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GNH, EI and the well-being of Nations: Lessons for public policy makers, with specific reference to the happiness dividend of tourism

Dr Shaun Vorster*

1 Introduction

1.1 Background

Happiness is one of 15 emotional intelligence (EI) competencies identified by Hughes, Patterson and Terrell (2005:18–19; also see Seligman, 2002; Bar-On, 1997; Bar-On, 2000). Contemporary EI literature largely focuses on the intrapersonal and interpersonal levels of EI, and their interconnections and interdependencies with the organizational/firm levels. Much emphasis is placed on the relationship between EI in the workplace (for example employee satisfaction/happiness) and organizational performance (for example company culture, return on equity, and efficiency) (Hughes et al., 2005; Goleman, 2000; Rajagopalan, 2009; Amy, 2007; Prins, 2006; Jackson-Palmer, 2010; Zeidner, Matthews & Roberts, 2004).

The individual-organizational level of analysis, though important, ignores the national and/or global level of analysis (exceptions include Donnelly, 2004; The Dalai Lama & Cutler, 1998; Pankaj & Dorji, 2008). In this essay, it is argued that Buddhist economics and literature on gross national happiness (GNH) can inform our understanding of the relationship between happiness at individual and societal levels.

1.2 Research objectives and potential contribution of the study

This paper has two objectives: firstly, to conceptually explore the theoretical underpinnings of GNH and how it relates to societal EI and, secondly, to evaluate within this theoretical context the happiness dividend of the tourism economy, with specific reference to ethics, the labour market and environmental sustainability. As such, the paper

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responds to a question posed by Goleman (2008): “Can there be an emotionally intelligent society?”

From a public-sector leadership and management vantage point, the paper draws conclusions on the measurement of societal well-being/happiness, and generates policy recommendations to optimize happiness – in aggregate and at individual levels – in the tourism sector.

1.3 Main argument

This study is informed by emerging thinking on the more inclusive measurement of societal well-being by applying Buddhist economics (Tideman, 2001), the experiment of operationalizing GNH in the Kingdom of Bhutan (Tideman, 2004; Veenhoven, 2001; Bates, 2009; Miller, 2010; Donnelly, 2004), as well as a 2009 report on GNH by Nobel laureate economist Prof Joseph Stiglitz (Stiglitz, Sen & Fitoussi, 2009).

Traditional economic metrics, such as gross domestic product (GDP) and jobs created, by and large ignore the higher-level dimensions of societal needs (for example the need for leisure time, the quality of employment/decent work, and the intrinsic value of the natural environment to humans). Consequently, in national statistical accounts and government policy reviews, the full “hierarchy of society’s needs” (Maslow, 1970) is often poorly reflected. Though conventional economic metrics have their place, they provide only a partial view of the broader societal balance sheet that should be informing our assessment of happiness. GNH, on the other hand, encapsulates non-quantifiable values and social connections at the individual, national and global levels. The concept is broader than the materialistic economic paradigm, which reduces individuals to rational economic-value maximizers.

Against this background, and with a specific focus on tourism, important recommendations are made for the journey towards developing and assessing the emotional and social intelligence of nations, or self-actualization at societal level.
1.4 Points of departure and definitions

This essay is based on a normative assumption, namely that happiness is a desirable societal goal. In the literature, happiness is variably described as a “competency” and “an indicator of all of our emotional intelligence” (Hughes et al., 2005:111), an “enduring state of mind” (Veenhoven, 2001:10), a “state of well-being and contentment” (Bracho, 2004) and an “intangible emotion” or “subjective experience of positive affect” (Donnelly, 2004:348).

Most definitions of happiness share the idea that happiness is not an end destination, but a journey that surpasses that which is quantitatively measurable. Happiness is often used interchangeably with ‘satisfaction’ or ‘contentment.’ Bracho (2004:430) argues that contentment, i.e. “a feeling of inner joy of satisfaction,” is the “defining characteristic of happiness.” At societal level, ‘subjective well-being’ is often used interchangeably with happiness (Inglehart, Foa, Peterson & Welzel, 2008:264; Powdthavee, 2009). Well-being encapsulates “a more external dimension,” while contentment relates to “a more internal one” (Bracho, 2004:430). In short, “happiness can be described as the sum of satisfaction with the life domains,” where satisfaction is a factor of individual as well as broader societal values (Donnelly, 2004:349).

Because it is influenced by objective materialistic and subjective social, physical and psychological motivations, it is clear that our assessment of happiness should involve both quantitative and qualitative indicators.

1.5 Structure of the paper

This introduction is followed by a substantive discussion, which is structured into three sections. Section 2 tracks the history and evolution of the concept and measurement of GNH. Section 3 applies these theoretical perspectives to the tourism policy domain. Finally, in Section 4, conclusions are drawn and recommendations for public policy made.
2  ‘Gross National Happiness’ and Emotional Intelligence
2.1  Moving beyond GDP metrics

Various authors have suggested moving beyond GDP metrics in assessing societal well-being, also considering social, psychological, developmental and environmental goals (see for example Stiglitz et al., 2009; Veenhoven, 2001; Porritt, 2005; Layard, 2006; Frey & Stutzer, 2005). It is argued that, in their search for a meaningful life, people increasingly long for a “better balance between the material and non-material sides of their lives” (Porritt, 2005:50). In this regard, Stiglitz and colleagues (2009) remind public policy makers: “What we measure affects what we do; and if our measurements are flawed, decisions may be distorted.”

Various institutions have consequently integrated social and human development with measurement tools, “not least the United Nations Development Programme’s (UNDP) Human Development Index (HDI) (UNDP, 2010) and the Canadian Index of Well-being (Canadian Index of Wellbeing, 2011)” (Vorster, 2012). As far back as 1776, in its Declaration of Independence, the USA included “the pursuit of Happiness” as an inalienable right, along with “Life” and “Liberty” (United States of America, 1776). In Bhutan, the notion dates back to a 1729 legal code that required legislation to promote happiness (Bates, 2009).

Two recent initiatives have provided new momentum to the pursuit of measuring societal happiness, namely: (i) the operationalization of a political commitment to GNH in the Kingdom of Bhutan, and (ii) the commissioning of a report on the measurement of human well-being by French President Nicolas Sarkozy.

2.2  Linking GNH and societal EI in the Kingdom of Bhutan

GNH has found very concrete expression in the Kingdom of Bhutan, where it is a political vision, a government objective and a constitutional imperative, and has been operationalized through measurement (Bates, 2009). The GNH index of Bhutan strongly reflects the spirit of Buddhist economics, or “humanized economics” (Tideman, 2001; 2004). Pankaj and
Dorji (2004:377) elaborate on this: “GNH is the overall guiding principle for the development of Bhutanese society and the economy. GNH is essentially a summarization of the basic tenets of Vajrayana Buddhism, which embraces harmony and compassion.” In the Buddhist paradigm, “happiness is not simply sensory pleasure,” but “an innate state of mind” (Tideman, 2004), which strongly distinguishes it from Western rational economic models built on individual utility maximization.

Bhutan’s GNH index does not measure aggregate societal happiness alone, because that would once again ‘aggregate’ individual happiness without consideration for the ‘distribution’ of happiness. Rather, the index assumes that there is a threshold for individual happiness that makes it worth quantifying, and therefore has a bottom-up structure, reflecting the subjective assessments of well-being by the citizenry (Bates, 2009:11).

Bates (2009:11) identifies nine dimensions of Bhutan’s GNH index, namely “psychological wellbeing, time use (whether respondents feel that they have sufficient time for various non-work activities), community vitality (strengths and weaknesses of relationships and interactions within communities), culture (diversity and resilience of cultural traditions), health, education, environment (perceptions and ecological knowledge), living standards, and governance (perceptions of equity, honesty, and quality).” Ura (2008) stresses that the measured dimensions “were selected on normative grounds, and are equally weighted, because each dimension is considered to be relatively equal in terms of equal intrinsic importance as a component of gross national happiness.” The point of departure is that development should be pursued in a way that creates equilibrium between these dimensions (Pankaj & Dorji, 2004:378).

The strong overlap between these GNH indicators and those employed in the range of EI assessment models (for example Hughes et al., 2005, and Bar-On & Parker, 2000) needs little elaboration. In Bhutan, happiness is, in the words of Bracho (2004:431), “the defining yardstick of human
realization.” The GNH indicators are all about the journey towards self-actualization and emotional intelligence at a national societal level.

In this respect, Porritt (2005:53, 324) relates societal well-being/happiness to Maslow’s hierarchy of needs and to sustainable development, where the latter includes “interdependence, empathy, equity, personal responsibility and intergenerational justice.” Layard (2005) adds that societies with the highest GDP are not necessarily the ‘happiest’ societies, and that happiness ultimately depends on external and intrinsic values. Donnelly (2004:349), in turn, stresses the correlation between happiness and “Quality of Life” indicators such as social capital, while Ura (2008) brings ethics into the equation.

2.3 Measuring GNH: Towards a more inclusive balance sheet of societal well-being

In the report by the Commission on the Measurement of Economic Performance and Social Progress (the ‘Stiglitz report’), it is argued that narrow GDP metrics should be supplemented by quality-of-life and sustainability indicators (Stiglitz et al., 2009:8). The argument is that “GDP is an inadequate metric to gauge well-being over time, particularly in its economic, environmental and social dimensions” and, whereas “[c]urrent well-being has to do with both economic resources, such as income, and non-economic aspects of people’s life,” they argue that future happiness “depends on whether stocks of capital that matter for our lives (natural, physical, human, social) are passed on to future generations” (Stiglitz et al., 2009:11). Porritt (2005:53) similarly argues that it is the quality of GDP that is important, and that an “increase in levels of consumption” does not automatically translate into an “increase in wellbeing.”

Stiglitz and colleagues (2009) consequently identify eight dimensions of well-being that could be measured, namely “material living standards; health; education; personal activities, including work; political voice and governance; social connections and relationships; environment (present and future conditions), (and) insecurity, of an economic as well as a
physical nature.”

Clearly, in so far as we do consider material economic well-being, it is not only the quantity of economic growth that is important, but also the quality of economic progress (for example social inclusion, community life, leisure time and human social capital). That is why Porritt (2005:319) argues that, if happiness is the ultimate objective, “we will need to be monitoring people’s wellbeing and happiness just as closely as we measure income and gross domestic product.” In the same vein, Veenhoven (2001:5) stresses people’s interaction with the natural environment as a key to happiness. Burns (2008:127) also underscores the “positive links between nature and human well-being” because of “the benefits of nature for our physical, psychological, social and spiritual well-being.”

In respect of the social and psychological EI dimension, Stiglitz stresses that happiness has objective and subjective dimensions, and that “the full range of factors that make life worth living” go beyond the objective and material, and extend to factors “that are not traded in markets and not captured by monetary measures” (Stiglitz et al., 2009:58). Therefore, “cognitive evaluations of one’s life, happiness [and] satisfaction,” in other words “resources with imputable prices, even if individuals do make trade-offs among them,” are important (Stiglitz et al., 2009:16, 144).

The Stiglitz report also extends the GNH analysis to the intrinsic value of tourism and leisure, arguing that hedonistic experiences are a legitimate, yet incomplete, proxy for ‘happiness in life.’ The imperative of leisure ties in with the requirement of ‘time,’ of which both the quantity and quality are important. In the words of Stiglitz and colleagues (2009:131-132): “[I]t is reasonable to expect that people will enjoy some of the fruits of that progress in the form of leisure.” Seligman (2002), on the other hand, stresses that happiness is about more than hedonistic experiences. He argues that a self-centred “pleasant life” is an important dimension of happiness, but a “meaningful life” of purposeful sharing and generosity has even greater value.
In addition, Stiglitz and colleagues (2009) extend the argument to the employment domain, pointing out that both the quantity and quality of employment matter. Of course, people’s subjective experience of happiness is related to being employed, and unemployment undermines quality of life (Stiglitz et al., 2009:44). Therefore, we cannot discount the objective measures. Yet, subjective measures such as decent conditions of employment, fair remuneration, equality in the workplace, non-discrimination and the like are equally strong imperatives (Powdthavee, 2009).

3 Evaluating Tourism’s Happiness Dividend

3.1 Introduction

Based on the foregoing analysis and its normative assumptions, it is evident that the societal balance sheet to evaluate tourism should extend beyond conventional GDP metrics. At face value, based on conventional metrics, tourism is a force for the good (see discussion below). However, it is important also to consider tourism’s contribution (or lack thereof) to subjective human happiness, including decent work and the sustainability of the earth’s resource base, where the latter represents the upstream reservoir for future (or intergenerational) happiness.

3.2 Conventional metrics

In 2011, tourism was responsible for one in every 12, or some 260 million, employment opportunities globally (WTTC, 2011:1–6). The sector’s contribution to global GDP is likely to increase from the current 9.1 per cent ($6 trillion) to 9.6 per cent ($9.2 trillion) over the next decade (WTTC, 2011:5). For many small islands and developing-country tourist destinations, these numbers are much more dramatic. However, impressive as these figures may be, they provide only a partial view of tourism’s happiness dividend.

3.3 Beyond conventional metrics

The umbilical cord between tourism and happiness extends far beyond
GDP and employment creation. Tourism “goes to the core of the aspirations of people world-wide and over many generations” (Vorster, 2012). Tourists consume ‘experiences’ – which holds great intrinsic value. As explained by Lipman and Vorster (2011): “Travel and tourism is at the heart of trade and leisure, which are arguably two of mankind’s most fundamental vehicles to create well-being and happiness. Travel and tourism is the primary vehicle for delivery of leisure, and an important driver of inclusive and shared economic growth and social development.”

The United Nations World Tourism Organization’s (UNWTO) Global Code of Ethics for Tourism (UNWTO, 1999:4) also underscores tourism’s contribution to various dimensions of societal EI: “Tourism, the activity most frequently associated with rest and relaxation, sport and access to culture and nature, should be planned and practiced as a privileged means of individual and collective fulfillment; when practiced with a sufficiently open mind, it is an irreplaceable factor of self-education, mutual tolerance and learning.”

Tourism has a unique ability to facilitate people-to-people connections. It brings people and cultures together, removes prejudices and stereotypes that feed conflict, and promotes social cohesion, peace and harmony. In short, tourism gives globalization a human face, and mitigates societal fragmentation.

3.4 Ethics, decent work and environmental sustainability: Keys to optimizing tourism’s happiness dividend

Nevertheless, there is also a dark side to tourism, or a liability on the metaphorical balance sheet. To shift the balance to the positive side of the happiness scale requires a commitment to ethics, decent work and environmental sustainability.

The ethical requirements are best expressed in the UNWTO Global Code of Ethics (1999:4): “The understanding and promotion of the ethical values common to humanity, with an attitude of tolerance and respect for
the diversity of religious, philosophical and moral beliefs, are both the foundations and consequences of responsible tourism; stakeholders in tourism development and tourists themselves should observe the social and cultural traditions and practices of all peoples, including those of minorities and indigenous peoples and to recognize their worth.”

Tourism is a labour-intensive sector with a supply chain that cascades deep into national economies and communities. That said, although the quantity of jobs is important, the quality of jobs cannot be ignored. The decent-work agenda is particularly challenged due to the seasonal nature of the tourism and hospitality industry. The increasing casualization of labour reduces job security, and often leads to exploitation (ILO, 2011). Here, it is consequently argued that governments cannot simply leave conditions of employment up to the market alone. Ensuring decent work requires public-sector policy and regulatory intervention (ILO, 2011).

Tourism also holds huge potential “as vehicle for promoting gender equality and women’s empowerment at the household, community, national and global level” (UNWTO & UN Woman, 2011:i). Women constitute nearly 50 per cent of the tourism labour force (UNED-UK, 2002). This creates invaluable opportunities for income generation, the building of self-esteem, new skills and social connections, and a greater role for women in decision making in local communities (Machel, 2011).

However, a recent report by the UNWTO and UN Woman (2011) found huge inequalities in conditions of work, vertical and horizontal gender segregation, limited career progression opportunities, and the underrepresentation of women in management and ownership. The UN survey found that “women in tourism are typically earning 10% to 15% less than their male counterparts” (UNWTO & UN Woman, 2011:ii). Other challenges include the “sexual objectification of women,” the sexual exploitation of women and children, and the exploitation of unpaid family workers in family-run tourism businesses (UNED-UK, 2002; Equations, 2007). In this regard, it is argued that governments should ultimately accept responsibility for adopting policies and
measures to mitigate these challenges, which undermine tourism’s happiness dividend.

Finally, in terms of environmental sustainability, we must recognise that the quality of the environment is a key enabler of happiness. Tourism contributes significantly to carbon emissions and, thus, climate change, but also to “water consumption, discharge of untreated water, waste generation, damage to local terrestrial and marine biodiversity, and threats to the survival of local cultures and traditions” (UNEP, 2011:11). To advance intergenerational happiness, it is imperative to decarbonize the tourism economy; prevent unsustainable ecosystem exploitation; conserve biodiversity; optimize the use of resources, including scarce water resources, and reduce tourism’s waste footprint (Lipman & Vorster, 2011).

Overall, individuals, communities, the private sector and governments need to partner in order to optimize tourism’s happiness dividend. Governments can regulate; ultimately, however, we need people and organizations to change. They should do so not for the sake of compliance alone, but because they want to become leaders in an ethically, socially and environmentally responsible tourism economy that creates decent jobs as a vehicle for individual and societal self-actualization.

4 Conclusion and Recommendations

Based on the perspectives presented by contemporary economic and developmental literature on the more inclusive measurement of societal well-being and GNH, this essay explored the national and global dimensions of ‘happiness’, and how they connect with individual happiness, inter alia in the tourism policy domain.

Happiness is one dimension of the ‘emotional intelligence of societies’. On the one hand, individual happiness depends on societal values, leisure time, people-to-people contact, the provision of decent work, and the natural environment. On the other hand, happiness also ascends from
individuals to families, organizations and communities, up to the national and global levels. Seeing society as a collection of individuals creates a bottom-up connection between individual and societal happiness; yet, broader societal forces also have a top-down impact on individual happiness. Though tempting, it would thus be a mistake simply to aggregate happiness in our measurement at the national level, without understanding how individual happiness feeds into it at a subjective level.

Given this observation, and assuming the desirability of moving beyond narrow GDP metrics to assess individual and societal satisfaction and well-being, any global level of measurement should include bottom-up self-assessment by the citizenry, as is the case in Bhutan. Furthermore, while noting the strong relationship between the “dispersion of happiness” and “social equality” (Veenhoven, 2001:15), the distribution of happiness and aggregate happiness should receive equal attention.

From a planning perspective, like any good journey, the GNH journey needs a roadmap, and requires pit stops to take stock and refuel. That is where the policy interface comes into play. Governments should consciously and systematically assess progress along the GNH journey, and develop quantitative and qualitative indicators to do so, not least to ensure more appropriate policy outcomes. One such policy domain is tourism.

On balance, tourism has the “capacity to add a happiness coefficient to its paramount economic contribution” (Vorster et al., 2011). The tourism industry is a vehicle for fostering better understanding through people-to-people contact; for empowering young people and women, affording them an income, better self-esteem and a voice in decision making. By the very nature of the leisure experience, tourism replenishes the spirit. However, there is also a dark side to tourism that undermines happiness, for example the exploitation and underrepresentation of women, job insecurity due to seasonality, indecent work conditions, and threats to environmental sustainability, which has present happiness value, but is
important for intergenerational happiness as well.

Fortunately, this dark side of tourism is manageable. While recognizing and advancing the economic benefits of tourism, we must ensure social inclusion, equitable growth, decent work conditions, environmental sustainability, ethical conduct, and respect for local cultures. Governments have to address these potential market failures by using the range of policy instruments at their disposal, including awareness-raising and information-based approaches, by integrating happiness indicators with national planning frameworks, both through fiscal incentives and by means of policy and regulation. In the process, governments need to forge partnerships with stakeholders who stand ready to advance tourism’s contribution to human self-fulfillment and happiness as well as to the sustainability of the earth’s resource base.
References


at the Government of Monaco’s Blue Oceans Rio+20 workshop, Monaco, 29 November. [Online] Available: 


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<tr>
<td>EI</td>
<td>emotional intelligence</td>
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<td>GDP</td>
<td>gross domestic product</td>
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<td>GNH</td>
<td>gross national happiness</td>
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<td>HDI</td>
<td>Human Development Index</td>
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<td>ILO</td>
<td>International Labour Organization</td>
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<td>UN</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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<td>UNED-UK</td>
<td>United Nations Environment and Development UK Committee</td>
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<td>WTTC</td>
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