherever it is going to lead us.

So, if a happy thought arises, we just recognize it as a happy thought. If an unhelpful thought arises, we recognize it as an unhelpful thought. Do not let any thought, feeling or emotion arise without recognizing it, and do not try to change or judge it. Be completely non-judgemental and let the thought come to go. We tend to try and change the world, but with this practice we learn to cultivate the ability to be relaxed with what is going

on – be it helpful or unhelpful. By letting go, the mind becomes free and we gain a sense of peace and happiness.

This way of observing our thoughts, feelings and emotions is not just something we do for an hour a day on the meditation cushion. We have to take it into our day to day lives. If a helpful thought arises, act on it, if an unhelpful thought arises, let it go. This way we are not going to indulge in harmful acts, only kind and helpful ones. But this level of awareness is only achieved through being present in the moment.

We rarely stop and spend time on observing our minds. We just let thoughts, hopes, fears and dreams come and go unchecked. We do not think twice about devoting a lot of time and effort to our bodies, clothes, belongings, family and friends, but just leave the mind unguarded and uncared for. However, it is important to start caring for the mind, as it is the one thing that can bring about a great change and happiness in our lives.

In the Adanta Sutra: Untamed (1974), Gautama Buddha stated this about the mind:

> I know not of any other single thing that brings such woe as the mind that is uncultivated, uncontrolled, unguarded and unrestrained. Such a mind indeed brings great woe.
>
> I know not of any other single thing that brings such bliss as the mind that is cultivated, controlled, guarded and restrained. Such a mind indeed brings great bliss.

How mindful awareness works

"The human brain has 100 billion neurons, each neuron connected to 10,000 other neurons. Sitting on your shoulders is the most complicated object in the known universe." (Kaku, 2017).

Mindful awareness may increase productivity and improve performance in the workplace, but that is not its aim; it is just a by-product. Its aim is to teach the workforce how to deal with stress, tension, anxiety, feeling overwhelmed and burnt-out – all of which will stop them being productive and creative. Being

mindfully aware will also help cut down on health issues such as blood pressure, heart disease and other stress-related illnesses, which increases absenteeism.

Mindful awareness works with three different parts of the brain, namely the neocortex, limbic system and the reptilian brain.

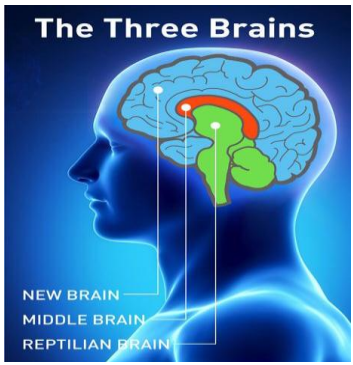

Figure 2. The three brains (Pinterest, 2017).

We do our critical and mindful thinking with our neocortex. This is the newest part of our evolving brain and is the most developed in its organization and number of layers, of the cerebral tissues (Dorland, 2012). It is essentially concerned with higher functions, such as critical thinking, creativity, problem solving, planning, listening, strategizing and so on (*Science Daily*, 2017). The neocortex is extremely selective about what it works on, so only when the two other main parts of the brain agree will an idea get to the neocortex for processing.

The level below the neocortex is the limbic system, this area controls emotions and emotional responses, including mood, pain, pleasure and other sensations (Kidport, 2017). If we are feeling emotionally out of balance or distressed, this part of our brain gets activated, and our brain becomes active dealing with the tension, anxiety and emotions we are feeling and does not allocate resources to our neocortex.

There is a tiny section of our brain called the amygdala. This is the oldest part of our brain and is sometimes called the lizard brain. It's about the size of an almond and its job is to provide

us with our most primal instincts: fear, hunger and arousal, it's where our flight or fight response originates (Troncale, 2014). It is a very lazy part of our brain, so it only wants to process things which it deems critical to our survival. It is used to running away from wild animals, so it tends to overreact to small triggers in the modern world, which do not really require an injection of adrenaline.

So, what we think of as a simple thought process is dependent on a lot of neuro-chemistry being aligned. This is where mindful awareness comes in. A simple breathing awareness exercise allows us to relax the amygdala and allow sensory information to freely flow to the neocortex. The two amygdalae do not know the difference between real danger and a moment of stress or tension. In both cases they will stop any sensory information reaching the neocortex. So, if you are feeling stressed, anxious or having a panic attack you need to relax the amygdala, and you can do this by carrying out various mindful awareness practices.

When we are under the control of strong and destructive emotions we need to accept and acknowledge the emotion, and not fight against it. When we fight against the emotion we strengthen it. So, by accepting and acknowledging, it gives us space to respond mindfully to them constructively, again this allows sensory information to flow to the neocortex, where we will be able to think more rationally.

Mindful awareness practices train the mind and allow information to freely flow to the neocortex, which means we can tap into our higher brain functions.

Until recently, scientists thought that the brain stopped developing after the first few years of life. However, new research on animals and humans has overturned this mistaken view. It is now known that the brain continues to reorganize itself throughout life. This phenomenon is called neuroplasticity, and it is the ability to reorganise itself by forming new connections between brain cells (neurons).

Mindful awareness can help you create new connections between neurons, and allow you to change old and out-grown patterns and habits. This is because you are present in the

moment and so you can respond to any given situation, instead of blindly reacting to it. This is what usually happens when we are not being mindful:

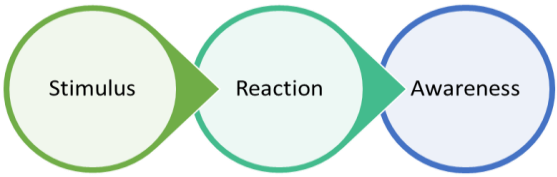

Figure 3. Not being mindful state

When we have a sensory stimulus, we react from our past experiences, and then our awareness comes in. For example, someone shouted at you and because you have always shouted back at people, you just raise your voice without thinking. Your awareness then comes in and you realise you have said hurtful and harmful words, which you regret.

When we are being mindful, we act in a totally different way:

Figure 4. Being mindful state

When we are being mindful we do not just blindly react, because we are present in the moment. It gives us a chance to change our usual way of acting, and allows us to respond in a more helpful way. So, if someone shouts at you, and you are being mindful, you can decide to respond by walking away and not shouting back. This makes a new path for neurons to travel,

and the more you act in this way the more it becomes a new habit.

Integrating mindful awareness in the workplace

"It is those who concentrate on but one thing at a time who advance in this world." (Goodreads, 2017).

For the purpose of this paper, 'workplace' refers to any place where people work, such as an office, a home office, a virtual office, a factory, a project site and so on.

It is extremely important for business leaders and managers to not only understand the benefits of mindful awareness, but also fully commit to and support mindful awareness interventions in the workplace. According to the *Harvard Business Review*, mindfulness is no longer a luxury for business leaders. It is not a nice thing to have; it is a 'must-have.' A further article in the *Harvard Business Review* noted: "Neuroscientists have shown that practicing mindfulness affects brain areas related to perception, body awareness, pain tolerance, emotion regulation, introspection, complex thinking and sense of self. While more research is needed to document these changes over time and to understand underlying mechanisms, the converging evidence has been compelling." (Congleton et al., 2015).

Since 2009 the number of sick days lost to stress, depression and anxiety has increased by 24% and the number lost to serious mental illness has doubled. The leading cause of sickness absence in the UK is mental ill health, accounting for 70 million sick days – more than half of the total every year (The Mindfulness Initiative, 2016). Mindful awareness is a technique that can help reduce mental ill health, which in turn reduces absenteeism, increases happiness and job satisfaction and so increase productivity.

If you are unsure if your business would benefit from mindful awareness just ask yourself these questions: Do you find yourself or your staff spending a lot of precious time recalling the past or becoming anxious about the future? Are you or your staff overthinking and becoming over-whelmed? Does your company have high absenteeism and staff turnover?

Are your staff unhappy at work? Do you find your staff lacking focus and have a short attention span? Are you exhausted by the end of the day, but unable to sleep at night?

If you have answered yes to any of these questions, we would suggest mindful awareness as a must for you and your company.

So, the first step is to educate and inform the leadership and management, and encourage them to provide a conducive environment where they can learn skills which will help them pay attention and focus better. Also, provide a safe, quiet and comfortable space for them to retreat to during times of stress and/or anxiety.

When you are planning to introduce mindful awareness into a business, it is important to establish one or more key benefits of mindfulness training that reflect your organization's priorities. Once you have identified these, you can incorporate them into the mindful awareness training plan. Each business is unique, so training programs need to be tailormade.

It is important for mindful awareness to be lead from the front. If the leaders are not embracing mindfulness, why should the workforce? Business leaders and managers should be encouraged to start every board/management meeting with a mindful awareness practice, and end with reflection. They should join in with mindful awareness activities and ensure they openly promote mindfulness. This will ensure businesses gradually embracing a culture of mindful awareness in the workplace.

The second phase is to educate the employees. Content should include, among others: How does mindful awareness work, how the three parts of the brain changes (and neuroplasticity), the benefits, how to be creative/productive, daily mindful awareness, how to deal with stress/anxiety, simple mindfulness practices. It is also useful to devise a mindful awareness software that can be used when opening and closing electronic devices.

Most importantly, mindful awareness in the workplace must be part of a holistic wellbeing program, tailored to the fast-changing needs of the workforce.

Mindful awareness, happiness and wellbeing

> If you start your day by practicing 10 minutes of awareness of the breath, which will give you stillness, focus and silence, and end it with 10 minutes of reflection, you learn that the things you were anxious about are not as big a problem as you first thought. In business, mindful awareness helps you to deal with the problems that arise during the day and helps you devise new solutions. (Rabgye, 2017)

Listed below are several ways that mindful awareness will help you improve your workforce's performance.

Wellbeing and resilience

Companies are become more concerned with the resilience and wellbeing of employees, driven by growing awareness of the costs of absenteeism and staff turnover associated with stress and mental health problems.

Mindful awareness within organizations can support resilience by teaching self-awareness that enables people to recognize the signs of stress and respond more effectively. It also helps employees recognize the power of thoughts and find ways of skilfully working with them.

Studies have shown that those practicing mindful awareness report lower levels of stress during multi-tasking tests and are able to concentrate longer without their attention being diverted (McEwan, 2017). Employees of leaders who practise mindfulness have less emotional exhaustion, better work life balance and better job performance ratings (Seabourne, 2015). All these help in building employee resilience and wellbeing.

Mindfulness awareness is contagious

Mindfulness awareness is the type of skill that can ripple out into the culture of your organization. Just like stress is contagious and tends to shut down your brain's executive functions, like paying attention, comprehending and learning, so too is the opposite true. Happy, calm, centred and mindful

leadership helps to open your mind and that infuses the culture around you.

Workforce relationships and happy workers

It also positively impacts on the relationships between fellow workers. How the workforce feel about their co-workers and managers can impact how effectively a team accomplishes tasks. Positive relationships help create productive teams, ultimately affecting a company's bottom line. Research has shown that happy workers tend be more productive, creative and more engaged. Happy people tend to collaborate better, thus driving productivity (Gallup, 2017).

Research has shown that mindful awareness meditation increases the grey matter in the region of the brain that is associated with self-awareness, compassion and introspection. These qualities help build productive and creative relationships amongst the workforce. Mindful awareness is all about being attentive to the world around you, both inner and outer. When you are cultivating mindfulness as a regular practice, you are going to be empathic and become aware of what is going on around you.

Improved focus

Recent studies from the University of Washington found that mindful awareness affects the region of the brain called Anterior Cingulate Cortex. This part of the brain enhances our capacity for self-regulation, and can help you avoid distractions, which means the workforce becomes more productive. The study concluded: "We found that only those trained in meditation stayed on tasks longer and made fewer task switches, as well as reporting less negative emotion after task performance, as compared with the other two groups. In addition, both the meditation and the relaxation groups showed improved memory for the tasks they performed."

Reduced stress levels

Stress, anxiety and feeling over-whelmed are addictions. Sustained levels of these can cause havoc emotionally,

psychologically and physically. Work is the primary source of stress for many of us, and when we are feeling any of these our performance becomes reduced over time.

Most of your workforce will not have the inner tools or training to deal with it. Mindful awareness can help with this. With some simple mindful techniques, such as focusing on your breath, you can not only stop the negative effects of stress on your body and brain, you can reverse them.

Become a better leader

In the Ashridge Executive Education blog, January 2015 edition, they stated, "Interest in mindfulness is perhaps growing in part as a response to the bombardment of evidence of organizational incompetence, pitiful awareness levels and sloppy decision making we receive on an almost daily basis." (Reitz & Chaskalson, 2015).

Mindful awareness has been shown to help with moment to moment attention, in your thoughts, feelings and emotions. It has also shown more focused attention on other people's feelings and the world around you. It improves emotional intelligence, critical thinking, which leads to better decision making. All these skills improve leadership skills for management. "These are leadership skills which are essential to the navigation of our organizational context in the 21st century." (Reitz & Chaskalson, 2015).

Mindful awareness increases happiness

Jon Kabat-Zinn of the University of Michigan Medical School, and Richard Davidson, Professor of Psychology and Psychiatry of University of Wisconsin-Madison, and their colleagues have proved that mindful awareness increases happiness (Massachusetts General Hospital, 2011).

The researchers randomly split a group of employees at a biotech company into two groups. The first group did an 8-week course in Mindfulness-Based Stress Reduction (MBSR) and the others did nothing. The electrical activity of their brains was studied before and after the training.

After 8 weeks, the people who did the mindfulness training had greater activation in a part of the brain called the left prefrontal cortex, which is associated with emotions, wellbeing and acceptance of experience. Left prefrontal cortex activated people described themselves as interested, excited, strong, active, alert and enthusiastic. In comparison, right prefrontal cortex activated people described themselves as afraid, nervous, scared, upset and distressed.

The experiment showed that just 8 weeks of mindful awareness training in a busy work place environment can have a positive effect on wellbeing. Other studies with more experienced meditators, suggest these changes in the brain become a permanent feature – explaining the mild grin on the faces of experienced meditation practitioners.

Practical exercises

Eriksson (2017) states that "sometimes you need to sit lonely on the floor in a quiet room in order to hear your own voice and not let it drown in the noise of others."

There are numerous mindful awareness practices, but we would just like to mention a few key ones here:

Breathing awareness meditation

In mindful awareness, the breath is used as the anchor. Whatever is going on we always bring our awareness back to the breath. So, it is important to do a breathing awareness meditation practice for at least ten minutes each day. This will train us how to use the breath to bring ourselves back to the present moment.

We find a quiet place, sit down comfortable and lightly close our eyes. We then place our awareness on the breath. Just watching the breath enter and leave our body. Thoughts will come and distract us, this is totally natural. We do not engage the thought, but simply return our awareness back to the breath. After some time, our thoughts disturb us less and we are able to focus our attention on the breath for longer.

For this to be affective we have to do this practice regularly. The length of time is not the important thing here. For the

practice to give us the most benefit, it must be done at least once every day.

5-6-7 breath

The above practice is called a formal mindfulness practice, whereas this practice can be done whenever you are feeling stress, anxious, overwhelmed and so on. All you need to do is gently close your eyes and focus your awareness on your breath. As you breathe in through your nose you count to five. This will bring in a good amount of fresh air to your lungs. You then hold the breath to the count of six. This will allow the fresh air to move around your body and it will calm you down. Finally, you breathe out through your mouth to the count of seven. This ensures you exhale all the dirty air in your system.

If you do three of these breathes, you will start to calm down and it will help to change your perspective.

S.T.O.P

This practice is good for bringing you back to the present moment. If you are feeling trapped by strong emotions or feeling burnt-out and overwhelmed, you will not be able to make an informed decision. So, this practice will bring you back into the moment, calm you down and help you find a way through whatever is causing you to have strong destructive emotions.

What should you do when you are feeling overwhelmed, anxious, stressed, fearful, burnt-out, angry?

S.T.O.P

Stop what you are doing for a moment, find a quiet place and sit or lay down.

Take three deep calming breaths. Focus your awareness on your breath and breathe in slowly and deeply through your nose. Hold the breath and then push all the air out through your mouth.

Observe your triangle of awareness (thoughts, emotions and body sensations). Don't judge them, just become aware of them.

Proceed with what you were doing, but this time do it with a mindful perspective and a mind that is open, clear, relaxed and focused.

Reflection

"We do not learn from an experience. We learn from reflecting on an experience." (Goodreads, 2017)

If we are going to learn from our experiences and mistakes, we need to 'stop and think.' If we do not, we will just get thrown from one experience to another, without learning anything. So, reflection is an important component in mindful awareness.

It gives us time to take stock of our experiences, in a kind and non-judgemental way.

Reflection practice can be done throughout the day or at the end of the day before you to go sleep. It will not only help you learn from that day's experiences, it will also put the day to rest and help you have a good night's sleep.

You sit somewhere quiet and look back over the day. Look at the things that worked out well for you. This will help reinforce this behaviour. Then, look at the things that did not work out quite as you had planned. Ask yourself these questions, 'Why did I act the way I did?' 'How could I have acted in a more beneficial way?' Imagine the consequences if you had acted in a more beneficial way. This will help plant the seed for the next time this situation arises, so you will act more beneficially next time.

Mindful meetings

The workforce spends a lot of time in meetings these days, it is estimated that there are around 25 million meetings each day in America, so it is important the meeting is run mindfully.

Here are some tips on how to run a mindful meeting (RoundGlass, 2017):

1. The person who calls the meeting should arrive first and welcome all participants as they arrive.

2. All meetings should start with a breathing awareness exercise, such as watching the breath entering and leaving the body or watching your stomach rise and fall as you breathe. This should continue for approximately 2 minutes.
3. During the meeting, everyone should be given the chance to talk and be listened to.
4. Mindful communication: When people are talking, they should not be interrupted and should be allowed to finish what they are saying before anyone else talks. This will help build empathy between the participants. When the participants speak they should be encouraged to use helpful, supportive, caring and kind words only. It is acceptable to disagree with others, but it should be done in a way that builds trust and teamwork. A meeting is not the place for back biting, show boating or a place where people's egos are allowed to run free.
5. The person who called the meeting should gently steer the participants through the agenda. Ensuring there is no waffling or time wasting. Only points on the agenda should be discussed. The meeting should not be allowed to overrun.
6. If a good point is raised, which is not on the agenda, it should put in a 'Green Field' for another meeting. This means it will be noted down and added to a future agenda. It is extremely important that these points are followed up and not just left in the 'Green Field.'
7. Every meeting should end with a three-minute reflection time. This is where participants gently close their eyes and reflect on the key points of the meeting. This allows those points to move from short term memory to long term memory. There should be no further discussion after the reflection period. If people think of other things, they should be added to a future agenda.
8. The person running the meeting should allow all the participants to leave first. They should individually thank the participants for coming as they leave the meeting.

A mindful meeting is a happy and productive meeting.

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Tatsuya Kasai
Tatsuya Kasai is the Executive Officer of Felissimo Corporation. He joined Felissimo in 1999 and since then he has led a few new initiatives, including the launching of a new fashion brand "NUSY" (2001), a new project "Love and Peace" (2001), a new product catalogue "haco" (2004), and a product showroom "haco EXPRESSROOM" in Harajuku, Tokyo (2008). Further, he worked for the renewal of "haco" from catalogue-based to e-commerce since 2015 as General Manager of "haco". He is Director of LOCCO Corporation from 2016, Representative Director of a consulting and branding company "cd." and the PBPCOTTON Foundation from 2017. He obtained BA in Economics at the Osaka University in 1999.

Victor Karunan
Victor Karunan has worked 16 years with UNICEF, as Regional Advisor on Participation and Partnerships at UNICEF Regional Office in Bangkok, Chief of Adolescent Development and Participation in UNICEF Headquarters in New York and as Deputy Representative and Senior Social Policy Specialist in UNICEF Malaysia. He was the Regional Development Advisor for Save the Children - UK at the Regional Office for Southeast Asia and the Pacific in Bangkok. He holds a M.A. in Sociology from Jawaharlal Nehru University in New Delhi and a Ph.D. in the Social Sciences from the University of Nijmegen in the Netherlands. Currently he is Senior Visiting Professor in the M.A. and PhD programmes in International Development Studies (MAIDS) at Chulalongkorn University; Human Rights, Democratization and Peace Studies at Mahidol University and Social Policy and Development at Thammasat University in Bangkok.

Waliul Mutasim Matin
Waliul Mutasim Matin has about 14 years of experience in the areas Social and Market Research. He started his professional career as a Research Executive at Square Pharmaceuticals Limited, the leading pharmaceuticals company of Bangladesh. After that, he worked for Social Marketing Company (SMC) as Senior Research Analyst. Currently he is working for Robi Axiata Limited – 2nd largest telecom operator of Bangladesh as Head of Research & Insights of Market Strategy and Planning Department.

Wallapa van Willenswaard
Wallapa van Willenswaard is a social entrepreneur and mentor. She graduated from the Faculty of Arts, Chulalongkorn University and initially pursued a career in business, leading to a successful self-owned exhibition and trade fair organizing company. She changed her career path and became a pioneering Director of the Spirit in Education Movement (SEM). In 2001, she co-founded with her Dutch husband Suan Nguen Mee Ma social enterprise, based in Bangkok. It grew from a

publishing house into Thai Green Market Network, and international partnerships *Towards Organic Asia* (TOA), the *Mindful Markets Asia Forum* and the Mindful Markets social enterprise course. In 2017, Wallapa retired as Managing Director of the social enterprise and started Innovation Network International (INI) company – *initiative for creative space* – and, together with colleagues, the Sustainable Food Lab Thailand. She is a member of the Thai Government Committee designing social enterprise legislation.

Witoon Lianchamroon
Witoon Lianchamroon graduated in Agronomy at Kasetsart University, Bangkok. He is the Founder and Executive Director of Bio Thai Foundation, a leading Thai NGO. He is Food Security Program manager, Thai Health Promotion Foundation and a Member of the Sustainable Agriculture Development Committee, Office of the National Economic and Social Development Board (NESDB), Government of Thailand.

Yoshiaki Takahashi
Yoshiaki Takahashi is the Senior Research Fellow, Institute for International Policy Studies. He introduced happiness studies into the government work in Japan. He wrote the White Paper on National Lifestyle in 2008 when he was the Director for Research, Department of Quality of Life, and Cabinet Office. From 2009 to 2011, he was the head of happiness studies unit in the Cabinet Office and contributed to develop Japan's National Wellbeing Indicators. He was also one of advisory member when the OECD developed the guidelines for measuring subjective wellbeing. He was the head of Japanese advisory team for GNH 2015 survey conducted by Centre for Bhutan Studies and GNH.

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Young-Chool Choi is Professor of Public Administration at Chungbuk National University, Korea. He obtained a PhD from the University of Newcastle upon Tyne, UK. He worked as Senior Policy Analyst at the Northern Development Agency, a

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