

## **GNH Certification**

So far, GNH has not spread to the Bhutanese business sector as much as in bureaucracy. Business sector continues to operate on a conventional business principle of maximizing profit, and it is yet to experiment with integrating GNH values into its business goal and operations.

GNH Certification is as an approach for a business to create goods and services using environment friendly procedures in a happy work environment while consciously contributing to community in which it is embedded. It will require business to embrace social benefit in addition to conventional bottom line. Social benefit here refers to enhancing social wellbeing through business operations, outputs, and outcomes that have favourable impact on communities. Favourable impacts may be diverse, ranging from improving local economy to preserving local heritage to caring for environment. Integrating GNH will require businesses to measure its success by its social benefits.

There has been growing interests in developing assessment tools amongst business communities, governments and non-governmental organizations. These tools vary significantly from one another in their objectives, measurements, and applications that there is no standard that resonates GNH values. These tools include internationally recognized

frameworks developed by the United Nations called the UN Compact Assessment and Principles for Responsible Investment (PRI), which highlights ways of conceptualizing good practices. Built on the cost-benefit analysis logic, the Social Return on Investment (SROI) is designed to influence decision-making focused on reducing environmental impacts and increasing the social benefits (Banke-Thomas, Madaj, Charles, & van den Broek, 2015). The UN has also developed a comprehensive guide for social impact assessment (United Nations Public Administration Network [UNPAN], 2006). There are social accounting tools such as the sustainable reporting tool launched by Global Reporting Initiative (GRI) (GRI, 2015). In 2009, the Global Impact Investing Network (GIIN) also developed tools to assess social, environmental, and financial aspects of business establishments. Product Social Impact Assessment (PSIA) is another measure that evaluates the social impact of a product through stakeholder consultations (Fontes, 2016). Environmental Performance Reporting System (EPRS) was developed by the Environmental Capital Group to evaluate business's environmental investment programmes (Oslen & Galimidi, 2008). The B Lab, a non-profit organisation, administers the B Corporations (B Corps) certification for businesses that have met the standards of social and environmental performance, accountability and transparency (B Lab, n.d.). The B Corps has certified nearly 2000 businesses so far. Although, none of the existing framework is adequate to capture the GNH view of a

socially responsible behaviour in business, lessons have been learned from these works in designing framework, developing indicators, collecting data, and designing assessment methodology.

There is no unified social standard for GNH practice in business in Bhutan. The national standards on CSR has been developed but there may be only a few companies that carry out CSR activities in Bhutan, with little evidence on a formal procedure and CSR reporting on a regular basis. Druk Holding and Investments (DHI), the investment branch of the Government of Bhutan, has developed a standard company guideline for CSR, but the guidelines do not provide concrete measures to integrate GNH values.

Like in most countries, large registered companies in Bhutan commonly use international standards such as those offered by International Standard Organization. Established in 2010 following the introduction of Bhutan Standards Act, Bhutan Standards Bureau (BSB) is an autonomous agency that coordinates and oversees all standardization and related activities in Bhutan. BSB liaises with ISO to certify and accredit products in the country. Likewise, the Brand Bhutan Project under the Department of Trade of the Ministry of Economic Affairs attempts to create one unified brand to amplify the GNH ethos, and to capture sociocultural spirit in goods and services exported. Brand Bhutan aims to

communicate the competitive differences it offers to the world, particularly for sectors such as handicrafts, organic farming and clean energy. These initiatives also fall short in proposing a concrete GNH measure. Therefore, there is a need for a systematic approach of realizing GNH in business.

The GNH assessment tool for business seeks to go beyond the compliance to CSR or CSR initiatives to monitor and evaluate business operations using GNH indicators. It will increase transparency and accountability in business by disclosing social, environmental and other impacts, and help in monitoring and holding business accountable should they breach certain standards. The tool will meet stakeholder's growing expectation to generate positive impact for the society and eventually ensure business sustainability. Lastly, the assessment will promote business image and foster customer loyalty.

The assessment tool has the following characteristics: simplicity, multi-dimensionality, data-driven, systematic and standardization. Simplicity will ensure an easy understanding, and enable prompt completion. The framework attempts to address all nine dimensions of GNH, supported by qualitative and quantitative data. The semi-structured questionnaire provides scope for generating both close and open-ended responses. The study protocol encourages holistic accountability by surveying both worker and managers.

Administrative data is also referred from analysis and inferences. The assessment procedure involves a six-step method, starting from screening to data collection to analysis and scoring. The detailed guidance will empower firms to self-administer the tool. The tool will also promotes standardization in measurement and reporting as most indicators are applicable across companies of different nature.